

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

**[✓] Recertification**

Name of Management Organisation : **Langga Payung POM, PT Tapan Nadenggan subsidiary of Golden Agri Resources Ltd.**

Plantation Name : PT Tapan Nadenggan : Langga Payung Estate and Paya Baung Estate  
PT Satya Kisma Usaha : Normark Estate

Location : Huta Baru Nangka Village, Sub District of Halongonan, District of Padang Lawas Utara, Sumatera Utara Province, Indonesia

Certificate Code : **MUTU-RSPO/152**

Date of Initial Registration : 17 September 2012

Date of Certificate Issue : 24 August 2022      Date of License Issue : 17 September 2022

Date of Certificate Expiry : 16 September 2027      Date of License Expiry : 16 September 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC-2	28 June to 1 July and 6 July 2022	Briyogi Shadiwa (Lead Auditor), Hasiholan Sihombing, Erika Lucitawati, and Harry Wahyudi	Harso Yuli Antena	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC-2	24 August 2022

### TABLE OF CONTENT

#### FIGURE

Figure 1. Location Map of PT Tapan Nadenggan	1
Figure 2. Operational Map of Langga Payung Estate	2
Figure 3. Operational Map of Payabaung Estate	3
Figure 4. Operational Map of Normark Estate	4
Abbreviations Used	5

### 1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	7
1.2 Organization Information	7
1.3 Type of Assessment	7
1.4 Location of Mill and Plantations	7
1.5 Description of Area Statement	8
1.6 Planting Year and Cycle	8
1.7 Description of Mill and Supply Base	9
1.8 Estimate Tonnage of Certified Product	9
1.9 Other Certifications	9
1.10 Time-Bound Plan	10

### 2.0 ASSESSMENT PROCESS

2.1 Assessment Team	20
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	20
2.3 Stakeholder Consultation and Stakeholders Contacted	24
2.4 Determining Next Assessment	24

### 3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	25
3.2 Conformity Checklist of Certificate and Logo Use	87
3.3 Summary of RSPO Partial Certification	88
3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	109
3.5 Summary of Arising Issues from Public and Auditor Verification	112

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

4.1 Formal Signing of Assessment Findings	117
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#### APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	118
2. Assessment Program	120

Figure 1. Location Map of PT Tapan Nadenggan

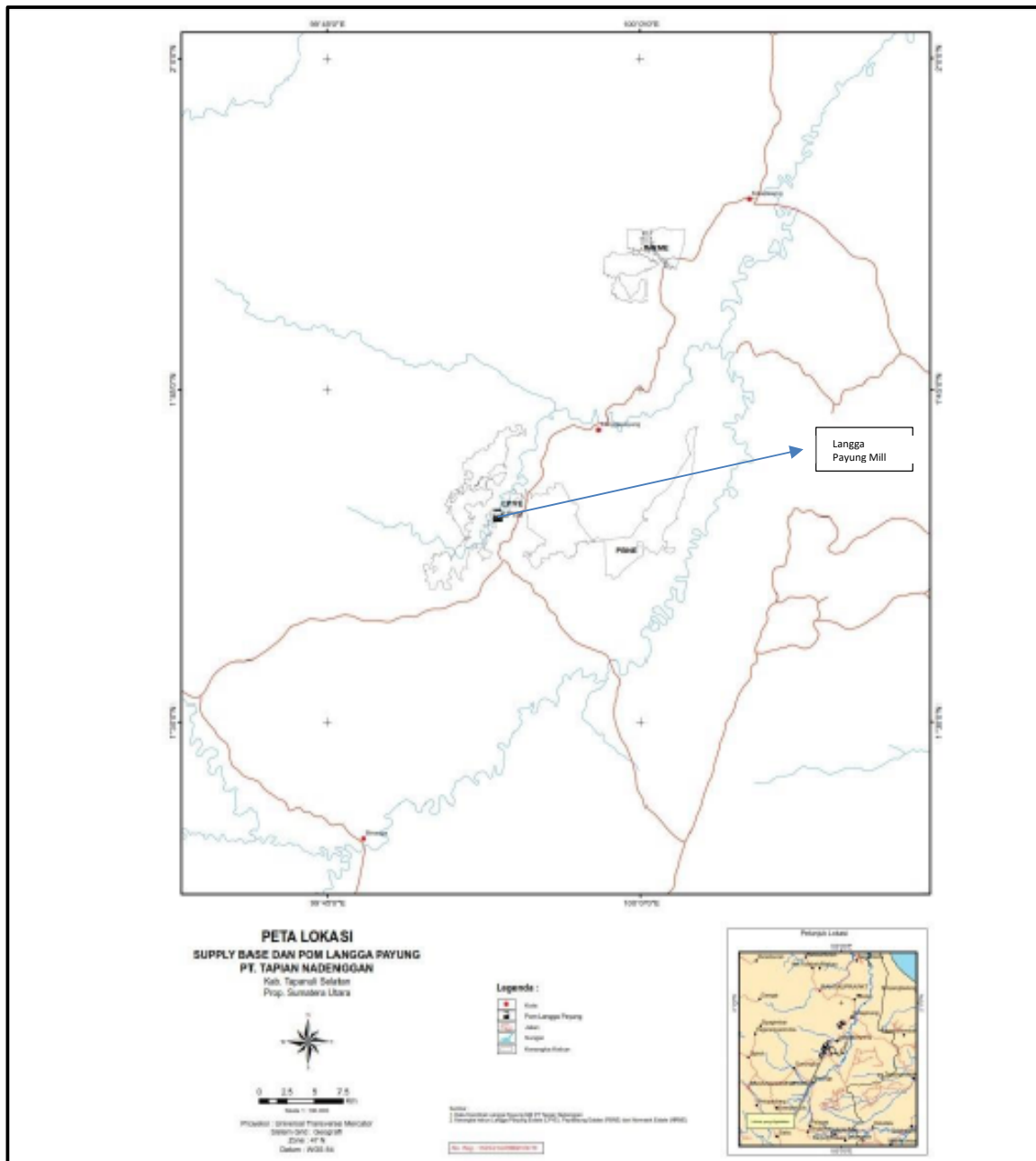


Figure 2. Location Map of Langga Payung Estate PT Tapan Nadenggan

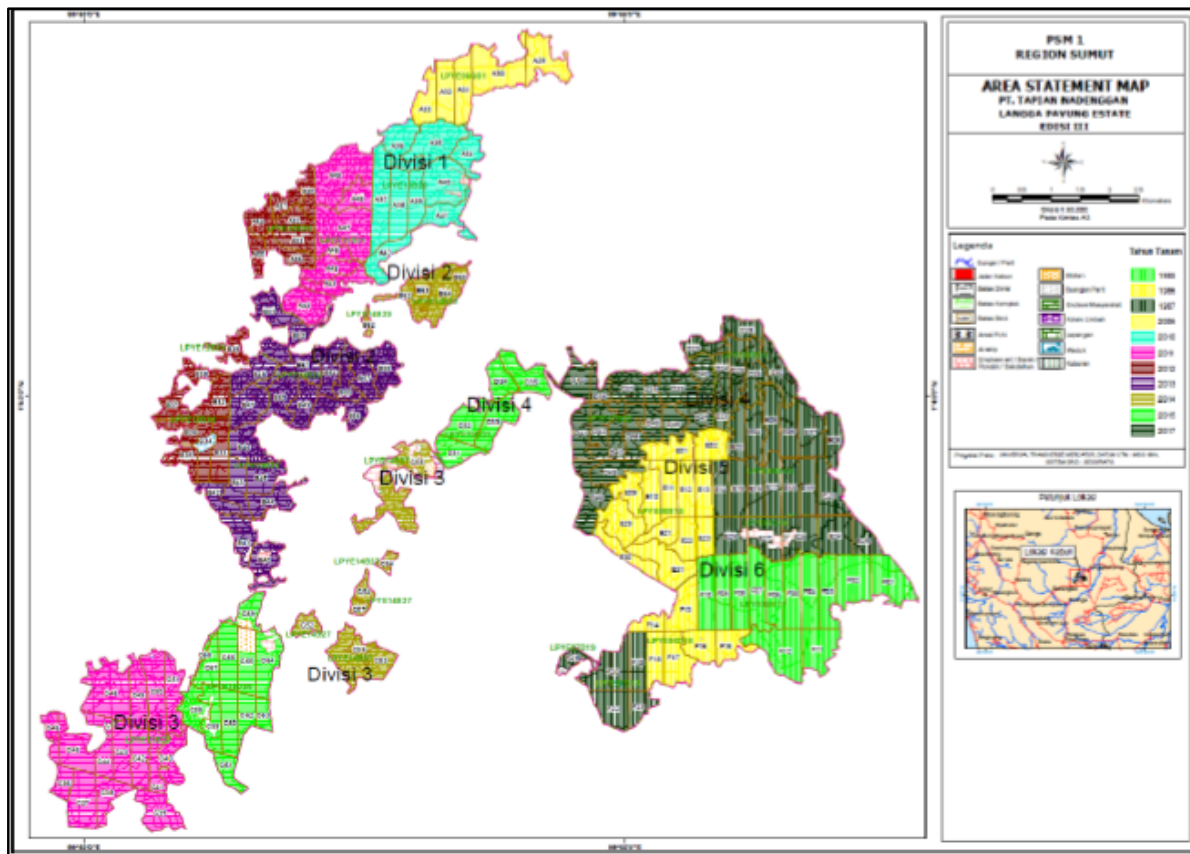
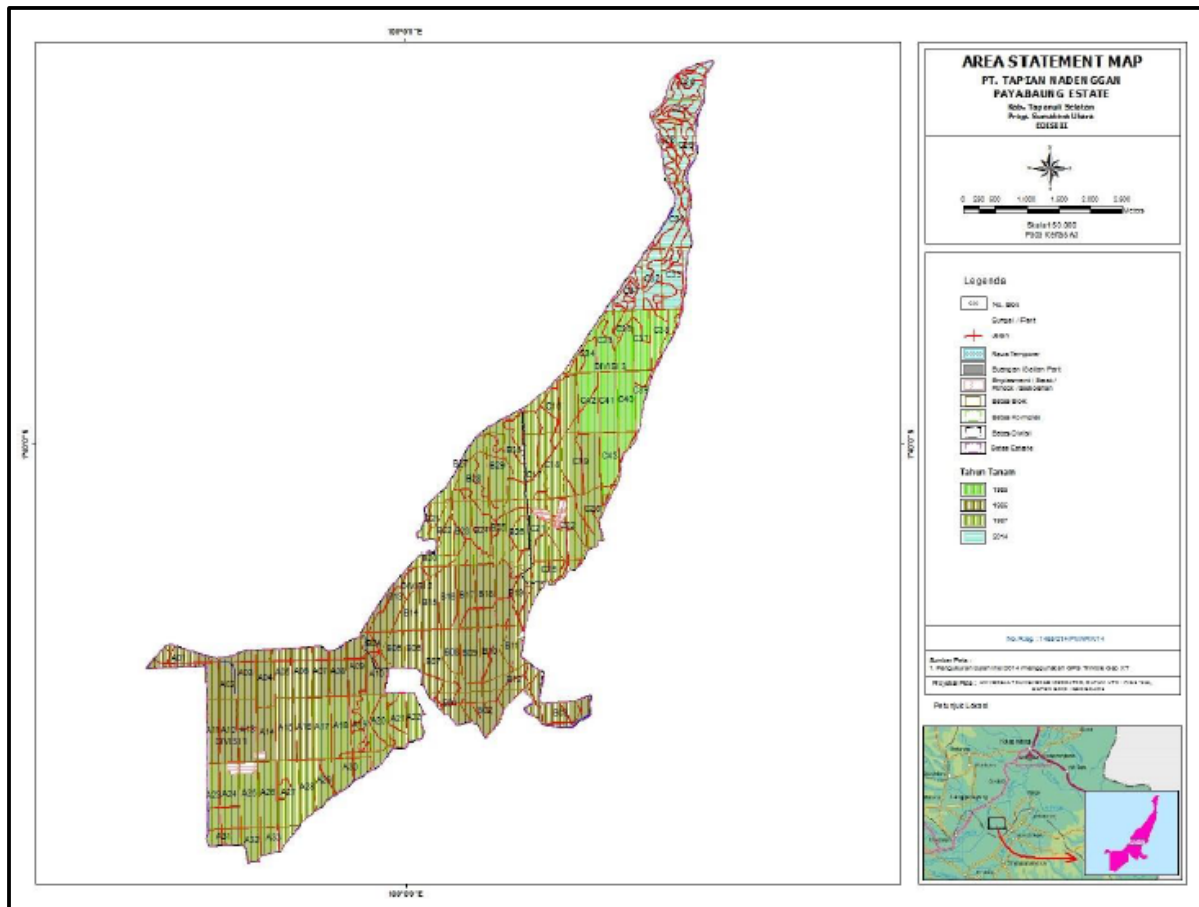
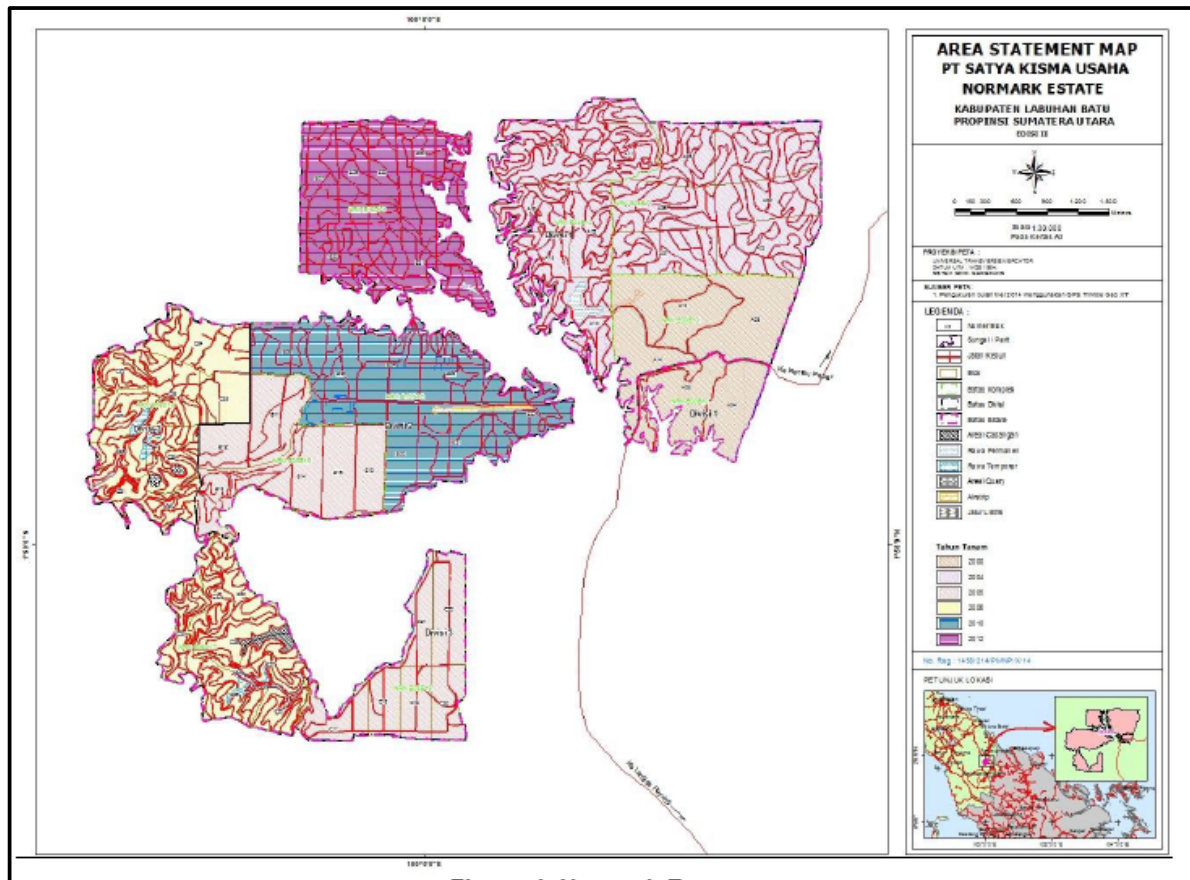


Figure 3. Operational Map of Paya Baung Estate PT Tapan Nadenggan



**Figure 4. Operational Map of Normark Estate PT SKU**



## Abbreviations Used

ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous Waste)
BKS-PPS	:	<i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (Sumatra Plantation Companies Cooperation Agency)
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPA	:	<i>Balai Penitipan Anak</i> / Daycare
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPN	:	<i>Badan Pertanahan Nasional</i>
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPO	:	Crude Palm Oil
CPR	:	Cardiopulmonary Resuscitation
CSR	:	Corporate Social Responsibility
EFB	:	Empty fruit bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
FS	:	Fertilizer Spreader
GAR	:	Golden Agri Resources
GHG	:	Greenhouse Gas
GSEP	:	Golden Agri Resources Social Environment Policy
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> / land use title
HIRAC	:	Hazard Identification and Risk Assessment
HIRADC	:	Hazard Identification, Risk Assessment and Determining Control
HRD	:	Human Resource Division
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability & Carbon Certification
ISPO	:	Indonesian Sustainable Palm Oil
IU	:	Immature Upkeep
LCC	:	Leguminous Cover Crop
LSU	:	Leaf Sampling Unit
LPYE	:	Langga Payung Estate
LPYM	:	Langga Payung Mill
LUCA	:	Land Use Change Analysis
MCAR	:	Management Committee Agronomy and Research
MHS	:	Micron Herby Sprayer
MSDS	:	Material Safety Data Sheets
MU	:	Mature Upkeep
NGO	:	Non-Government Organization
NRME	:	Normark Estate
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSMS	:	Occupational Health and Safety Management System
OIA	:	Operational Internal Audit
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PBNE	:	Paya Baung Estate
PIC	:	Person In Charge
PK	:	Palm Kernel

PKB	:	<i>Perjanjian Kerja Bersama</i>
PKS	:	Palm Oil Mill
PMNP	:	Plantation Monitoring and Planning
POME	:	Palm Oil Mill effluent
PPE	:	Personal protective equipment
RC	:	Regional Controller
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RSUD	:	<i>Rumah sakit umum daerah / regional hospital</i>
RTE	:	Rare trade endangered
SAP	:	System Application in Product in Data Processing Unit
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating System
SPO	:	Sustainable Palm Oil
SSA	:	Social Security Administrator
SSU	:	Soil Sampling Unit
TN	:	Tapian Nadenggan
VPA	:	Vice President Assessment
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant



1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li><li>RSPO Certification System for Principles and Criteria, 12 November 2020.</li></ul>	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	Langga Payung Mill – PT Tapian Nadenggan subsidiary of Golden Agri Resources Ltd	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organization address and site address	<b>RSPO registered company:</b> 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  <b>Liaison Office:</b> Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 50338899	
1.2.5	Fax	(+62-21) 50389999	
1.2.6	E-mail	<a href="mailto:Yahya-mustakim@sinarmas-agri.com">Yahya-mustakim@sinarmas-agri.com</a>	
1.2.7	Web page address	<a href="https://goldenagri.com.sg/">https://goldenagri.com.sg/</a>	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of Sustainability Management System and Certification Operations Sustainability)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2011	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Langga Payung Mill and 3 Estate (Langga Payung Estate, Paya Baung Estate & Normark Estate)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Langga Payung Mill	Huta Baru Nangka Village, Halongonan Sub-District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	N 01° 39' 16"E 99° 53' 13"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Langga Payung Estate	Huta Baru Nangka Village, Halongonan Sub-District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	N 01° 39' 18.05"E 99° 53' 03.22"

	Paya Baung Estate	Huta Baringin Village, Simangambat Sub-District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	N 01° 37' 11.72"	E 99° 58' 32.53"	
	Normark Estate	Normark Village, Kota Pinang Sub-District, Labuhanbatu Selatan District, Sumatera Utara Province, Indonesia	N 01° 50' 57.21"	E 99° 59' 49.73"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		10,154.72 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	• Total area		10,154.72 Ha		
	• Mature area		7,795.32 Ha		
	• Immature area		1,455.34 Ha		
	• Nursery		50.15 Ha		
	• Roads		602.14 Ha		
	• Drains		90.78 Ha		
	• Buildings		108.13 Ha		
	• Others (Electric Pole, Former Ditch)		52.86 Ha		
	*There's conservation area as amount as 257.15 ha (Langga Payung Estate and Paya Baung Estate) and 226.83 ha (Normark Estate) in planted area.				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		LPYE	PBNE	NRME	Total
	2000	-	-	233.62	233.62
	2004	-	-	467.80	467.80
	2005	-	-	311.97	311.97
	2006	185.96	-	332.47	518.43
	2010	305.10	-	268.84	573.94
	2011	737.33	-	-	737.33
	2012	289.24	-	226.36	515.60
	2013	558.65	-	-	558.65
	2014	243.55	227.57	-	471.12
	2015	403.96	261.78	-	665.74
	2017	381.96	303.68	-	685.64
	2018	326.44	353.16	-	679.60
	2019	576.80	799.08	-	1,375.88
	Sub Total Mature	4,008.99	1,945.27	1,841.06	7,795.32

	2020	950.49	-	-	950.49							
	2021	-	504.85	-	504.85							
	Sub Total Immature	950.49	504.85	-	1,455.34							
	TOTAL				9,250.66							
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 (%)					
	Langga Payung	60	646,493.02	140,351.27	21.7	38,906.82	6.1					
	*Production data source from 33 months before assessment (September 2019 – May 2022)											
1.7.2	Description of Certification Scope of Supply Base											
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill						
						FFB (tonnes/year)	%					
						Langga Payung Estate	5,308.53	4,008.99	208,709.28	18.9	208,709.28	100
						Payabaung Estate	2,651.09	1,945.27	73,610.52	13.7	73,610.52	100
						Normark Estate	2,195.10	1,841.06	129,629.78	25.6	57,466.27	44
	TOTAL	10,154.72	7,795.32	411,949.58	19.2	339,786.07	82					
	*Production data source from 33 months before assessment (September 2019 – May 2022)											
1.7.3	FFB description from other source											
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill							
					FFB (tonnes/year)							
					Pandi Wijaya (non-certified)	Smallholder	1	-	5,491.19			
					Pandi Husein (non-certified)	Smallholder	1	-	5,113.83			
					Afriansyah (non-certified)	Smallholder	1	-	1,191.35			
					Dongan Sahuta (non-certified)	Smallholder	1	-	2,776.55			
					Siahaan (non-certified)	Smallholder	1	-	454.07			
					PT Agro Tunggal Jaya Mandiri (non-certified)	Collector	-	-	291,645.42			
	TOTAL				306,672.41							
	*Production data source from 33 months before assessment (September 2019 – May 2022)											
1.7.4	Product categories			FFB, CPO, PK								
1.8	Tonnage of Product											
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (June 2021 to May 2022) (MT)							
	FFB Processed		149,500		122,454.21							

	CPO Production			31,400	27,459.77			
	Palm Kernel (PK) Production			8,200	7,777.78			
1.8.2	Product selling							
	Type of selling product			Actual selling product for last year (June 2021 to May 2022) (MT)				
	CSPO sold as RSPO certified product			20,130.94				
	CSPK sold as RSPO certified product			7,168.70				
	CSPO sold under other scheme			4,714.36				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			159.93				
	CSPK sold as conventional			315.32				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Langga Payung Estate		5,308.53	4,008.99	74,000	18.46		
	Paya Baung Estate		2,651.09	1,945.27	28,000	14.39		
	Normark Estate		2,195.10	1,841.06	48,000	26.07		
	TOTAL		10,154.72	7,795.32	150,000	19.24		
*Projected FFB production for 12 months of certificate								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Langga Payung	60	150,000	32,850	21.9	8,100	5.4	MB
*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications							
	ISPO			ISPO certificate No.IDN 2620005 by PT Bureau Veritas Indonesia (RS-1) issued on 19 August 2020 valid until 18 August 2025.				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
Management Unit		Time Bound Plan	Estate (Supply Base)	Time Bound Plan	Location	Status		
Mill								
Pangkalan Panji Mill (PT Sawit Mas Sejahtera)		2013	Sawit Mas Estate	2013	Sumatera Selatan Province	Certified		
			Sawit Mas Estate (HGU on progress – 2,291 Ha)	2022		-		
Bumi Sawit Mill (PT Bumi Sawit Permai)		2013	Bumi Sawit Estate	2013	Sumatera Selatan Province	Certified		
			Bumi Sawit Estate (HGU on progress – 773.39 Ha)	2022		-		

Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	Sumatera Selatan Province	Certified
		Muara Kandis Estate	2013		Certified
		Muara Kandis Estate (HGU on progress – 418.49 Ha)	2022		-
		Muara Tawas Estate (HGU on progress – 57.7 Ha)	2022		-
		Smallholder (KKPA Pandawa)	2022		-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Kalimantan Tengah Province	Certified
		Sungai Seruyan Estate	2013		Certified
		Terawan Estate	2013		Certified
		Tangar Estate	2013		Certified
		Bukit Tiga Estate	2013		Certified
Bukit Perak Mill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung Province	Certified
		Bukit Permata Estate	2013		Certified
		Bukit Permai Estate (PT Agrolestari Subur Sejahtera)	2024		-
		Bukit Lestari estate (PT Agrolestari Hijau Sentosa)	2024		-
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Bangka Belitung Province	Certified
		Tanjung Rusa Estate	2013		Certified
		Tanjung Rusa Estate (HGU on process 48.81 Ha)	2023		-
		Tanjung Sawit Estate (PT Palmindo Biliton Berjaya)	2023		-
		Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya)	2023		-
		Tanjung Rusa KKPA	2023		-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung Province	Certified
		Sungai Buaya Estate (HGU on process – 155.46 Ha)	2022		-
		Smallholder (KKPA Gedung Aji Lama)	2014		Certified
		Smallholder (KKPA Mesuji)	2014		Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung Province	Certified
		Sungai Merah Estate (HGU on process – 241.54 Ha)	2022		-

		Smallholder (KKPA Gedung Aji Baru)	2014		Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2023	Cendrawasih Estate	2023	Papua Province	ST-1
		Nuri Estate	2023		ST-1
		Rajawali Estate	2023		ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2023		ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2022	Kayung Estate	2022	Kalimantan Barat Province	ST-1
		Pekawai Estate	2022		ST-1
		Sungai Kelik Estate	2022		ST-1
		Nanga Tayap Estate	2022		ST-1
		Smallholder (Kayung Plasma)	2023		ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	Kalimantan Barat Province	Certified
		Cendana Estate	2015		Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2023		-
		Delima Estate (PT Kencana Graha Permai)	2023		-
		Smallholder (Kencana Plasma)	2024		-
		Smallholder (Kenanga Plasma)	2024		-
Perdana Mill (PT Binasawit Abadi Pratama)	2023	Perdana Estate	2023	Kalimantan Tengah Province	ST-1
		Langgana Estate	2023		ST-1
		Semandau Estate	2023		ST-1
		Muara Dua Estate	2023		ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2023	Bukit Santuhai Estate	2025	Kalimantan Tengah Province	ST-1
		Tajur Beras Estate	2025		ST-1
		Seranau Estate	2025		ST-1
		Sungai Sambon Plasma	2025		-
		Sapiri Estate (PT Buana Adhitama)	2025		ST-1
		Sapiri Plasma	2025		-
		Bukit Dua Estate (PT Buana Adhitama)	2025		-
	2022	Belian Estate	2022		ST-1

Belian Mill (PT Paramitra Internusa Pratama)		Tengkawang Estate	2022	Kalimantan Barat Province	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2022		ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2022		ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2022		ST-1
		Smallholder (Belian KKPA)	2023		-
		Smallholder (Muara Tawang KKPA)	2023		-
		Smallholders (Kapuas Hulu KKPA)	2023		-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2020	Sungai Kupang Estate	2020	Kalimantan Selatan Province	Certified
		Sungai Kupang KKPA	2023		-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2022	Sungai Kikim Estate	2022	Sumatera Selatan Province	-
		Sungai Pangi Estate	2022		-
		Sungai Musi Estate	2022		-
		Sungai Saling Estate	2022		-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2022		-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2022		-
		Sungai Bungur Estate (PT Prima Cipta Mandiri)	2022		-
		Sungai Lingsing Estate (PT Prima Cipta Mandiri)	2022		-
Tangar Mill (PT Mitrakarya Agroindo)	2023	Sulin Estate	2025	Kalimantan Tengah Province	-
		Sulin Plasma	2025		-
		Nahiyang Estate	2025		-
		Katayang Estate	2025		-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2023	Sungai Magalau Estate	2023	Kalimantan Selatan Province	-
		Senakin Estate	2023		-
		Sungai Manunggul Estate (PT Mitra Nusa Permata)	2023		-
Jalemo Mill (PT Agro Lestari Sentosa)	2023	Jalemo Estate	2025	Kalimantan Tengah Province	-
		Kajui Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing KKPA	2025		-

Sako Mill (PT Adi Tunggal Mahajaya)	2023	Mentaya Estate	2025	Kalimantan Tengah Province	ST-1
		Kuayan Estate	2025		ST-1
		Sako Plasma	2025		-
		Sungai Ayawan Estate	2025		-
		Sungai Nusa Estate	2025		-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	Sumatera Utara Province	Certified
		Pernantian Estate	2011		Certified
		Adipati Estate	2011		Certified
		Kanopan Ulu Estate	2011		Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	Kalimantan Selatan Province	Certified
		Batu Mulia Estate	2012		Certified
		Sungai Panci Estate	2012		Certified
		Sungai Panci KKPA	2012		Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	Kalimantan Selatan Province	Certified
		Kintapura Estate	2012		Certified
		Kintapura Estate (HGU on process - 636.33 Ha)	2022		-
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	Sumatera Utara Province	Certified
		Paya Baung Estate	2012		Certified
		Normark Estate	2012		Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Kalimantan Tengah Province	Certified
		Tasik Mas Estate	2012		Certified
		Tanjung Paring Estate	2012		Certified
		Langadang Estate	2012		Certified
		Medang Sari Estate (PT Satya Kisma Usaha)	2025		-
Semilar Mill (PT Tapian Nadenggan)	2013	Semilar Estate	2013	Kalimantan Tengah Province	Certified
		Sei Rindu Estate	2013		Certified
		Mandang Estate (PT Buana Arta Sejahtera)	2013		Certified
		Puri Estate (PT Buana Arta Sejahtera)	2013		Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	Kalimantan Timur Province	Certified
		Jak Luay Estate	2015		Certified
		Jak Luay KKPA	2023		-
		Long Buluh Estate	2015		Certified
		Long Buluh Estate (HGU on progress - 329.66 Ha)	2023		-
		Bukit Subur Estate	2015		Certified



		Bukit Subur Estate (HCV identification on process - 569.62 Ha)	2023		-
		Bukit Subur KKPA	2023		-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung Province	Certified
		Leidong West Selatan Estate	2014		Certified
		Bukit Intan Estate (PT Bumipermai Lestari)	2014		Certified
		Bukit Mas Estate (PT Bumipermai Lestari)	2014		Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	Kalimantan Timur Province	Certified
		Gunung Kombeng	2014		Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2022	Gunung Kombeng KKPA	2024	Kalimantan Timur Province	-
Rantau Panjang (PT Kresna Duta Agroindo)	2022	Rantau Panjang Estate	2022	Kalimantan Timur Province	-
		Rantau Panjang KKPA	2024		-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi Province	Certified
		Batang Merangin Estate	2020		Certified
		Tiga Serumpun KKPA	2023		-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
		Batang Gading Estate (PT Satya Kisma Usaha)	2023		-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2024		-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi Province	Certified
		Sungai Bengkal Estate (RaCP process - 610.88 Ha)	2023		-
		Sungai Bengkal KKPA	2015		Certified
		Sungai Bengkal KKPA (RaCP process - 1,063.92 Ha)	2023		-
		Muara Kilis Estate	2015		Certified
		Muara Kilis Estate (RaCP process - 1,460.54 Ha)	2023		-
		Kilis KKPA	2023		-
	2022	Bukit Kapur Estate	2023		ST-1

Bukit Kapur Mill (PT SMART Tbk)		Sungai Cantung Estate	2023	Kalimantan Selatan Province	ST-1
Samsam Mill (PT Ivo Mas Tunggal)	2009	Samsam Estate	2009	Riau Province	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2022		-
		Kandista Estate	2009		Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2022		-
		Palapa Estate	2009		Certified
Libo Mill (PT Ivo Mas Tunggal)	2009	Libo Estate	2009	Riau Province	Certified
		Nenggala Estate	2009		Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2022		-
		Sei Rokan Estate	2009		Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2022		-
		Sungai Tapung Plasma	2009		Certified
Ujung Tanjung Mill (PT Ivo Mas Tunggal)	2009	Ujung Tanjung Estate	2009	Riau Province	Certified
		Kandis Sejahtera KKPA	2023		-
		Swadaya Mas Bersama KKPA	2023		-
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2022		-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Riau Province	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2022		-
		Naga Sakti Estate	2010		Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2022		-
		Rama Bakti Estate	2010		Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Estate	2010	Riau Province	Certified
		Kijang Estate (HGU on process – 56.07 Ha)	2022		-
		Kijang Kencana Plasma	2010		Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Riau Province	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2022		-
		Amartajaya Plasma	2010		Certified
		Berkat Ridho KKPA	2023		-
		Produsen Rama Sawit KKPA	2023		-

		Smallholder (Ramarama KKPA)	2023		-
Indrasakti Mill (PT Meganusa Inti Sawit)	2011	Indralestari Estate	2011	Riau Province	Certified
		Indrasakti Estate	2011		Certified
		Indragiri Plasma	2011		Certified
		Mandiri Jaya Plasma	2022		-
		Indrasakti Plasma	2011		Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Riau Province	Certified
		Bumi Palma Estate	2012		Certified
		Bumi Sentosa Estate	2012		Certified
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2022		-
		Kharisma Estate (PT Kharisma Riau Sentosa Prima)	2024		-
		Kharisma Plasma (PT Kharisma Riau Sentosa Prima)	2024		-
Sawita Mill (PT Sawitakarya Manunggul)	2022	Sawita Estate	2022	Kalimantan Selatan Province	ST-1
		Pamukan Estate	2022		ST-1
		Sawita KKPA	2023		ST-1
Kenari Mill (PT Bangun Nusa Mandiri)	2023	Gaharu Estate (PT Bangun Nusa Mandiri)	2023	Kalimantan Barat Province	-
		Kenari Estate (PT Bangun Nusa Mandiri)	2023		ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2023		ST-1
		Smallholder (Gaharu Plasma)	2023		-
		Smallholder (Kenari Plasma)	2023		-
Sungai Air Jernih Mill (PT Bahana Karya Semesta)	2023	Sungai Air Jernih Estate	2023	Jambi Province	-
		Sungai Mentawak Estate	2023		-
		Sungai Mentawak KKPA	2023		
		Sungai Merak Estate	2023		-
		Sungai Badak Estate	2023		-
Sungai Perak Mill (PT Kruing Lestari Jaya)	2023	Sungai Perak Estate	2023	Kalimantan Timur Province	-
		Sungai Basung Estate	2023		-
		Sungai Pikan Estate	2023		
		Sungai Pilos Estate	2023		-
		Sungai Pikan Plasma	2023		
Sungai Kedang Mill (PT Harapan Rimba Raya)	2023	Sungai Kedang Estate	2023	Kalimantan Timur Province	-
		Sungai Tohan Estate	2023		-

		Kedang Pahu Estate	2023		-
		Sungai Pahu Estate (PT Rimba Rayatama Jaya)	2023		-
		Sungai Tohan Plasma	2023		
		Sungai Pahu Plasma (PT Rimba Rayatama Jaya)	2023		
	<p><i>TBP is approve on June 2022.</i></p> <p>There is revision of timebound plan on 14 June 2022 made by Head of Operations Sustainability. There are justification for mills and estates that postpone, with explanation:</p> <ul style="list-style-type: none"> <li>Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process.</li> <li>Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 due to the SHM process.</li> <li>Tanjung Sawit Estate dan Tanjung Sawit KKPA (PT Palmindo Biliton Berjaya) are postponed to 2023 due to still in process for HGU and land rights (SHM)</li> <li>Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse</li> <li>Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented</li> <li>Kayung KKPA supply base of Pekawai Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Kenanga Estate (PT Cahaya Nusa Gemilang) dan Delima Estate (PT Kencana Graha Permai) are postponed to 2023 due to RaCP in Progress.</li> <li>Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU</li> <li>Kuayan Mill and supply bases are postponed to 2025 due to still in process for HGU</li> <li>Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.</li> <li>Belian KKPA, Muara Tawang KKPA and Kapuas Hulu KKPA supply base of Belian Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2023 due to still in process for land rights (SHM).</li> <li>Sungai Kikim Mill and supply bases are postponed to 2023 due to RaCP in progress.</li> <li>Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU.</li> <li>Sungai Magalau Mill and supply bases and supply bases are postponed to 2024 due to still in process for HGU and RaCP (LUCA review).</li> <li>Jalemo Mill and supply bases are postponed to 2025 due to still in process for HGU and RaCP (LUCA review).</li> <li>Sako Mill and supply bases are postponed to 2025 due to still in process for HGU.</li> <li>Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 due to still in process for HGU.</li> <li>Jak Luay KKPA and Bukit Subur KKPA supply base of Jak Luay Mill are postponed to 2023 due to still in process for land rights (SHM).</li> <li>Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2024 due to still in process for land rights (SHM).</li> <li>Batang Gading Estate supply base of Langling Mill are postponed 2023 due to still in process for RaCP (LUCA review).</li> </ul>				

- Batang Gading KKPA supply base of Langling Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2024 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Rama-Rama KKPA, Berkas Ridho KKPA and Produsen Rama Sawit KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Sawita Mill and supply bases are postponed to 2022 due to still in process for HGU.
- Sawita KKPA supply base of Sawita Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenari Mill and supply bases are postponed to 2023 due to the mill is fully operational in 2025.
- Sungai Air Jernih Mill and supply bases are postponed to 2023 due to still in process for legality documents.

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

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

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

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

1.10.2

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

There are no smallholders on this certification scope.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC-2</b>	<p>1. <b>Briyogi Shadiwa (Lead Auditor)</b>. Indonesian citizens. Associate Degree of Oil Palm Plantation. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified legality, social, SCCS, partial audit, and time-bound plan aspect.</p> <p>2. <b>Hasiholan Sihombing (Auditor)</b>. Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. In this audit activity, he verified worker welfare and transparency.</p> <p>3. <b>Erika Lucitawati (Auditor)</b>. Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified environmental, GHG and conservation aspect</p> <p>4. <b>Harry Wahyudi (Auditor Trainee)</b>. Indonesian citizen, Bachelor of Agricultural Technology, Department of Agricultural Engineering, Bogor Agricultural University. He has 8 years of working experience as a Field Assistant and Internal Audit Operational in a palm oil company and 3 years working experience as a Supervisor Internal Audit operational in a Industrial Forest Plantation Company. Has attended several trainings such as ISO 19011:2018, ISO 9001:2015, ISO 17021:2015, ISO 17065:2015, ISO 45001:2018, ISO 14001:2015 and OHS General Supervisor. During this audit, has verified best management practices and safety aspect under the supervision of the 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>RC-2</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for <b>RC-2</b> Onsite Audit: 5 days</p> <p>Number of working days for <b>RC-2</b> Onsite Audit: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC-2</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Tapan Nadenggan, Langga Payung POM Unit Certification based on:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li> </ul> <p>Additional Documents:</p> <ul style="list-style-type: none"> <li>• RSPO Notice to CB on RSPO P&amp;C On-site &amp; Remote Audits, on 24<sup>th</sup> March 2020</li> <li>• Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020</li> <li>• Contingency RSPO Audit Procedure for RSPO Principles &amp; Criteria and Independent Smallholder Standard (Version 2) Approved by Assurance Standing Committee on 22 October 2021</li> </ul>



The scope of certification of PT Tapan Nadenggan consist of one mill (Langga Payung Mill) and three estate (Langga Payung, Payabaung and Normark Estate)

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities. Based on this explanation, the risk for Langga Payung Mill-PT Tapan Nadenggan is low risk. So, sample for this audit is 0,8√3 which are 1 mill and 3 estates.

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

The opening meeting was held on 28 June 2022. As for the participants who attended the opening meeting included the Production Controller, Regional Controller, Estate and Mill Managers, Support Team from Jakarta and other staff. Closing meeting was held on 6 July 2022 attended by the same participants as the opening meeting. Management PT Ivo Mas Tunggal accept all the onsite RC-2 audit results.

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

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

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

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

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

The assessment program please find Appendix 2.

### 2.2.3 Locations of Assessment

#### RC-2 Langga Payung Mill

- **Security Post.** Observation of the FFB reception process at the security post, the use of PPE when entering the Mill
- **Sorting Station.** Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects

- **Sterilizer Station.** Observation of the FFB boiling process according to SOPs, implementation of OHS and environmental aspects
- **Hosting Crane.** Observation of FFB removal process according to the SOP, the application of OHS and environmental aspects
- **Press Station.** Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects
- **Boiler Station.** Observation of boiler work process according to SOP, implementation of OHS and environmental aspects
- **Engine Room Station.** Observation of work processes in the Engine Room according to SOPs, implementation of OHS and environmental aspects
- **Clarification Station.** Observation of the oil refining process according to SOP, implementation of OHS and environmental aspects
- **Nut and Kernel Station.** Observation of kernel processing according to SOP, implementation of OHS and environmental aspects
- **Hydrant Simulation of Nut & Kernel Station.** Observation related to implementation of emergency response, readiness of firefighting equipment.
- **Spare Part Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspect.
- **Material Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspect.
- **Chemical Storage.** Observation related to implementation of chemical management, safety, and environmental aspect.
- **Lubricant Storage.** Observation related to implementation of chemical management, safety, and environmental aspect.
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspect.
- **Hazardous Waste Temporary Storage.** Observation related to implementation of hazardous waste management, OHS and environmental aspect.
- **Workshop.** Observation related to implementation of workshop activity, OHS, environmental and worker welfare aspect.
- **WTP.** Observation and interview related waste processing, environment, and safety aspect.
- **WWTP.** Observation and interview related waste water processing, environment, and safety aspect.
- **Housing Area.** Observation and interview with residents about housing facilities, domestic waste management.
- **Empty Bunch Storage Area.** Observation and interview related environment, and safety aspect.

### Langga Payung Estate:

- **Harvest, Block C25 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects
- **Pick Loses Fruits, Block C25 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Housing Complex of Division 4, 5 & 6.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism.
- **Day Care Division 4, 5 & 6.** Observations and interview with worker regarding to educational facilities in the form of childcare for workers.
- **Chemical Mixing Area, Rinse House and PPE Storage of Spray Team of Division 4, 5 & 6.** Observations related to implementation of procedure, manpower, OHS, environmental aspect.
- **Spraying Block E11 Division 5.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Host Plant Caring Block E01 Division 5.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Circle Scratch Block E18 Division 5.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Manual Upkeep Block E20 Division 5.** Observations and interviews with workers related to implementation of



procedure, OHS and environmental aspect.

- **Harvesting Block A52 Division 1.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Loose Fruit Picking Block A52 Division 1.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **FFB Transport Block A52 Division 1.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **HVC Spring Water Block B41 Division 2.** Conservation aspect and its attribute.
- **HCV Sipogas River Block E01 Division 5.** Conservation aspect and its attribute.
- **HCV Galoga River.** Conservation aspect and its attribute.

**Paya Baung Estate:**

- **Manual Cycle, Block B57 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects
- **Path Spraying, Block B35 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects
- **Legume Cover Crop Maintenance, Block B59 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects
- **Harvest, Block C42 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects
- **Pick Loses Fruits, Block C42 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Emplacement, Division 2 & 3.** Observation related to employee's facilities and environmental aspects.
- **HGU Pole No. 25.** Observation related to boundaries operational area.
- **HGU Pole No. 29.** Observation related to boundaries operational area.
- **HGU Pole No. 45.** Observation related to boundaries operational area.
- **Land Application Block 33/34 Division 4.**
- **Monitoring Well for Land Application.** Observation related water contaminated monitoring activity.
- **Gudang Storage.** Observation and interview with worker related to OHS, environmental and worker welfare aspect.
- **Spare parts Storage.** Observation and interview with worker related to OHS, environmental and worker welfare aspect.
- **Chemical Storage.** Observation and interview with worker related to OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation and interview with worker related to OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation and interview with worker related to OHS, environmental and worker welfare aspect.
- **Hazardous and Toxic Waste Storage.** Observation related to hazardous waste management, OHS and environmental aspect.
- **Workshop.** Observation and interview with workers related to workshop activity, OHS, environmental aspects.
- **Clinic.** Observation and interview with worker related to clinic condition, health services, OHS, and environmental aspects.
- **Subsidence Pole Block D1 Division 4.** Observation related land subsidence as erosion monitoring activity.

**Normark Estate:**

- **Harvest, Block A15 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects
- **Pick Loses Fruits, Block A15 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Owl cages, Block B24 Division 2.** Observation of the condition of the owl cages and the activities of the Owl.
- **Central Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.

- **Chemical Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Lubricant Storage.** Observation related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Firefighting Equipment Storage.** Observation related to implementation of emergency response, readiness of firefighting equipment.
- **Workshop.** Observation related to implementation of workshop activity, OHS, environmental and worker welfare aspect.
- **First Aid Room.** Observation related to implementation of first aid activity, OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation and interview with worker related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Hazardous Waste Temporary Warehouse.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspect.
- **Housing Complex of Division 1.** Observation and interview with residents related to housing facilities, domestic waste management.
- **Housing Complex of Division 2.** Observation and interview with residents related to housing facilities, domestic waste management.
- **Domestic Waste Landfill of Block B21 Division 2.** Observation related to implementation of domestic waste management.
- **HCV Mahuam River Block B31 Division 2.** Conservation aspect and its attribute.
- **HCV Mahuam River Block A15 Division 1.** Conservation aspect and its attribute.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC-2</b>	<p>Summary of stakeholder consultation process for</p> <ul style="list-style-type: none"> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 21 June 2022</li> <li>• Public Notification on website on RSPO and MUTU Website on 02 February 2020</li> <li>• Public consultation meeting with government institution 28 June 2022</li> <li>• Public consultation meeting with communities on 28 June 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor 28 June 2022</li> </ul> <p>Numbers of input from stakeholders were clarified by</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-2.1) will be conducted eight (8) months to twelve (12) months after date of certificate.

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

MUTUAGUNG LESTARI has conducted an assessment of Langga Payung Mill–PT Tapian Nadenggan, subsidiary of Golden Agri Resources consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there is no Nonconformities were assigned against Major and Minor Compliance Indicator and one (1) opportunity for improvement were identified.

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

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

Ref Std.	VERIFICATION RESULT of MUTU
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	<p>Certification Unit has procedure and has appointed person in charge in the requests for information from stakeholders (SOP/SMART/UMUM/SADVI/004). The Certification Unit also responded to information requests with maximum time of 3 days since mail received. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 3 working days.</p> <p>Documents can be accessed publicly through website <a href="http://www.smart-tbk.com">www.smart-tbk.com</a>, including sustainability policy, human rights policy, ethical code, conservation management and monitoring, etc. The types of documents that can be accessed and given to stakeholders are included in the information list for stakeholders, such as public documents, legal document, environmental documents (environmental policy, environmental management, and monitoring report, etc.), social document, OHS policy and program, and manpower documents. These documents are available in Estate and Mill office. The company has provided information that can be accessed by the public according to relevant stakeholders such as land use rights, EHS documents, environmental documents, HCV documents, waste management documents, environmental management, employment etc. For example; periodically, unit certification sends monitoring and management documents to the related institutions such as; Environment Agency, BKSDA, and Manpower Office.</p>
<b>1.1.2; 1.1.3</b>	<p>The unit of certification has list of documents that can be accessed publicly listed in Procedure of Communication, Participation, and Consultation (SOP/SMART/UMUM/SADVI/004) 1 July 2014. The submission period for suggestions is no later than 1 week after the letter is received (from the Unit Head to the relevant Department). Respond no later than 3 weeks after the letter is received. Unit of certification can show records of providing information to relevant agencies in the form of routine reports. All available documents are information that can be accessed by the public by submitting an official letter of request for information. All information is provided in Bahasa.</p> <p>From the results of the document review on the recording of incoming and outgoing mail logs in 2022, there were no requests for information from stakeholders. However, there are some notes regarding donation requests and routine reporting to related institutions. For example:</p> <ul style="list-style-type: none"> <li>Records of requests to PT Tapian Nadenggan on April 07, 2022 regarding the proposal for a request for funds for the May Day event from the <i>Panitia Penyelenggara Hari Buruh Internasional</i> of North Sumatra Province with No. 005/PP-HBI/SU/IV/2022. With</li> </ul>

a response date of April 14, 2022

- Records to reporting information on Normark Estate on May 10, 2022 regarding Hazardous and Toxic Waste Management Report Q1 Year 2022 No. 20/NRME/IV/2022 to Environmental Agency of Labuhanbatu Selatan Regency
- Records of 20 June 2022 related to clean water requests from a Normark village on 24 June 2022

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

### 1.1.4

Record of information is stored in the information book on each management unit. In the book shows that there is no incoming information requested, but proposals or invitation to attend a meeting held by stakeholders. However the certificate holder has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report.

The following are some examples of evidence of the socialization of SOPs for Communication and Consultation that have been carried out, such as to the Head of Sihopuk Lama Village, Sihopuk Baru Village, on 19 April 2022 and Rondaman Village, Situmbaya Village on 18 April 2022

### 1.1.5

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

**Status: Comply**

## 1.2

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

### 1.2.1

Unit of Certification has a Business and Human Rights Policy dated December 12, 2019. The policy is written in Indonesian and has been socialized to related workers and stakeholders. This policy expresses a commitment to behave ethically in all transactions and business operations that are guided by the company's shared values, integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and in accordance with the principles of sustainable palm oil plantation management. Unit of Certification can show record of socialization Code of Conduct to stakeholders including internal and external stakeholders. For example, company has shown evidence of socialization on 28 March 2022 in LPYM which was attended by 142 workers, on 7-13 March 2022 in LPYE which was attended by 376 workers, on 19 April 2022 which was attended by 5 surrounding community representatives, and on 26 May 2022 which was attended by 20 contractor's workers.

Besides, Unit of certification has shown implementation of business ethic in recruitment and contract. For example, Unit of certification has shown recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter, on behalf of JSP (initial) who started working on 14 December 2020-13 December 2021. Furthermore, Unit of certification has also shown agreement with number 002/TPN/JKTO-I/XII/201-ATBS on 2 December 2019 between PT Tapian Nadenggan (Langga Payung Estate and Paya Baung Estate) and PT Universal Transindo Mas for FFB transporter which is valid from 2 January 2020-31 December 2024. PT Universal Transindo Mas has also signed Fact of Integrity with that contract number on 2 January 2020 which has contained statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked.

Based on interview with workers and contractor, it's known that they had a good understanding towards code of ethic policy. Based on explanation above, company has policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.

### 1.2.2

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

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

**Status: Comply**

## **PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

### **2.1**

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

#### **2.1.1**

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

#### **Legality Aspect**

- Company had NIB Document with number 8126313001782 (PT Satya Kisma Usaha) and 8120107920742 (PT Tapian Nadenggan).
- HGU Report to Land Agency on 16 August 2021 (No. 063/RC-SU/VIII/2021) for PT Tapian Nadenggan and PT Satya Kisma Usaha.
- Had NPWP : 01.213.180.1-092.000 (PT Tapian Nadenggan)
- Had NPWP : 01.002.743.1-073.000 (PT Satya Kisma Usaha)

#### **OHS Aspect:**

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

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

#### **Best Management Practice Aspect:**

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

#### **Manpower Aspect**

- Contract Worker Record No. 560/165/Naker/IV/2022 as many as 16 workers (loose fruit pick worker) on 18 April 2022 in NMRE to Manpower Agency of Labuhanbatu Selatan Regency.



- Contract Worker Record No. H3.01/LPYE/IV/2022 as many as 13 workers (field worker) on 20 April 2022 in LPYE to Manpower Agency of Padang Lawas Utara Regency.
- Employment Report for LPYM (No. 22753.20220607.0002) in 2022 via online on 7 June 2022 and must be reporting back on 7 June 2023.
- Employment Report for LPYE (No. 22753.20220509.0002) in 2022 via online on 9 May 2022 and must be reporting back on 9 May 2023.
- Employment Report for PBNE (No. 22747.20220423.0001) in 2022 via online on 23 April 2022 and must be reporting back on 23 April 2023.
- Employment Report for PBNE (No. 21464.20220530.0001) in 2022 via online on 30 May 2022 and must be reporting back on 30 May 2023.

### Environmental Aspect

- Extension of the Temporary Storage Permit for Hazardous and Toxic Waste (Operational Permit for Management of Hazardous and Toxic Waste for Producers) PT Tapian Nadenggan based on the Decree of the Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu, Padang Lawas Utara Regency. No. 503/0001/L-LB3/II/2021 dated January 8, 2021 with a validity period until November 9, 2025. This permit has 2 storage locations, namely at Langga Payung Estate and Langga Payung Mill.
- Decree of Labuhanbatu Selatan Regency Government No. 503/0003/DPMPTSP-LS/LB3/VIII/2019 dated August 08, 2019 is valid for 5 years until August 6, 2024 in Perkebunan Normark Village, Kota Pinang District, Labuhanbatu Selatan Regency.
- Permit for Utilization of Liquid Waste for Land Application (LA) based on the document of Extension of Permit for Utilization of Liquid Waste to Soil for Land Application PT Tapian Nadenggan through the *Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency No. 503/0001/LA/II/2020 January 29, 2020. Permit valid until December 23, 2022.
- Documented Environment Impact Assessment of PT Tapian Nadenggan namely Environmental Evaluation Study (*SEL – Studi Evaluasi Lingkungan*) number RC.220/1263/B/VII/1993 for LPYM, LPYE and PBNE activities was approved by Environmental Agency of North Sumatera on 28 July 1993. The document covering 7,985 Ha and capacity mill 60 ton FFB/Hours.
- Documented Environment Impact Assessment of PT Satya Kisma Usaha for the scope of Normark Estate (NRME) namely Environmental Management and Monitoring Document. (*DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan*) number 88.44/507/KPTS/Tahun 2010 was approved by Environmental Agency of North Sumatera on 16 August 2010. The document covering 2,195.10 Ha of NRME.

### 2.1.2

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

### 2.1.3

The company has a map that showing the location of the boundary poles in each estate. The company has also monitored HGU boundary pole in 2021/2022 by showing the results of monitoring record "*Monitoring Patok Batas HGU Periode Mei-Juni 2022*", in accordance with the maintenance procedures (SOP / SMART / CERS-EHSD / SADV / I / 004, 1 July 2014). The procedures include stating that the PMNP team ensures and coordinates with the head unit so that the position and number of the stake are in accordance with the Land Use Title / and Building Right map. In addition, it is also stated that the stakes care is carried out at least 1 x 4 months. The results of field observations on the boundary pole for example No. BPN248, BPN 249 (Normark Estate) and BPNXV, BPNXIV (Paya Baung Estate) are found and that the condition of the boundary poles is well maintained.

**Status: Comply**

### 2.2

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

### 2.2.1

Unit of Certification shows contractor data for 2022 which informs Letter of agreement number, contractor name, address, type of work and period of letter of agreement. During the audit, Unit of Certification has contractors in each unit collaborated in FFB transporter, civil contractor, testing inspection service as follows:

- PT Universal Transindo Mas
- PT Amindy Barokah Sumut
- UD Mampang Transport
- PT Jasa Indo Karsa
- PT Mutuagung Lestari

### 2.2.2

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

- Agreement with number 001/MM-TN/X/2020 on 1 November 2020 between PT Tapan Nadenggan (Langga Payung Mill) and Afriansyah for FFB Supplier which is valid from 1 November 2020-31 October 2022.
- Agreement with number 002/TPN/JKTO-I/XII/201-ATBS on 2 December 2019 between PT Tapan Nadenggan (Langga Payung Estate and Paya Baung Estate) and PT Universal Transindo Mas for FFB transporter which is valid from 2 January 2020-31 December 2024.

Unit of Certification has also shown health and worker insurance (*BPJS Kesehatan and Ketenagakerjaan*) for 2022 period for PT Universal Transindo Mas and PT Amindy Barokah Sumut on *BPJS Kesehatan* for period of May 2022 on 9-10 May 2022 and also *BPJS Ketenagakerjaan* of May 2022 on 3 June 2022. Besides, Unit of Certification shows example of pay slip for contractor's worker and proof of payment for employment and health Insurance and Social Security (BPJS), for example for PT Universal Transindo Mas for May 2022, for example, in 25 working days, DPN (initial) get IDR 4,551,417. Unit of Certification shows contractor evaluation form which was carried out in the period 2021 on 31 December 2021 and 2022 on 5 May 2022 which informs several aspects of assessment, including compliance with labor regulations, implementation of OHS and compliance with environmental regulations.

### 2.2.3

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

- Fact of Integrity for Afriansyah contract number 001/MM-TN/X/2020 which was signed on 10 January 2022.
- Fact of Integrity for Amindy Barokah Sumut contract number 034/SKU-ABS/SPK-LB3/1/2022 which was signed on 11 November 2021.
- Fact of Integrity for PT Universal Transindo Mas with contract number 002/TPN/JKTO-I/XII/201-ATBS which was signed on 2 January 2020.

In a document that has been signed by the contractor which contains a statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked.

Status: Comply

### 2.3

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

#### 2.3.1

Langga Payung Mill has recorded the source of its FFB, that were from certified and uncertified source, here's the detail:

No	Supplier	Company	Address	Coordinate Location	Legal Information
1	Pandi Wijaya	Smallholder	Kelurahan Rantau Prapat, Kabupaten Labuhanbatu	1° 36' 53.655" N & 99° 57' 32.052" E	Sertifikat Hak Milik

2	Pandi Husein	Smallholder	Kelurahan Kartini, Kabupaten Labuhanbatu	1° 37' 14.50" N & 99° 58' 06.81" E	Sertifikat Hak Milik
3	Afriansyah	Smallholder	Desa Simpang Empat, Kabupaten Labuhanbatu Utara	2° 18' 29.1" N & 99° 55' 00.6" E	Surat Keterangan Ganti Rugi
4	Dongan Sahuta	Smallholder	Desa Siringo Ringo, Kabupaten Labuhanbatu Utara	1° 36' 53.655" N & 99° 57' 32.052" E	Sertifikat Hak Milik
5	Siahaan	Smallholder	Desa Blongkut, Kabupaten Labuhanbatu Utara	2° 32' 63.70" N & 99° 95' 39.80" E	Sertifikat Hak Milik

### 2.3.2

From the recorded data on FFB receipts for the 2020/2022 period, it is known that the company received FFB from collectors in the name of PT Agro Tunggal Jaya Mandiri. The company is able to show location and land ownership data for FFB origins that are received by each of these collection agents, here are some examples:

Collector	Smallholder Name	Land Rights	Location	Coordinate Location
PT Agro Tunggal Jaya Mandiri	Ali Hotman	SKT	Morang Village	Latitude: 1.3879 & Longitude: 99.3906
	Muhibbudin	SKT	Ubar Village	Latitude: 1.4420 & Longitude: 99.4858
	H. Hasanuddin Harahap	SKT	Huta Baru Nangka Village	Latitude: 1.6471 & Longitude: 99.8904
	Khairuman Harahap	SKT	Situmbaga Village	Latitude: 1.6610 & Longitude: 99.9029

Status: Comply

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

### 3.1

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

#### 3.1.1

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

	2021	2022	2023	2024	2025	2026
Production (ton)	240,469	255,503	278,945	300,970	323,672	337,738
CPO (ton)	51,701	54,933	59,973	64,709	69,590	72,614
OER (%)	21.5	21.5	21.5	21.5	21.5	21.5
PK (ton)	14,428	15,330	16,737	18,058	19,420	20,264
KER (%)	6.0	6.0	6.0	6.0	6.0	6.0
Net Profit/Loss (x1,000 Rp)	87,275	90,546	110,277	134,538	169,185	194,511
Replanting (Ha)	504.85	-	-	-	-	233.62

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

#### 3.1.2

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

Estate	Program Replanting (Ha)						
	2020	2021	2022	2023	2024	2025	2026
LPYE	946.61						



NRME	-	-	-	-	-	-	233.62
PBNE	-	504.85	-	-	-	-	-
<b>Total</b>	<b>946.61</b>	<b>504.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233.62</b>

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

### 3.1.3

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

Status: Comply

## 3.2

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

### 3.2.1

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

- Records of the implementation of management reviews to conduct periodic evaluations contained in the Minutes of Management Review Meetings for the North Sumatra Region in 2021 and 2022 which were ratified on April 29, 2021, and May 11, 2022, by the Regional Controller of North Sumatra. In the Minutes of the Management Review Meeting, discussions were held on internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, evaluation of the achievement of Program Objectives, changes in the scope of system planning, changes in organizational policies, organizational performance and recommendations for improvement.
- Records of the results of the RSPO internal audit of PT Tapan Nadenggan, which was conducted on 11 – 18 April 2022, with the result that there were no non-conformities in the RSPO internal audit and twelve non-conformities in the RSPO internal audit. Then also shown documents as proof of improvement against non-conformances.
- Operational Internal Audit Report which discusses the findings, action plan, Regional Controller response, Person in Charge, and target date. The following is the implementation time of the Operational Internal Audit at PT Tapan Nadenggan:
  - Operational Internal Audit at NRME was carried out on 7 – 18 June 2021.
  - Operational Internal Audit at PBNE was carried out on 19 – 29 July 2021.
  - Operational Internal Audit at LPYE was carried out on 19 – 22 November 2021.
- Implementation of innovations for sustainable business improvement that have an impact on the environment and social improvements, such as innovations in the BMP & OHS aspect, namely sweeping circle, ferro trap modification, not using paraquat pesticide, carrying out PPE Usage Inspections to ensure employee PPE has been used and in accordance with procedures, carrying out periodic and special medical checks.

### 3.2.2

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

Status: Comply

## 3.3

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

### 3.3.1

The company already has a Technical SOP-IK (standard international procedure - work instruction) document for Palm Oil Cultivation starting from land preparation to harvesting which was prepared by the MCAR (Management Committee Agronomy and Research) team. The SOP includes Replanting Planning, Nursery, Land Clearing, Planting, Replanting, Pest and Disease Control, Weed Control, Fertilization, Maintenance of Immature Plants, Preparation Before Harvest, Harvest, Loading and Transportation of fresh fruit bunches, and Rainfall Measurement with Ombrometer.

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

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

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

### 3.3.2

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

### 3.3.3

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

- Operational Internal Audit at NRME was carried out on 7 – 18 June 2021.
- Operational Internal Audit at PBNE was carried out on 19 – 29 July 2021.
- Operational Internal Audit at LPYE was carried out on 19 – 22 November 2021.

The company also shows evidence of follow-up evaluation of compliance in carrying out work according to procedures, such as:

#### LPYM:

There is a contractor evaluation made by the SPO Officer and approved by the Unit Head on 10-01-2022 according to contract no. 17-B LPYM/JKTO/03/2021 which evaluates business ethics with good results, with details of the assessment aspects as follows: quality of work, timeliness of work completion, compliance with labor regulations, safety and the environment.

#### LPYE:

There is a contractor evaluation made by the SPO Officer and approved by the Unit Head on March 5, 2022 which evaluates business ethics with good results, with details of the assessment aspects as follows: quality of work, timeliness of work completion, compliance with labor regulations, safety and the environment.

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

**Status: Comply**

### 3.4

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

### 3.4.1

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

- Documented Environment Impact Assessment of **PT Tapan Nadenggan** namely Environmental Evaluation Study (*SEL – Studi Evaluasi Lingkungan*) number RC.220/1263/B/VII/1993 for LPYM, LPYE and PBNE activities was approved by Environmental Agency of North Sumatera on 28 July 1993. The document covering 7,985 Ha and capacity mill 60 ton FFB/Hours. Mill and Estates implemented a procedure for identifying the environmental aspects and evaluating their impact. The result of the environmental aspect and impact identification and evaluation was documented. As required by the procedure, the information on the environment is reviewed and updated regularly. The environmental impact assessment was conducted through regular environmental monitoring, e.g. river water quality, mill effluent quality, air emission, economic, social and culture of community and wildlife.
- Documented Environment Impact Assessment of **PT Satya Kisma Usaha** for the scope of Normark Estate (NRME) namely Environmental Management and Monitoring Document. (*DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan*) number 88.44/507/KPTS/Tahun 2010 was approved by Environmental Agency of North Sumatera on 16 August 2010. The document covering 2,195.10 ha of NRME.
- The company has conducted a survey for Social Impact Assessment (SIA) February 2011; this was the first survey of SIA. Results of these activities recorded and documented in Social Impact Identification Report "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Tapan Nadengan Langga Payung Estate dan Langga Payung Mill*, February 2011 and "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Satya Kisma Usaha*, February 2011". Regarding consultation with stakeholders, there are no issues that need to be verified further, all social impacts have been identified.

Records of meeting with stakeholders and public consultation was sighted, attendance register in meeting stakeholder also available. Resume of public consultation and stakeholder meeting was documented in Annex of SIA document. Action plan to implement and monitor social impact with community has been determined. Positive impacts were maintained with organization and necessary action was planned by the organization. The company has updated the several of SIA coverages in Management and Monitoring Review of Social Impact in 2020 – 2021 period of the LYPM, LYPE, NRME and PBNE and Monitoring Review of Social Impact in 2020 period. The SIA cover all the impact factors, including:

- Access and use rights.
- Economic livelihoods (e.g. paid employment) and working conditions.
- Subsistence activities.
- Cultural and religious values.
- Health and education facilities.
- Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labor force.
- Traditional or customary rights owned by the local community, if identifiable.
- Welfare of workers/labor and women, children and vulnerable group.
- Contribution to the local development, including improvement of human resources, local and customary communities.

SIA assessment compiled based on the aspirations of the community through in-depth interviews and Focus Discussion Group, villages sampled namely Sihopuk Lama Village, Village of Situmbaga, Village of Siancum, Village of Rondaman, Village of Ujung Gading and Huta Raja Village. Records of participatory in the form of attendance list, has been involve the community around, for example: Huta Raja village and Sihopuk village as many as 43 people on 12 June 2020. Results of the consultation meeting had been summarized in the SIA report. As part of social impact management, company has conduct Corporate Social Responsibility (CSR) program considering the results of the EIA study and Social Impact Assessment.

The identification of High Conservation Value (HCV in the PT Tapan Nadenggan (Padang Lawas Utara Regency and Labuan Batu Selatan Regency, North Sumatra reported in 2011 assessed by the HCV Dept. Team. Environment PT SMART Tbk. The area is 8,066.23 hectares consisting of 2 units of Langga Payung and Paya Baung estate, with a total conservation area of 257.15 ha. Most of the land cover conditions in the oil palm plantation area of PT Tapan Nadenggan are in the form of oil palm cultivation with planting years of 1985, 1986, 1998, and 1987. Natural vegetation is no longer available, the only remaining forest community is secondary forest which is distributed in the border area of the Batang Galoga river. The High Conservation Value (HCV) Identification in the Normark Estate unit area of PT Satya Kisma Usaha in 201 with total conservation area is 226.83 ha. HCV areas was mapped by

1:40.000 scale and this HCV identification covered all estates/mill operational areas including surrounding landscape and RTE species.

### 3.4.2

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

Based on the information above, it can be concluded that the company already has the relevant documents assessment of social and environmental impacts and their management and monitoring plans by involving the participation of affected stakeholders. The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company *Studi Evaluasi Lingkungan (SEL) Perkebunan Kelapa Sawit dan Pabrik Pengolahannya Lokasi Langga Payung, Kabupaten Tapanuli Selatan, Labuhan Batu, Provinsi Sumatera Utara* for PT Tapan Nadenggan, created in 1993 by consultant PT FUSIES. The scope of the study area is the Langga Payung plantation with an area of 7,985 Ha with a palm oil processing plant with a capacity of 60 tons of FFB/hour.

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

- Noise disturbance and air quality degradation (ambient and emissions)
- Potential for land fires
- Disruption of surface water quality and aquatic biota
- Disturbance in ground and ground water quality
- Potential for erosion
- Plant pests and diseases
- Increased business opportunities and community income
- Increased community presence
- The emergence of public perception
- Increased damage to road infrastructure
- Occupational Health and Safety
- Medical waste dump

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

- Receipt of reporting RKL RPL semester 2 2021 PT Tapan Nadenggan on March 22, 2022 to Environmental Agency of Padang Lawas Utara Regency
- Receipt of reporting RKL RPL semester 2 of 2021 PT Tapan Nadenggan on March 18, 2022 to the Environmental Agency of North Sumatra Province
- Report receipt of Toxic and Hazardous Waste Management Q1 2022 LPYE on June 11, 2022 to Environmental Agency of Padang Lawas Utara Regency
- Report receipt of Toxic and Hazardous Waste Management Q1 2022, liquid waste, and immovable disturbance 2022 Langga Payung Mill on May 13, 2022 Environmental Agency of Padang Lawas Utara Regency
- Electronic Receipt submitted through SIMPEL with ID 1655647042-3546 Toxic and Hazardous Waste Management Q1 2022 Langga Payung Estate on 19 June 2022 to Ministry of Environment and Forestry of Indonesia
- Electronic Receipt submitted through SIMPEL with ID 1650242703-2522 Toxic and Hazardous Waste Management Q1 2022 Langga Payung Mill on April 18, 2022 to Ministry of Environment and Forestry of Indonesia
- PT Tapan Nadenggan Conservation Value Area Management Report 2020 on August 10, 2021 to Nature Conservation Agency North Sumatera Province

### • PT Satya Kisma Usaha - Normark Estate

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits (*DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan*) No.88.44/507/KPTS/Tahun 2010 was approved by Environmental Agency of North Sumatera on 16 August 2010 for PT Satya Kisma Usaha, number 88.44/507/KPTS/Tahun 2010 covering 2,195.10 ha of Normark Estate.

The certification unit made RKL-RPL reports base on attachment of Environmental Permit where the matrix is a compilation of all previously owned, contained in the document *Laporan Hasil Pelaksanaan Rencana Pengelolaan dan Pemantauan Lingkungan* PT Satya Kisma Usaha (Normark Estate) for the period of semester 2 (July-December) 2021. The environmental management and monitoring matrix describes the impact of plantation activities and mill operations and explains the evaluation of the trend level, critical level evaluation and evaluation of compliance with the results of management and monitoring that have been carried out on the following aspects;

- Decreased ambient air quality (dust and gas concentrations)
- Noise enhancement
- Decreased water quality (surface water and ground water)
- Changes in soil quality
- Maintaining the diversity of terrestrial flora and fauna
- Increased employment and business opportunities
- Changes in public perception

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

- Electronic Receipt submitted through SIMPEL with ID 1644026649-3856 for the period of semester 2 of 2021 on 5 February 2022 for RKL RPL documents to the Environmental Agency of Labuan Batu Selatan Regency
- Electronic Receipt submitted through SIMPEL with ID 1647403481-3856 for the period of 2<sup>nd</sup> Semester of 2021 on March 16, 2022 for RKL RPL documents to Environmental Agency of North Sumatra Province
- Repot receipt of RKL RPL 2<sup>nd</sup> Semester 2021 Normark Estate on March 11, 2022 to Environmental Agency of Labuan Batu Selatan Regency
- Receipt of reporting RKL RPL 2<sup>nd</sup> Semester of 2021 Normark Estate on March 11, 2022 to Environmental Agency of North Sumatra Province
- Receipt of reporting RKL RPL 2<sup>nd</sup> Semester 2021 Normark Estate on March 11, 2022 to Sumatra Ecoregion Management
- Electronic Receipt submitted through SIMPEL PT Satya Kisma Usaha – Normark Estate ID 1652940681-3544 for Toxic and Hazardous Waste Management Q1 2022 on May 10, 2022 to Environmental Agency of North Sumatra Province
- Report receipt of Toxic and Hazardous Waste Management Q1 2022 PT Satya Kisma Usaha – Normark Estate on April 21, 2022 to Environmental Agency of Labuhanbatu Selatan Regency

### Social Impact Assessment (SIA)

#### • PT Tapan Nadenggan - Langga Payung Mil, Langga Payung Estate, & Paya Baung Estate

Review Report on Monitoring the Social Impact Management Plantation and Palm Oil Mill PT Tapan Nadenggan (Langga Payung Mill, Langga Payung Estate, and Paya Baung Estate) for the period 2020-2021. This study was conducted by Sustainability Assessment Departement PT SMART Tbk referring to the SOP for Management and Monitoring of Social Impacts No: SOP/SMART/SIGS-CSR/SADV/I/002. This report was compiled based on data collection conducted remotely from July 6 to December 29, 2021, attended by representatives from: affected parties, community leaders, and village representatives as well as internal company employees. The study area in this document includes all objects affected by PT TN's social impacts, as stated in the PT TN SIA Report, namely LPYE, PBNE, LPYM employees; includes Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantations and mills. There are 17 villages around the PT TN plantation area, such as;

- Langga Payung Unit; Huta Baru Nangka, Sihopuk Lama, Sihopuk Baru, Situmbaga, Siancimun, Rondaman, Ujung Gading, Batang Nadenggan.
- Paya Baung Unit; Huta Baringin, Gunung Manaon, Ujung Batu Julu, Martujuan, Marlaung, Mananti, Jambu Tonang, Manari Tua, Huta Raja



In the report, the aspects studied include; demographics, natural and human resource potential, local economy, socio-religious conditions, education, health, vulnerable groups.

The scope of the company's activities includes;

- Operational activities; gardens, factories and replanting
- Employment
- Community empowerment
- Partnership for community oil palm rejuvenation
- Records of grievances

PT TN social impact analysis for 2020-2021

Negative Impact

- Smoke from Mill chimney which is considered to have a bad effect on the roofs of houses and buildings of residents, with management actions:
  - Testing mill air emissions in a participatory manner by involving the village community on a regular basis
  - Provide explanations and explanations of mill air emission test results by a team of experts (who conduct emission tests) to the public
- Corporate social assistance is felt to be still not optimal, with management actions:
  - Preparation of annual CSR programs to increase the company's contribution
  - Improve communication with village stakeholders regarding the company's social assistance (types and objectives of activities) as part of the company's contribution to the surrounding village community
  - Provide understanding and socialization of the process of implementing corporate social assistance based on requests for proposals.
- Lack of employment, with management actions:
  - Submission of information on job vacancies to the public according to company needs.
  - Improve communication with stakeholders related to labor conditions and the ratio of the workforce which is currently evenly distributed in all villages.

Increased Positive Impact

- Community appreciation for employment by the company
- Social assistance from the company is felt by the community
- Community appreciation of the company's road access that can be passed by residents for daily mobility
- The PSR partnership program that is currently running is expected to be able to encourage the improvement of community welfare
- Welfare and a conducive work environment for employees

### PT Satya Kisma Usaha - Normark Estate

Review Report on Monitoring the Management of Social Impacts of the Palm Oil Plantation of PT Satya Kisma Usaha (Normark Estate) for the period 2020-2021. This study was conducted by the Sustainability Assessment Department of PT SMART Tbk referring to the SOP for Management and Monitoring of Social Impacts No: SOP/SMART/SIGS-CSR/SADV/II/002. This report was compiled based on data collection on June 7, 2022, the number of informants during primary data collection was 7 (seven) people (based on the attendance list) which included representatives from affected parties, village representatives, community leaders, as well as internal company employees (Gender Committee Management, Union Representatives, and residents in the employee housing area). Primary data can also be obtained from discussions with related units in impact management for a period. There are 4 villages around the area, namely; Mampang Village, Hadundung Village, Normark Village, and Mandala Sena Village.

The scope of the company's activities includes;

- Operational activities; estates, mills and replanting
- Employment
- Community empowerment
- Records of grievances

PT SKU social impact analysis for 2020-2021

**Negative Impact**

- Unrealized road maintenance assistance, with management actions:
  - Incorporating road repair assistance into the annual CSR plan
  - Respond and periodically inform (if needed) the status of requests for assistance submitted by the community taking into account the availability of heavy equipment and favorable weather

**Increased Positive Impact**

- Social assistance from the company is felt by the community
- Community appreciation for employment by the company
- Welfare and a conducive work environment for employees

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

**3.4.3**
**Environmental Impact Assessment**

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

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

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

**Social Impact Assessment (SIA)**

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

**PT Tapian Nadenggan - Langga Payung Mil, Langga Payung Estate, and Paya Baung Estate**

The SIA document has formulated several impacts and their management recommendations. Management and monitoring plans that have been prepared based on the recommendations of the SIA have been prepared and implemented for 4 periods. The plan was also reviewed in 2015, 2017, and 2019 in view of the dynamic and evolving social conditions that require a review of impact management every two years. So this monitoring activity is a review for the 2-year management period 2020-2021.

**Review of Social Impact Management and Monitoring**

- Absorption of Local Labor
- Improved local economy with plantation operations
- Positive perception of the assistance provided by the company
- Welfare and Conducive Work Environment for Employees

**Community expectations**

- Expectations of increasing CSR
- Expectations of increased labor recruitment
- CSR expectations in the field of village empowerment/development

- Expectations of CSR in the field of education
- Expectations of increased cooperation or partnerships

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

- Education: MTQ fee assistance
- Economic: Community empowerment through local contractors and local purchasing
- Social: Clean water assistance for community events, sports assistance, financial assistance for religious activities and institutions, fund assistance for religious and national holidays, medical mask assistance
- Health: Mass circumcision activities, and Covid-19 social service activities
- Infrastructure: Facilitation of road maintenance and field maintenance
- Environmental : Flush roads and environmental activities supporting

### • PT Satya Kisma Usaha - Normark Estate

After the identification of social impacts in 2012, a review of the management and monitoring plan has been carried out in 2014, 2017, 2019, and 2021 so that in the period in 2022, monitoring of the management of social impacts has been carried out.

#### Social Impact Monitoring Plan

Negative; Unrealized road maintenance assistance

- Incorporating road repair assistance into the annual CSR plan.
- Respond and periodically inform (if needed) the status of requests for assistance submitted by the community taking into account the availability of heavy equipment and favorable weather

Positive

- Social assistance from the company still not enough
- Absorption of local workers through good industrial relations and in accordance with business regulations
- Welfare and a conducive work environment for employees

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

- Education: Teacher incentive assistance
- Economic: Cooking oil subsidy
- Social: Clean water assistance for community events, sports assistance, financial assistance for religious activities and institutions, fund assistance for religious and national holidays, medical mask assistance
- Health: Mass circumcision activities, and Covid-19 social service activities
- Infrastructure: Facilitation of road maintenance (hoarding, paving, etc.), assistance for repairing places of worship
- Environmental : Flush roads and environmental activities supporting
- Culture: Tambourine purchase

Status: Comply

### 3.5

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

##### 3.5.1

Unit of Certification has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement 2018-2020 written in Bahasa. Based on document verification, this CLA has been in accordance with the applicable regulation, such as Law No. 11 in 1992 related to retirement. In general, these procedures describe:

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



serious violation and others.

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

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

- Work Agreement Number 001/NRME/PKWT-SH/V/2022 dated 5 May 2022 on NRME with AGT (initial) as field worker from 5 May 2022 until 5 June 2023.
- Work Agreement Number 01/LPYE-PKWT/IV/2022 dated 16 April 2022 on LPYE with PRD (initial) as field worker from 18 April 2022 until 17 April 2023.
- Work Agreement Number 07/LPYE-PKWT/IV/2022 dated 16 April 2022 on LPYE with RSW (initial) as field worker from 18 April 2022 until 17 April 2023.

Each temporary worker agreement has been recorded and registered to Manpower and Cooperative of Small and Medium Enterprise Agency of Padang Lawas Utara Regency and Labuhanbatu Selatan Regency. For example, Unit of Certification has shown evidence of contract worker (PKWT) records to Manpower Agency as shown below:

- Contract Worker Record No. 560/165/Naker/IV/2022 as many as 16 workers (loose fruit pick worker) on 18 April 2022 in NMRE to Manpower Agency of Labuhanbatu Selatan Regency.
- Contract Worker Record No. H3.01/LPYE/IV/2022 as many as 13 workers (field worker) on 20 April 2022 in LPYE to Manpower Agency of Padang Lawas Utara Regency.

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

### 3.5.2

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

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of JSP (initial) who started working on 14 December 2020-13 December 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of JSP (initial) in LPYE who had a promotion based on worker's appraisal, from contract worker to permanent worker from 5 January 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of ARZ (initial) in NMRE who had a promotion based on worker's appraisal, from grade PT4A to PT3 in 2021.
- Termination document such as the management decree of employment's termination on behalf of RMN (initial) in LPYE. Unit of Certification also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.

Based on interviews result with Manpower and Cooperative of Small and Medium Enterprise of Padang Lawas Utara, Unit of Certification had been applied the existing labor procedures in accordance with the regulations. During 2021-2022, there were no issues related to manpower.

**Status: Comply**

### 3.6

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

#### 3.6.1

The company shows the results of risk identification for the 2022 period which has been approved by the P2K3 head of each unit in January 2022, these documents include, explains all activities in the mill and estates, identification of potential hazards (sources of events and impacts), existing controls, initial risk analysis (level of likelihood, severity and level of risk).

Examples of HIRAC at the Mill include Boiler operating activities, the source of danger is one of which is from the explosion of steam aircraft which has an impact on death, preventive controls carried out include the installation of safety valves, modulating control,

automatic trips, work instructions for boiler operations and inspection of steam aircraft. Examples of HIRAC in the Estate include cutting FFB activities, one of the sources of danger is falling FFB and being exposed to work equipment that has an impact on limb injuries, preventive controls that are carried out include socializing work instructions, using safety helmets and boots.

Based on observations at LPYM, it is known that the Mill area has been equipped with evacuation routes and installation of OHS warnings, and workers have understood safe work practices by using appropriate PPE. Based on observations and interviews with harvest workers in block C42 Division 3 PBNE, block A15 Division 1 NRME and block B24 Division 2 LPYE, it is known that workers already understand safe work practices by using appropriate PPE.

### 3.6.2

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

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

- Special Medical checkup, planned for March 2021 and realized April 2021
- Periodic general medical checkup, planned for February 2021 and realized in January 2021
- Safety patrol, planned and realized every month.
- SOP socialization, planned for February 2021 and realized in June 2021
- First aid training, planned for April 2021 and realized in July 2021.
- Regular OHS committee management meetings are planned and implemented every month.

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

**Status: Comply**

### 3.7

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

#### 3.7.1

Unit of Certification has shown results of training identification and program for 2021-2022 on 3 January 2022 in order to improve the competence and expertise of all workers including contractors. Unit of Certification had identified the needs of competence standard and the proposed training for each worker (including contract workers). The needs of competence standard and the proposed training for each worker (including contract workers) which is shown by Unit of Certification, for example:

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

#### 3.7.2

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

- Training of first aid for harvester on 10 June 2022 which was attended by 16 participants in NMRE.
- Training of pest control for field worker on 23 June 2022 which was attended by 11 participants in NMRE.
- Training of emergency response for mill workers on 10 June 2022 which was attended by 9 participants in LPYM.
- Training of agronomical technique to *Koperasi Karya Maju Bersama* on 26 March 2022 which was attended by 7 cooperative representatives.
- Training of certification including RSPO to contractors on 17 May 2022 which was attended by 5 contractor workers in NMRE and on 26 May 2022 which was attended by 20 contractor workers LPYE.

Based on field observations and interviews with workers (harvesters, field workers, warehouse officers, and mill operators) and contractor workers, it is known that Unit of Certification provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

### 3.7.3

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

**Status: Comply**

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1; 3.8.2

Langga Payung Mill was used RSPO supply chain of Mass Balance module because mill still received FFB from the smallholders and collectors which has not been certified with RSPO.

#### 3.8.3

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

	Last Year Projected Certified Volume (MT)	Actual production in last 33 months (MT)	Estimation for the next 12 months
FFB Processed	339,046	339,786	149,600
CPO Production	78,512	74,330	31,400
Palm Kernel (PK) Production	20,568	20,462	8,200

#### 3.8.4

The Mill have been registered in RSPO Palm Trace as Langga Payung Mill – PT Tapan Nadenggan with License ID CB111936, and Member ID RSPO\_PO1000001150.

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 10,521 MT and there's CSPO sold as physical as amount as 35,576 MT. The company also informs volume removed related to certified product sold as other scheme (ISCC).

The auditors verify related to transactions on the Palmtrace platform with actual sales of certified products, for example transaction record in 27 January 2021, where there was a sale of 62,650 ton of CSPK to PT Smart, Tbk., and this was in accordance with the transactions made at RSPO Palmtrace.

#### 3.8.5

Langga Payung Mill had procedure for SCCS with MB or IP model in SOP of FFB Processing (No. SOP/SMART/MCMD/I/TM-PKS), SOP of Reporting of Certified Product (No. SOP/SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP/SMART/UMUM/SADV/I/001). The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

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

#### 3.8.6

The Procedure to conduct annual internal audit are describe in SOP for internal audit No. SOP/SMART/UMUM/SADV/I/009 issued on 1 July 2014 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit is done annually.

Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements.

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

### 3.8.7

Langga Payung Mill received FFB from certified and uncertified sources, here's the detail:

Month	FFB (KG)		
	RSPO Certified	Non-Certified	Total
Sep-19	11,944,990	13,788,730	25,733,720
Oct-19	12,038,730	11,981,740	24,020,470
Nov-19	9,474,540	9,373,460	18,848,000
Dec-19	10,756,190	8,537,730	19,293,920
Jan-20	9,773,590	7,219,560	16,993,150
Feb-20	10,432,350	10,365,390	20,797,740
Mar-20	9,994,250	8,998,030	18,992,280
Apr-20	10,100,330	9,109,740	19,210,070
May-20	8,558,380	6,771,040	15,329,420
Jun-20	8,585,930	9,397,590	17,983,520
Jul-20	8,364,070	11,936,750	20,300,820
Aug-20	11,416,270	10,747,650	22,163,920
Sep-20	11,511,120	7,500,400	19,011,520
Oct-20	10,691,290	6,126,910	16,818,200
Nov-20	9,978,680	6,717,090	16,695,770
Dec-20	10,918,360	7,058,070	17,976,430
Jan-21	10,751,940	7,732,870	18,484,810
Feb-21	8,934,530	7,004,500	15,939,030
Mar-21	12,159,800	12,007,330	24,167,130
Apr-21	10,424,840	11,151,900	21,576,740
May-21	10,430,680	9,743,960	20,174,640
Jun-21	8,981,580	11,895,710	20,877,290
Jul-21	8,584,610	13,218,600	21,803,210
Aug-21	11,469,790	12,413,000	23,882,790
Sep-21	8,876,170	11,152,750	20,028,920
Oct-21	10,056,850	9,419,140	19,475,990
Nov-21	10,566,080	9,704,370	20,270,450
Dec-21	9,361,210	10,925,400	20,286,610
Jan-22	9,185,000	8,660,480	17,845,480
Feb-22	8,602,550	7,861,670	16,464,220
Mar-22	11,088,620	8,591,310	19,679,930
Apr-22	12,465,910	7,637,180	20,103,090
May-22	13,306,840	1,922,360	15,229,200

<b>Total</b>	<b>339,786,070</b>	<b>306,672,410</b>	<b>646,458,480</b>
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The auditor has verified FFB received records for the license period, the total FFB certified received was 339,786 MT.

Based on field observations as well as documentation, the management explained that for FFB noncertified from communities has been separated in a system. This has also been confirmed based on the explanations of the FFB carrier employees and also the weighing operator at the factory.

### 3.8.8

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents explain the name and contact person of the buyer and seller, date of delivery, product description, RSPO Certificate ID, quality, quantity, member ID, and others. The transaction also including RSPO certificate number (mass balance module), such as evidence of transaction record in 27 January 2021, where there was a sale of 62,650 kg of CSPK to PT Smart, Tbk.

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

### 3.8.9, 3.8.10, 3.8.11

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

### 3.8.12

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

#### Crude Palm Oil

Period	CPO Production (KG)		CPO Delivery (KG)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
Stock Opening of Certified Product						2,358,109
Sep-19	2,604,847	3,007,744	-	2,600,650	2,643,310	2,726,741
Oct-19	2,677,344	2,663,297	-	2,725,600	4,282,020	1,059,761
Nov-19	2,109,838	2,087,895	1,763,290	100,440	1,891,100	1,502,664
Dec-19	2,428,113	1,893,542	1,928,140	421,990	1,765,920	1,708,268
Jan-20	2,255,641	1,687,887	573,070	2,043,380	1,992,030	1,043,317
Feb-20	2,314,157	2,303,999	1,978,330	64,730	1,850,520	1,767,892
Mar-20	2,219,118	1,994,647	1,543,250	-	1,623,990	2,814,417
Apr-20	2,255,949	2,031,347	2,907,090	-	3,033,160	1,161,463
May-20	1,984,695	1,551,564	1,455,040	-	1,068,300	2,174,382
Jun-20	1,947,211	2,138,305	2,631,510	-	1,966,230	1,662,157

Jul-20	1,867,446	2,671,710	1,704,660	-	3,092,140	1,404,513
Aug-20	2,569,331	2,444,638	2,275,690	-	2,332,010	1,810,782
Sep-20	2,612,125	1,695,133	2,945,320	-	2,104,990	1,067,730
Oct-20	2,495,860	1,423,393	2,111,150	-	1,952,250	923,582
Nov-20	2,135,734	1,425,772	2,495,670	-	1,412,220	577,198
Dec-20	2,481,145	1,572,443	2,235,220	-	1,576,220	819,346
Jan-21	2,286,202	1,666,801	2,351,190	-	1,535,460	885,699
Feb-21	1,975,549	1,532,050	2,224,700	-	1,639,680	528,918
Mar-21	2,542,669	2,491,589	387,360	1,827,500	1,871,030	1,477,286
Apr-21	2,161,432	2,290,297	-	2,109,200	2,674,980	1,144,835
May-21	2,213,975	2,011,563	-	2,163,150	1,939,950	1,267,273
Jun-21	1,821,403	2,407,463	-	1,980,120	2,339,470	1,176,549
Jul-21	1,650,435	2,539,339	577,870	807,210	2,377,120	1,604,123
Aug-21	2,268,651	2,444,051	303,520	1,927,030	2,724,540	1,361,735
Sep-21	1,848,913	2,295,227	2,224,670	-	2,223,020	1,058,185
Oct-21	2,143,948	1,977,595	1,609,250	-	2,145,630	1,424,848
Nov-21	2,260,119	2,074,755	2,835,880	-	2,120,770	803,072
Dec-21	1,969,845	2,223,247	2,205,500	-	1,983,970	806,694
Jan-22	1,929,797	1,820,408	1,963,790	-	1,940,350	652,759
Feb-22	1,843,590	1,674,971	1,327,540	-	1,523,250	1,320,530
Mar-22	2,427,745	1,845,753	2,498,630	-	1,797,200	1,298,198
Apr-22	2,786,288	1,680,876	2,882,210	-	1,970,560	912,592
May-22	3,241,763	451,097	1,702,080	-	448,830	2,454,542
<b>Total</b>	<b>74,330,876</b>	<b>66,020,397</b>	<b>53,641,620</b>	<b>18,771,000</b>	<b>67,842,220</b>	

Based on record verification, there's CSPO sold as certified product on license period as amount as 53,641 MT.

**Palm Kernel**



Period	PK Production (KG)		PK Delivery (KG)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
<b>Stock Opening of Certified Product</b>						665,339
Sep-19	776,634	892,104	622,410	-	783,420	928,246
Oct-19	751,261	750,411	969,690	-	1,204,290	255,938
Nov-19	520,242	514,720	520,140	-	440,610	330,150
Dec-19	647,559	496,688	555,590	-	535,700	383,107
Jan-20	578,917	432,095	679,330	-	431,470	283,319
Feb-20	673,322	670,034	575,270	-	550,720	500,685
Mar-20	614,783	555,085	620,770	-	517,710	532,073
Apr-20	604,522	545,824	589,910	-	637,960	454,549
May-20	480,567	388,149	536,100	-	466,520	320,645
Jun-20	500,700	543,254	590,050	-	455,100	319,450
Jul-20	486,858	676,090	392,710	-	744,610	345,077
Aug-20	708,387	664,923	711,370	-	607,260	399,758
Sep-20	762,506	485,758	759,640	-	640,600	247,781
Oct-20	658,955	378,108	582,580	-	453,230	249,034
Nov-20	553,089	373,717	687,230	-	247,850	240,760
Dec-20	615,776	392,813	548,840	-	450,050	250,459
Jan-21	606,418	444,304	703,200	-	398,366	199,615
Feb-21	542,205	422,294	403,630	-	519,030	241,454
Mar-21	731,398	722,635	62,370	-	1,274,150	358,967
Apr-21	635,931	675,038	335,870	-	1,054,900	279,166
May-21	609,951	568,941	596,550	-	486,690	374,818
Jun-21	515,448	682,238	494,820	-	818,570	259,114
Jul-21	515,780	796,332	429,130	-	771,520	370,576
Aug-21	719,121	775,542	796,610	-	823,970	244,659
Sep-21	556,063	698,075	550,860	-	640,000	307,937
Oct-21	618,689	577,951	520,550	-	720,300	263,727
Nov-21	645,298	594,199	690,710	-	547,670	264,844
Dec-21	591,254	677,806	642,950	-	620,860	270,094
Jan-22	552,437	527,243	502,080	-	534,550	313,144
Feb-22	481,274	443,250	456,620	-	476,600	304,448
Mar-22	650,091	497,883	607,250	-	570,490	274,682
Apr-22	757,725	463,258	823,120	-	430,910	241,635
May-22	799,786	117,114	654,000	-	210,770	293,765
<b>Total</b>	<b>20,462,947</b>	<b>18,443,876</b>	<b>19,211,950</b>	<b>-</b>	<b>20,066,446</b>	

Based on record verification, there's CSPO sold as certified product on license period as amount as 19,211 MT.



### 3.8.13; 3.8.14 & 3.8.15

The mill has been defined the extraction rate dividing CPO or PK production by the total FFB process. Based on that explanation, extraction rate calculated by industry average. The implementation based on company procedures (MCMD clause II). The sounding process for quantity product calculation done by head of administration (KTU) every morning. The company has also demonstrated OER and KER records for the current period 2022 of 21.5% OER and 6.0% KER.

### 3.8.16

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

- Member Name: Langga Payung Mill – PT Tapan Nadenggan
- Membership No.: 1-0096-11-000-00 (Golden Agri-Resources Ltd)
- Member ID: RSPO\_PO1000001150
- License ID: CB111936

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 10,521 MT and there's CSPO sold as physical as amount as 35,576 MT. The company also informs volume removed related to certified product sold as other scheme (ISCC).

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example, in 9 July 2020, where there was a sale of 148,700 ton of CSPO with details of 5 recordings of weighing cards on that date to PT Smart, Tbk, and this was in accordance with the transactions made at RSPO Palmtrace. Where, the shipping announcement was made on July 20, 2020 and confirmed by the recipient on July 22, 2020.

### 3.8.17

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

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

Status: Comply

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

### 4.1

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

#### 4.1.1

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

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

This policy is routinely communicated to all levels of the workforce, operations, supply chain and local communities. For example, Unit of Certification has shown evidence of socialization as shown below:

- Minutes of Socialization of Human Rights Policy in NMRE which was attended by 321 workers on 28-31 March 2022, 5 contractor workers on 17 May 2022, and 3 surrounding community representatives on 2 June 2022.
- Minutes of Socialization of Human Rights Policy in LPYE which was attended by 376 workers on 7-13 March 2022, 20 contractor workers on 26 May 2022, which was attended by 8 surrounding community representatives on 7-10 May 2021.
- Minutes of Socialization of Human Rights Policy in LPYM which was attended by 142 workers on 28 March 2022.
- Minutes of Socialization of Human Rights Policy in PBNE which was attended by 172 workers on 28-30 March 2022, and 11 surrounding community representatives on 19 April 2022.

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

### 4.1.2

Based on the interviews with surrounding communities and workers, it showed that up until this assessment, if there was no any conflicts or disputes with Unit of Certification. Resolution action taken was deliberation without involving any violence's or mercenaries. Resolution of conflicts/problems using these deliberations has been quite effective and during past year there have never been any conflicts/problems in operational area.

**Status: Comply**

## 4.2

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

### 4.2.1

Unit of Certification has mechanisms and complaint handling system that is described in SOP for Handling Complaints and dissatisfaction with No. SOP/SMART/GIMS-SCMD/USDV/II/001 dated July 1, 2014 with the latest revision on April 11, 2017 and mechanisms of grievance handling system that is described in SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure describes information related to submission and record of complaints and grievances, rating of complaints and grievances, formulation and approval of complaints and grievances, management plan handling complaints and conflict, and document storage. These procedures have also stated that there is protection for whistle-blowers and there is process for complaints to be brought to the RSPO Complaints System where a resolution is not found mutually. GAR Social & Environmental Policy (GSEP) been socialized to internal and external stakeholders. Unit of Certification also showed record of socialization for internal and external stakeholders. For example, Unit of Certification has shown evidence of socialization as shown below:

- Minutes of Socialization of GSEP and Complaint Procedure in NMRE which was attended by 321 workers on 28-31 March 2022, 5 contractor workers on 17 May 2022, and 3 surrounding community representatives on 2 June 2022.
- Minutes of Socialization of GSEP and Complaint Procedure in LPYE which was attended by 376 workers on 7-13 March 2022, 20 contractor workers on 26 May 2022, which was attended by 8 surrounding community representatives on 7-10 May 2021.
- Minutes of Socialization of GSEP and Complaint Procedure in LPYM which was attended by 142 workers on 28 March 2022.
- Minutes of Socialization of GSEP and Complaint Procedure in PBNE which was attended by 172 workers on 28-30 March 2022, and 11 surrounding community representatives on 19 April 2022.

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

### 4.2.2

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity

guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response.

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

### 4.2.3

Unit of Certification has shown grievance logbook of internal and external stakeholder. Based on document review of grievance logbook in 2021-2022, it is known that there is no grievance to Unit of Certification from internal and external stakeholder in LPYM, LPYE, PBNE, and NMRE in 2022. There is also no complaint in NMRE and LPYM in 2021. Meanwhile, there is one grievance in LPYE from Forum Masyarakat Sihopuk (FMS) on 9 April 2021 related to asking for withdrawal report on burning of security post at Resort Police of Tapanuli Selatan which has been handled by Unit of Certification on 24 April 2021. Unit of Certification has shown evidence of Agreement Letter on 24 April 2021 between PT Tapan Nadenggan and Head of Village of Sihopuk Baru related to withdrawal report of burning of security post at Resort Police of Tapanuli Selatan by Unit of Certification and new security post construction plan by Head of Village of Sihopuk Baru. This activity has been in accordance with timeline of complaint handling procedure.

Based on interview with workers, it also showed that company has responded if there is any complaint directly after complaints submitted. Besides, based on the interviews with government agencies, surrounding communities, gender committees, and labor unions, it's known that there were no further complaints towards Unit of Certification in 2022.

### 4.2.4

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

To ensure that the procedure can be understood by employees and surrounding community who cannot read and write, Unit of Certification has conducted socialization directly to employee and surrounding community. For example, Unit of Certification has shown evidence of socialization as shown below:

- Minutes of Socialization of GSEP and Complaint Procedure in NMRE which was attended by 321 workers on 28-31 March 2022, 5 contractor workers on 17 May 2022, and 3 surrounding community representatives on 2 June 2022.
- Minutes of Socialization of GSEP and Complaint Procedure in LPYE which was attended by 376 workers on 7-13 March 2022, 20 contractor workers on 26 May 2022, which was attended by 8 surrounding community representatives on 7-10 May 2021.
- Minutes of Socialization of GSEP and Complaint Procedure in LPYM which was attended by 142 workers on 28 March 2022.
- Minutes of Socialization of GSEP and Complaint Procedure in PBNE which was attended by 172 workers on 28-30 March 2022, and 11 surrounding community representatives on 19 April 2022.

the mechanism includes the options of access to independent legal and technical advice

**Status: Comply**

### 4.3

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

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

- Assistance in providing water to Mampang Village
- Teacher incentive assistance at Normark Elementary School.
- Routine POSYANDU activities.
- Assistance for road maintenance in Hadundung Village.

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

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

The company has land rights in the form of HGU in accordance with Government Regulation no. 40 of 1996 with a total area of 10,154.72 Ha. The land rights consist of:

- HGU No.1 covering an area of 4,985 ha in Huta Baringin and Ujung Batu Julu Villages, Barumung Tengah Subdistrict, South Tapanuli Regency with an end date of 31 December 2024 for PT Tapani Nadenggan based on HGU SK no.14/HGU/1989.
- HGU No.1 covering an area of 1,765.47 ha in Sihopuk Baru Village, Sihopuk Lama, Situmbaga, Hutabaru Nangka, Siancimun and Rondaman, Podang Bulak District, South Tapanuli Regency with an end date of 31 December 2037 for PT Tapani Nadenggan based on the Decree of the Head of BPN 23/HGU/DA/82/A/68.
- HGU No.1 covering an area of 1,209.15 ha in Batang Nadenggan Village, Sungai Kanan District, Labuhanbatu Regency with an end date of 31 December 2072 for PT Tapani Nadenggan based on the Minister of Home Affairs Decree No. SK.23/HGU/DA/82.
- HGU No.1 covering an area of 2,195.10 ha in Normark Plantation Village, Kota Pinang District, Labuhanbatu Regency with an end date of 31 December 2029 for PT Satya Kisma Usaha based on the Decree of the Head of BPN No. 5/HGU/BPN/2005.

The company already has a plantation business license for an area of 10,655.62 Ha and a production capacity of 60 tons of FFB/hour (Langga Payung Mill). Here's the detail:

- SPUP No. 763/Menhutbun-VII/2000, dated 29 June 2000, a total of 7,959.62 Ha for oil palm plantation and Mill of PT. Tapani Nadenggan based on HGU Decree No.23/HGU/DA/82/A/68, #23/HGU/DA/82 and 14/HGU/DA/82, mentioned commodity was Oil Palm, located in Padang Bolak, Sungai Kanan and Barumun Tengah District, Tapanuli Selatan and Labuhan Batu (Padang Lawas Utara) Regency, North Sumatera Province. The permit also informed related to mill capacity as amount as 60 ton/hour.
- SPUP No. 948/Menhutbun-VII/2000, dated 8 August 2000, a total of 2,696 Ha for oil palm plantation Normark Estate PT. Satya Kisma Usaha according to HGU Decree No.28/HGU/DA/77, mentioned commodity was Oil Palm, located in Kota Pinang District, Labuhan Batu (at present Labuhan Batu Selatan) Regency, North Sumatera Province.

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

Based on the above evidence, the company's total operations area is 10,154.72 ha.

**4.4.2**

Based on latest assessment, no additions are made to the company's operations. Land clearing has been carried out previously in 1985, 1986, 1987 and 1998. Land compensation documents along with the negotiations have been well documented in the D&L section stored in the Sumatra Utara Regional Office and the copies can be showed to auditors. The documents stored are documents

related to the process of land compensation, proof of payment, documentation of activities, to a participatory map between the seller and the company.

### 4.4.3

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

Based on document review, known that previous land acquisition did not diminish community's legal rights. Based on land acquisition documents, known that the documents made in Indonesia language, has include the maps, price agreement, evidence of payment, and signed by both party as well as Village Officials. The latest land compensation has been conducted in 1985, 1986, 1987 and 1998. Based on management interviews, it is known that the CH has no plans to expand the land by legal compensation for community. The company can also demonstrate that the operational area is in accordance with the land rights owned, where the certificate of land rights in the form of HGU is also equipped with a map with a scale of 1:50,000 which has been approved by the relevant agency.

### 4.4.4; 4.4.5; 4.4.6

Based on latest assessment, there was no increase in the company's operational area. The last land compensation process was carried out in 1985, 1986, 1987 and 1998. During the release of land, in general, the owner of the land acts as a representative for himself. Regular reviews of the FPIC process are embodied in the SIA document which functions to highlight the social issues of the affected people including land issues. All records were made in Indonesian, clear proof of payment and signed by both parties between the company and the land seller (local community) without coercion. Based on the results of interviews with the previous land owner on behalf of Arahim, it was also known that the sale was carried out without any coercion, the selling price was mutually agreed upon and there was no intimidation from the company. Currently the previous land owner also has a good relationship with the company.

**Status: Comply**

### 4.5

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

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

Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional *GRTT* records since 1985, 1986, 1987 and 1998. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The documents for the compensation process have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses. Existing and well-documented agreements are one that the FPIC process has implemented.

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

**Status: Comply**

### 4.6

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

### 4.6.1; 4.6.2

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

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



<p><b>4.6.3</b></p> <p>Until the latest assessments were carried out there were no new GRTTs. The last land acquisition was carried out in 1985, 1986, 1987 and 1998. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community takes into account gender, community leaders, local or transmigrant communities, ethnic groups, etc.</p>		
<p><b>4.6.4</b></p> <p>Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional <i>GRTT</i> records since 1985, 1986, 1987 and 1998. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The compensation process documents have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses.</p> <p>Based on the results of interviews with representatives of surrounding Villages, there are no issues of dispute or other land issues with the company.</p>	<p><b>Status: Comply</b></p>	
<p><b>4.7</b></p> <p><b>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.</b></p>		
<p><b>4.7.1; 4.7.2</b></p> <p>The land compensation process was completed by the company in 1990. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community considers gender, community leaders, local or transmigrant communities, ethnic groups, etc.</p> <p><b>4.7.3</b></p> <p>As the results of public consultations with community representatives from surrounding Villages, one of the positive impacts of opening a company is the opening of road access. They stated that prior to the existence of the company, the community's access to interact with other areas was only through rivers. After the company exists, the community can access the company's roads for daily activities.</p> <p>Heads of surrounding Villages also stated that the company's existence also provided access to recruitment and use of local contractors.</p> <p>Based on the results of interviews with representatives of surrounding villages, there are no issues of dispute or other land issues with the company. In addition, until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional <i>GRTT</i> records since 1985, 1986, 1987 and 1998.</p>	<p><b>Status: Comply</b></p>	
<p><b>4.8</b></p> <p><b>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.</b></p>		
<p><b>4.8.1; 4.8.2; 4.8.3; 4.8.4</b></p> <p>The certification unit has SOP for Social Conflict Handling Document No SOP / SMART / SCSR / NSDV / I / 002, dated 1 July 2014 and revised 18 May 2016. The procedures include explaining the conflict information, conflict analysis, coordination of conflict handling, and preparation of reports on handling progress carried out periodically at least every one month.</p> <p>Based on field observation, document review and public consultation with relevant stakeholder (National Land Agency and Sihopuk Baru Village), there's no issue related to land conflict.</p>	<p><b>Status: Comply</b></p>	

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**
**5.1**
**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**
**5.1.1; 5.1.2**

Langga Payung Mill during certified period does not accept FFB from scheme smallholder.

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

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

The company shows evidence of FFB purchases from independent smallholders, for example on behalf of Afriansyah for the period of May 2022. In the proof of payment of FFB to these farmers (Invoice No. 001/INV/TN/TBS-AF/V/2022), the FFB price set is in accordance with the price determined by the Plantation Agency of Sumatera Utara Province attached in the FFB Price Determination document as a result of the Technical Working Group Meeting of the FFB Purchase Price for Palm Oil Production from Partnered Smallholders in North Sumatra Province for the period from 29 May to 1 June 2022.

**5.1.3**

Langga Payung Mill during certified period does not accept FFB from scheme smallholder. However, company received FFB from independent smallholder. The company shows evidence of FFB purchases from independent smallholders, for example on behalf of Afriansyah for the period of May 2022. In the proof of payment of FFB to these farmers (Invoice No. 001/INV/TN/TBS-AF/V/2022), the FFB price set is in accordance with the price determined by the Plantation Agency of Sumatera Utara Province attached in the FFB Price Determination document as a result of the Technical Working Group Meeting of the FFB Purchase Price for Palm Oil Production from Partnered Smallholders in North Sumatra Province for the period from 29 May to 1 June 2022.

Based on the results of interviews with the FFB supplier, it is known that the determination of the price has referred to the determination of the local government.

**5.1.4; 5.1.8**

The company has no obligation to build community estate (scheme smallholder). However, the company has a partnership program with the Karya Maju Bersama Sejahtera Cooperative in Banyumas Hamlet, Hutagodang Village, Sungai Kanan District, South Labuhanbatu Regency as many as 18 planters with an area of 54.12 ha. The partnership pattern is based on the People's Palm Oil Rejuvenation Agreement Document (No.: 002/SPK/KOP KARYA MAJU BERSAMA SEJAHTERA-TN/IV/2018) which was made on 28 April 2018. In the agreement, all parties have stipulated several provisions, such as:

- The company will develop and manage the plantation with a partnership pattern.
- The planting and maintenance of partnership estate plants includes several activities such as: planting, nursery, maintenance to the development of facilities and infrastructure.
- When entering the mature period, the cooperative will repay the loan plus interest for the installment period, according to what has been stipulated in the credit agreement with the bank.
- After the immature period, the second party will still carry out all the management activities of the partnership plantation.
- Cooperatives are obligated to sell all of the FFB produced by the partnership plantations only to the company for the duration of the agreement.
- Determination of the purchase price of FFB in accordance with local government regulations.

The agreement also informs that the company encourages smallholders to be able to obtain land legality and follow sustainable palm oil management such as RSPO, ISPO and ISCC.

Based on the agreement, the company has also obtained a Decree from the Head of the Plantation and Livestock Service Office of South Labuhanbatu Regency (No. Kpts.525/064/BUNNAK/2020) regarding the Determination of Candidates for Recipients and Candidates for Locations for Members of the Karya Maju Bersama Sejahtera Cooperative, Hutagodang Village, Sungai Kanan



Subdistrict, Dana Rejuvenation of Oil Palm Plants through Partnership Pattern with Tapan Nadenggan, which was set on September 4, 2020.

Currently, the entire plan area of 54.12 ha has been planted entirely with oil palm but has not yet delivered FFB to the Langga Payung Mill because it is still in the immature stage.

### 5.1.5; 5.1.6

Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by the unit of certification in accordance CPO price trends and it's stipulated in work agreements. Based on contract agreement verification known that the FFB trading is conducted fairly, transparently and based on both party agreement, for example on behalf of Afriansyah for the period of May 2022. In the proof of payment of FFB to these farmers (Invoice No. 001/INV/TN/TBS-AF/V/2022), the FFB price set is in accordance with the price determined by the Plantation Agency of Sumatera Utara Province attached in the FFB Price Determination document as a result of the Technical Working Group Meeting of the FFB Purchase Price for Palm Oil Production from Partnered Smallholders in North Sumatra Province for the period from 29 May to 1 June 2022.

Has been observed, the FFB payment process has been carried out transparently and there has never been a grievance related to the payment. An example of payment verified by the auditor is invoice and proof of payment for period for May 2022 for FFB Supplier namely Pandi Wijaya where the calculation of payment is in accordance with the amount of FFB acceptance in Mill, and also the payment has been in accordance with the stipulated time, namely at the end of the month. Furthermore, into the local supplier the company can demonstrate that the payment is in accordance with the agreed agreement.

### 5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The company has 2 units of weighbridge currently operating. The certification unit has also shown documents on the weighbridge calibration such as carried out in 9 March 2022 and valid until 8 March 2023 by legal Industrial and Commerce Department Padang Lawas Utara Regency (No.: 530/112/2022) for weighing scale with the brand Avery Weigh – Tronix E1205 with a capacity of 50 tons. The company performs calibrations aimed at improving the integrity of FFB weighing from third parties and also minimizing scale fraud.

### 5.1.9

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

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

**Status: Comply**

## 5.2

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

### 5.2.1 & 5.2.5

The company has no obligation to build community estate (scheme smallholder). However, the company has a partnership program with the Karya Maju Bersama Sejahtera Cooperative in Banyumas Hamlet, Hutagodang Village, Sungai Kanan District, South Labuhanbatu Regency as many as 18 planters with an area of 54.12 ha. The partnership pattern is based on the People's Palm Oil Rejuvenation Agreement Document (No.: 002/SPK/KOP KARYA MAJU BERSAMA SEJAHTERA-TN/IV/2018) which was made on 28 April 2018. In the agreement, all parties have stipulated several provisions, such as:

- The company will develop and manage the Partnership Plantation with a partnership pattern.
- The planting and maintenance of partnership plantation plants includes several activities such as: planting, nursery, maintenance to the development of facilities and infrastructure.
- When entering the mature period, the cooperative will repay the loan plus interest for the installment period, according to what has been stipulated in the credit agreement with the bank.
- After the immature period, the second party will still carry out all the management activities of the partnership plantation.

- Cooperatives are obligated to sell all of the FFB produced by the partnership plantations only to the company for the duration of the agreement.
- Determination of the purchase price of FFB in accordance with local government regulations.

The agreement also informs that the company encourages smallholders to be able to obtain land legality and follow sustainable palm oil management such as RSPO, ISPO and ISCC.

Based on the agreement, the company has also obtained a Decree from the Head of the Plantation and Livestock Service Office of South Labuhanbatu Regency (No. Kpts.525/064/BUNNAK/2020) regarding the Determination of Candidates for Recipients and Candidates for Locations for Members of the Karya Maju Bersama Sejahtera Cooperative, Hutagodang Village, Sungai Kanan Subdistrict, Dana Rejuvenation of Oil Palm Plants through Partnership Pattern with Tapani Nadenggan, which was set on September 4, 2020.

Currently, the entire plan area of 54.12 ha has been planted entirely with oil palm but has not yet delivered FFB to the Langga Payung Mill because it is still in the immature stage.

### 5.2.4

The company also carries out maintenance activities using pesticides in the form of herbicides as a form of support for the management of plasma farmers in these locations, this can be seen from the review of documents recording activities for spraying systemic herbicides in the period March 2022. Not juts pesticide, the company also done socialization related to best agronomy practice for smallholder on 26 March 2022.

### 5.2.2 & 5.2.3

The company also has the same partnership program for the scope of the Normark Estate (PT Satya Kisma Usaha) with four farmer groups:

- Jaya Binanga Dua Farmers Group (Binanga Dua Village)
- Karya Farmers Group (Aek Goti Village)
- Maju Jaya Farmers Group Together Prosperous (Hadundung Village)
- Janji Matogu Farmers Group (Kelurahan Langga Payung)

Currently it is still in the process of filing with the relevant agencies, where the company has sent a letter of application accompanied by supporting documents such as:

- Legality of Farmer's Group
- Copy of ID Card of Farmer Group Management
- List of Prospective Farmers & Land Candidates based on the Decree of the South Labuhanbatu Regent.
- Document of partnership agreement between the Cooperative and the company set in March 2022.

In determining farmers, there are also female farmers, for example on behalf of Desi Laili Putri, Juniati Sagala and Halima Sagala. This proves that the company supports gender equality in decision making.

**Status: Comply**

## PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

### 6.1

#### Any form of discrimination is prohibited.

#### 6.1.1

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

Based on worker's recruitment document, Unit of Certification had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief. Based on result of public consultations with agencies, worker unions, and gender committees stated that there were no cases of discrimination in obtaining employment opportunities. Based on interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work. This is in line with the results of the field visit, as for example, there were loose fruit pick workers who were female and are given equal rights and wages.

#### **6.1.2**

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

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

#### **6.1.3**

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

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of JSP (initial) who started working on 14 December 2020-13 December 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of JSP (initial) in LPYE who had a promotion based on worker's appraisal, from contract worker to permanent worker from 5 January 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of ARZ (initial) in NRME who had a promotion based on worker's appraisal, from grade PT4A to PT3 in 2021.

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

#### **6.1.4**

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as pesticide application and fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. All pregnant workers placed in non-agrochemical works such as day care keeper, manual upkeep, and loose fruit picker.

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

#### **6.1.5**

Gender committees have been formed and are still active today in Unit of Certification which is chaired by committee chairperson along with coordinators in several sections and there are representatives in each unit. Structure of gender committee consists of male and female workers. Main objective of forming gender committee is to provide a forum that can accommodate aspirations/complaints

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

Unit of Certification informed that they also held socialization about gender committee. For example, company has shown evidence of socialization of gender committee which was held in NMRE on 4 March 2022 and attended by 8 participants, and in PBNE on 7 May 2022 and attended by 17 participants.

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

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

### 6.1.6

Unit of Certification does not discriminate against workers' rights; it is shown by paying equal employee wages and the same scope of work. Unit of Certification issues decree on payment of wages for mill and estate employees, where the payment of employee wages is based on structure and scale of wages that have been determined by Unit of Certification. For example, Unit of Certification has shown its implementation towards structure and scale wage which shown that wage payment of same work scope of estate worker of LPYE in May 2022 o.b. BLL (initial of female worker) with basic salary of IDR 3,010,235 and STR (initial of male worker) with basic salary IDR 3,010,235.

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

**Status: Comply**

## 6.2

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

### 6.2.1

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

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the CLA and in accordance with routine socialization provided by Unit of Certification. Workers' wages in 2022 have been above the minimum wage set by local government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month. Based on interviews with workers (harvesters, pesticide application workers, and mill operators), it is also informed that they had received their wage above minimum wage set by local government (e.g., PT Tapian Nadenggan's workers above Rp. 2,768,094/month and PT Satya Kisma Usaha's workers 3,300,000/month).

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

### 6.2.2

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

- Workers alone: money or 15 kg of rice
- One legal wife: money or 9 kg of rice
- Children (until 3): money or 7,5 kg of rice

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

Company has shown establishment of minimum wage in each unit. For example, company has established minimum wage in 2022 in each unit including Langga Payung Estate, Langga Payung Mill, Paya Baung Estate, and Normark Estate as shown below:

#### **Langga Payung Estate, Langga Payung Mill and Paya Baung Estate**

- Decree of North Sumatera Governor No. 188.44/783/KTPS/2021 dated 30 November 2021. Minimum wage set in Padang Lawas Utara Regency in 2022 is Rp. 2,768,094/month.
- Decree No. 021/CEO PSM 1/HR PSM 1/01/2022 dated 1 January 2022 regarding Structure and Wage Scale of SKU (permanent worker) in PT Tapani Nadenggan in 2022.

#### **Normark Estate**

- Decree of North Sumatera Governor No. 188.44/50/KPTS/2020 dated 30 January 2020. Minimum wage set in Labuhanbatu Selatan Regency in 2020 is Rp. 3,300,000/month.
- Decree No. 019/CEO PSM 1/HR PSM 1/01/2022 dated 1 January 2022 regarding Structure and Wage Scale of SKU (permanent worker) in PT Satya Kisma Usaha in 2022.

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

There are sample of PKWT agreement number 001/NRME/PKWT-SH/V/2022 on 5 May 2022 in NMRE and agreement number 01/LPYE-PKWT/IV/2022 on 16 April 2022 in LPYE. Work agreement (contract) between contract workers and company describes about scope of agreement, rights and obligations, work days and times, leave, salary, allowance, welfare facilities, sanctions, layoffs, settlement of disputes and others. Contract is written in Indonesian language and workers are understood substance of contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. All work agreements have been registered to manpower agencies and showed that the pay and conditions in accordance with applicable Law with contract worker record as follows:

- Contract Worker Record No. 560/165/Naker/IV/2022 as many as 16 workers (loose fruit pick worker) on 18 April 2022 in NMRE to Manpower Agency of Labuhanbatu Selatan Regency.
- Contract Worker Record No. H3.01/LPYE/IV/2022 as many as 13 workers (field worker) on 20 April 2022 in LPYE to Manpower Agency of Padang Lawas Utara Regency.

Unit of Certification showed overtime payment in April-May 2022 that has been in accordance with applicable laws for workers on behalf of ASM (initial) as boiler operator. In the pay slip document, it's known that the nominal of the worker's overtime wages has in



accordance with the overtime calculation. Result of review of pay slip document for April-May 2022 above, proved that wages received are above minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022.

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

### 6.2.3

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

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

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

- Maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after). For example, paid leave letter on behalf of HSS (initial) in LPYE approved by the supervisor on 25 March 2022 (No. 06/PLKL/III/2022)
- Regular employee paid leave on behalf of SPR (initial) in LPYM on 24 June 2022 for 2 days and was approved by Mill Manager on 24 June 2022.

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

### 6.2.4

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

### 6.2.5

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

Based on interviews with estate and mill workers, labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities. In addition, workers can buy these needs to the markets around the company's area without any difficulties.

### 6.2.6

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

Unit of Certification has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2022 has been included in the calculation of housing facility cost, water cost, educational cost, and health cost. Standard of wage eligibility referred to by the unit of certification is minimum wage. A detailed explanation of minimum wage is provided in indicator 6.2.1. The components included in the calculation of a living wage include the following:

**PT Tampilan Nadenggan**

- Contract and PT4A workers  
Minimum Wage: IDR 3,007,235  
Eid allowance: IDR 250,645  
School: IDR 78,350  
Health outside BPJS Kes: IDR 52,608  
Day-care: IDR 27,194
- Workers with group> 4A  
For example: PT4B group  
Wage: IDR 3,007,235  
Eid allowance: IDR 426,895  
Rice: IDR 209,628  
Electricity: IDR 35,000  
House: IDR 243,412  
Water: IDR 58,322  
School: IDR 78,350  
Health outside BPJS Kes: IDR 52,608  
Day-care: IDR 27,194

**PT Satya Kisma Usaha**

- Contract and PT4A workers  
Minimum Wage: IDR 3,300,000  
Eid allowance: IDR 275,000  
School: IDR 56,824  
Health outside BPJS Kes: IDR 37,534  
Day-care: IDR 57,450
- Workers with group> 4A  
For example: PT4B group  
Wage: IDR 3,158,000  
Eid allowance: IDR 439,417  
Rice: IDR 209,628  
Electricity: IDR 35,000  
House: IDR 243,412  
Water: IDR 58,322  
School: IDR 56,824  
Health outside BPJS Kes: IDR 37,534  
Day-care: IDR 57,450

**6.2.7**

Based on list of workers document verification sighted that on April-May 2022, there are still non-permanent workers in estate. The non-permanent workers in estate are categorized as Field Workers with type of job description are upkeep activity and loose fruit picking (if needed). The number of non-permanent workers on each unit are NMRE: 16 workers and LPYE: 13 workers. Based on document verification, Unit of Certification has shown that contract worker agreement which shown that concerning wages and incentives which explains that the lowest wage of worker couldn't be lower than minimum wage set by the government every year. All



of non-permanent worker agreement been registered to Manpower and Cooperative of Small and Medium Enterprise Agency of Labuhanbatu Selatan Regency and Padang Lawas Utara Regency. For example, Unit of Certification has shown evidence of contract worker (PKWT) records to Manpower Agency as shown below:

- Contract Worker Record No. 560/165/Naker/IV/2022 as many as 16 workers (loose fruit pick worker) on 18 April 2022 in NMRE to Manpower Agency of Labuhanbatu Selatan Regency.
- Contract Worker Record No. H3.01/LPYE/IV/2022 as many as 13 workers (field worker) on 20 April 2022 in LPYE to Manpower Agency of Padang Lawas Utara Regency.

**Status: Comply**

### 6.3

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

#### 6.3.1

Unit of Certification has a written policy "the freedom of association" in CLA Article 2 "recognition of rights of company and labor union" Unit of Certification also issued a policy through circulars letter (SE) No. 094/CEO2-SE/12/2010 on 14 December 2010 which concerning freedom of association in organization of workers/labor. Referring to Law (UU) No. 21/2000 about union/labor union, company respects to rules and regulations which applicable in the law, including matters of the freedom of association in organization of workers/labors who are basic rights of workers as stipulated in the law. There was 3 Labor Union at LPYE & LPYM, PBNE, and NRME and have been registered to Manpower Agency. All workers given freedom to choose their union. Based on result of document review, it's known that Unit of Certification also documented the number of labor union operating in company operations area and its members' number as per May 2022, here as follows:

- Labor Union of LPYM with 133 total members.
- Labor Union of LPYE with 443 total members.
- Labor Union of PBNE with 204 total members.
- Labor Union of NRME with 281 total members.

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

#### 6.3.2

Unit of Certification has well-documented the records of meetings between labor unions and management representatives as well as with internal union meetings. For example, record of meetings conducted by labor unions in 2022 has been shown as follow:

- Labor Union of LPYE-LPYM internal meeting on 17 May 2022 to discuss about employee's entertain activities which was attended by 34 participants from LPYE and LPYM.
- Labor Union of LPYE-LPYM and PT Tapan Nadenggan management representative on 21 May 2022 to discuss about employee's entertain activities which was attended by 7 participants from LPYE and LPYM.

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

#### 6.3.3

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

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

Status: Comply	
<b>6.4</b> <b>Children are not employed or exploited.</b>	
<p><b>6.4.1</b> Unit of Certification has policy on child and female workers as stated in Management Policy No. 002/SEHRDV/03/09 on 31 March 2009 and memorandum No 01/VPA1/I/2009 on 13 January 2009, regarding Prohibition for Child Worker (<i>Larangan Mempekerjakan Anak di Bawah Umur</i>). Document verification results reveal that there are no workers under the age of 18. The process of hiring employees this is evidenced by the Identity Cards at the time of employee recruitment. In addition to having a policy governing minimum age of workers for workers, Unit of Certification also includes a clause on child protection and a prohibition on employing workers under the age of 18 in any agreement with contractor. Based on document verification and interview with local contractor, it has been included into service contracts and supplier agreements.</p> <p><b>6.4.2</b> Unit of Certification has employee's recruitment policy on Golden Agri Resources Social and Environmental Policy dated 8 September 2015. It states that company will not employ children that fall within definition of provisions of ILO conventions, even though there are laws or regulations that will allow state and local states and against all form of child exploitation. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical checkup. Unit of Certification has a policy on child labor, signed by CEO and in CLA also stated that the minimum age for workers is 18 years old.</p> <p>This policy has been communicated to all workers, suppliers and contractors respectively. Records of personal data of employees - age, marital status, position and rank, location of work, date of commencing employment - are kept. Checking records of last recruitment and interviews with employees confirmed that no one under 18 years old has been employed. During field observation at estates and mill also showed that there were not founds any workers under working age.</p> <p><b>6.4.3</b> Based on field observation and verification of each estate and mill employee list documents for the period of April-May 2022 did not find any workers who were less than 18 years old at the time of hiring.</p> <p><b>6.4.4</b> Unit of Certification has employee's recruitment policy on Golden Agri Resources Social and Environmental Policy dated 8 September 2015. It states that company will not employ children that fall within definition of provisions of ILO conventions, even though there are laws or regulations that will allow state and local states and against all form of child exploitation. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical checkup. Unit of Certification has a policy on child labor, signed by CEO and in CLA also stated that the minimum age for workers is 18 years old.</p> <p>Unit of Certification also showed that they had socialized the policy to relevant parties. For example, the socialization was held in March 2022 to workers in LPYM, LPYE, PBNE, and NMRE. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, Company also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. Company also put a warning board which disallowance the children existence in the work area.</p>	
Status: Comply	
<b>6.5</b> <b>There is no harassment or abuse in the workplace, and reproductive rights are protected.</b>	
<p><b>6.5.1</b> Commitment to maintaining decency is regulated in Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. To support this, Unit of Certification has formed a Gender Committee in each unit as a place to submit complaints and complaints regarding violations of reproductive rights/women and sexual harassment.</p>	

There is gender committee established to resolve if sexual harassment occurs. The policy on sexual harassment and reproductive rights of women are imposed on contractors by being included in their contractual agreements. Unit of Certification was developed protocol flowchart for sexual harassment reporting. Each of units (mill and estates) has their own gender committee that supported with annual work programmes. Estates annual Work Programmes, includes: socialization; counselling; monitoring; child care facilities monitoring; committee gender meeting; health services post (Posyandu). Based on document verification, Unit of Certification has also shown example of socialization of this policy to worker and contractor dated 7-13 March 2022 and 26 May 2022 (LPYE), and 28-31 March 2022 and 17 May 2022 (NMRE).

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

#### **6.5.2**

Unit of Certification has Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. Unit of Certification has also regulation of menstrual leave for female worker which is given for two days after it is checked by medical worker in clinic. Based on document verification sighted that Unit of Certification has also shown example of socialization of this policy to worker and contractor dated 7-13 March 2022 and 26 May 2022 (LPYE), and 28-31 March 2022 and 17 May 2022 (NMRE)

Based on document verification, Unit of Certification has given menstrual leave and maternity leave of female workers. For example, maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after). For example, paid leave letter on behalf of HSS (initial) in LPYE approved by the supervisor on 25 March 2022 (No. 06/PLKL/III/2022). Meanwhile, based on result of interview with workers and management representatives, as well as document review, female workers of each unit has not submitted any menstrual leave for period of 2021-2022.

Unit of Certification has also shown result of list of pregnant women and young mother on each unit for period of 2021-2022. For example, Unit of Certification has shown pregnant women and young mother monitoring in LPYE and PBNE in 2021-2022. Based on result of document verification, there are 4 pregnant women (field worker and 1 midwife) 5 young mother (field worker and 1 payroll officer) in LPYE.

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

#### **6.5.3**

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

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

#### **6.5.4**

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

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

Status: Comply

## 6.6

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

#### 6.6.1

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

Unit of Certification has also shown that on each work agreement between Unit of Certification and contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to anti-bribery, anti-corruption, and anti-forced labor. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before contractor does work.

Based on result of interview with manpower agency, gender committee, labor union, and workers at estates and mill, there is no issue of discrimination and forced labor in Unit of Certification. There were no significant obstacles related to employment or violations of Unit of Certification regulations. Unit of Certification provided output targets that can be obtained in 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.

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

#### 6.6.2

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

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

Status: Comply

## 6.7

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

#### 6.7.1

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

- Decree of the Manpower Agency of the Province of North Sumatra with the number 359-7/DTK-SU/WIL.V/2021 concerning the Ratification of the OHS committee at PT. Tapan Nadenggan Langga Payung Estate. Ratified on September 20, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries and Members. General OHS Expert on behalf of Abdi Ogi Rianto as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 5/33143/AS.02.04/XII/2020 dated 22 December 2020 with status still valid until December 2023.
- Decree of the Head of the Manpower Agency of the North Sumatra Province with the number 566/211-7/DIK/VIII/2021 concerning the Ratification of the OHS committee at PT. Tapan Nadenggan Paya Baung Estate. Ratified on August 6, 2021. The

organizational structure of OHS committee consists of: Trustees, Chairpersons, Deputy Chairpersons, Secretary, and Members. General OHS expert on behalf of Lalu Suparih as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. KEP.22375/NAKER-BINWASK3/IX/2018 dated September 10, 2018 with the status expired. The company shows proof of the general OHS Expert extension process at the Ministry of Manpower through a certificate No. 1142/SK/TPM/VI/2022 issued by PT Tranindo Pratama Mulia.

- Decree of the Head of the Manpower Agency of the North Sumatra Province with the number KEP.92/P2K3/DTK/2020 concerning the Ratification of the OHS committee at PT. Tapan Nadenggan Normark Estate. Ratified on March 18, 2020. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries, and Members. General OHS Expert on behalf of Desfredo Feryadi as Secretary which was decided by the Minister of Manpower of the Republic of Indonesia No. 5/281/AS.01.03/II/2022 dated 17 February 2022 with the status still valid until February 2025.
- Decree of the Head of the Manpower Office of the North Sumatra Province with the number 566/212-7/DIK/VIII/2021 concerning the Ratification of the OHS committee at PT. Tapan Nadenggan Langga Payung Mill. Ratified on August 6, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Deputy Chairpersons, Secretary, and Members. General OHS Expert on behalf of Reyhan Nafis as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 5/33135/AS.02.04/XII/2020 dated 22 December 2020 with status still valid until December 2023

In the OHS program there is a OHS committee meeting which is carried out every month to discuss issues and evaluate the OHS work program, as an example of the discussion at the OHS committee meeting in May 2022, namely: OHS committee meeting at LPYE on May 6, 2022, discussing work instructions for preventing and handling Covid 19, PPE/Safety Patrol inspections, monitoring the contents of the first aid kit and work accidents.

### 6.7.2

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

- Emergency Response Committee at LPYE which was ratified by the Chair of OHS committee on March 3, 2022. The organizational structure consists of a Trustee, Chairperson, General Assistant, Secretary, Daily Chair, Team Team.
- Emergency Response Committee at PBNE which was ratified by the Chair of OHS committee on April 8, 2022. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, Team Teams.
- Emergency Response Committee at LPYM which was ratified by the Chair of OHS committee on June 17, 2021. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, Team Teams.

The company also shows a list of workers who have attended first aid certification training by the Manpower Office, such as:

- First aid officers at LPYE are 3 persons, the time for training for license renewal is July 1, 2019 and the license is valid until July 1, 2024.
- First aid officers at LPYM are 3 persons, the time for training for license renewal is 30 June 2021 and the license validity period is 30 June 2024.
- First aid officers at NRME are 3 persons, the time for training for license renewal is 26 June 2019 and the license validity period is 1 July 2024.

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

Based on interviews and document review, it is known that the company has reported work accidents and is reviewed regularly in the quarterly reports of the OHS committee to the Manpower and Transmigration Office. First aid officer have also been given training and can explain how to use the contents of a first aid bag.

### 6.7.3

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



replaced every time there is damage. Based on result of interview with LPYE workers (harvester and sprayer), it is know that every PPE which has been damaged is replaced by the company.

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

- Minutes of handover of PPE for each unit, for example:
  - Workers in Division 5 LPYE, the distribution of PPE will be carried out on June 15, 2022, including 6 safety boots, 7 rubber gloves, 8 carbon masks, 9 spray clothes and 10 aprons.
  - Workers in the NRME Division 2, the distribution of PPE was carried out on May 13, 2022, including 4 helmets and 5 *egrek* gloves.
- Documents of PPE stock opname results in each unit to determine the availability of spare PPE in the warehouse, such as:
  - PPE stock opname at LPYM on June 2, 2022, it is known that there are PPE in the warehouse such as 14 safety helmets, 3 anti-fog safety glasses, 50 leather gloves, 92 ear plugs and 6 safety boots.
  - PPE stock opname at NRME on 27 June 2022, it is known that there are PPE in the warehouse such as 5 pcs helmets, 12 pcs safety boots, 10 rubber gloves, 52 pcs safety glasses, 5 pcs apron, 5 spray clothes and 10 pcs masks.

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

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

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

### 6.7.4

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

- *BPJS* (Health Insurance) payments for LPYE, LPYM, PBNE and NRME, have been completely fulfilled and the last proof of payment is on 11 May 2022 for period of May 2022 and 8 June 2022 for period of June 2022.
- *BPJS* (Social Security Insurance) payments for LPYE, LPYM, PBNE and NRME, have been completely fulfilled and the last proof of payment is on 11 May 2022 for period of April 2022 and 8 June 2022 for period of May 2022.

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

### 6.7.5

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

Unit	Work Hours	Case	LTI	FR	SR
LPYM	24,693	0	0	0	0
LPYE	93,841	2	0	16.82	0



Based on interviews and document review, it is known that the company has reported work accidents and it is reviewed regularly in the OHS committee quarterly report to the Manpower and Transmigration Agency. The handling of accidents can be through the nearest clinic or health center.

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

Status: Comply

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

### 7.1

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

#### 7.1.1

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

- Observations of *Psychidae* pests in April 2022 at PBNE showed the average number of *Psychidae* was 0.6 per stem (below the threshold), observations of rat pests in April 2022 at LPYE found that the average percentage of rat attacks was 0.78% (below the threshold).
- The company has planted a beneficial plant by showing the beneficial plant monitoring document, based on the document review it is known that the company has planted a beneficial plant in 2021 – June 2022, namely: *Turnera imifolia* planting in LPYE for 185,900 Mtr, *Turnera imifolia* planting in NRME for 35,901 Mtr and *Antigonone leptopus* 294 Mtr. Based on field observations at NMRE blocks A15, B31 Division 1 and Block B30 Division 2, PBNE blocks C42, C43 Division 3, block B35 Division 2, it is known that these areas have been planted with beneficial plants.
- Development of Owls as natural predators of rats. Based on field observations in several areas such as block A59 Division 1 PBNE, block A15 Division 1, block B24 Division 2 NRME there are owl cages with active conditions.

From the results of field visits, interviews, and document review, it is known that the company has and implemented SOPs for monitoring and controlling pests & diseases and that the documents are in accordance with the actual field.

#### 7.1.2

The company does not use the species mentioned in *Permen LHK No.P. 94/MENLHK/SEKJEN/KUM. 1/12/2016* concerning Invasive Types. This is based on the documents monitoring of planting/maintaining beneficial plants, such as *Turnera imifolia*, and *Antigonon leptopus* both at LPYE, PBNE, and NMRE to deal with attacks of *Limacodidae* and *Psychidae*. The company has planted a beneficial plant by showing the beneficial plant monitoring document, based on a review of the document it is known that the company has planted the beneficial plant of the 2021 - June 2022, namely: planting *Turnera imifolia* of 185,900 Mtr in LPYE, planting *Turnera imifolia* of 35,901 Mtr and *Antigonon leptopus* of 294 Mtr in NRME. Based on field observations in NRME Blok A15, B31 Division 1 and Block B30 Division 2, PBNE Block C42, C43 Division 3, Block B35 Division 2 known the area has been planted with Beneficial Plant. The company also uses *Tyto Alba* species for biological control of rat pests. This is known from the results of field observations in several areas such as block A59 Division 1 PBNE, block B24 Division 2, block A15 division 1 NRME, found an owl cage with active conditions.

#### 7.1.3

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

Status: Comply

### 7.2

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

#### 7.2.1

The company has SOPs and work instructions on weed management, guidelines covering the selection, storage, application, handling of contaminated, known about the signs and symptoms of pesticide poisoning and first aid for poison cases. The company has a written commitment to reduce paraquat pesticides in plantation operations, which is indicated in the President Director's Memorandum number 032/PD/VIII/2015 dated August 13, 2015 regarding the cessation of the use of paraquat herbicides. The memo states that

starting in early 2016 there should be no more weed eradication using herbicides with the active ingredient Paraquat. With this concept, the use of pesticides that are limited in nature such as paraquat is not used.

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

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

Based on observations and interviews conducted with spray workers in block B35 Division 2 of PBNE, it was concluded that workers knew about the function of the chemicals used and were selective when spraying activities. As an example for the material Isopropyl amine glyphosate and Fluroxypyr is used for path spraying.

### 7.2.2

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

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	% Active ingredient	Amount used (Ltr or Kg)	Area used (Ha)	Unit/Ha
Roll up (L)	Isoprofil amina glyphosate	5000	0.48	7,334.12	4,955.6	1.48
Starane (L)	Fluroxypyr	200	0.48	737.24	4,955.6	0.15
Garlon (L)	Triclopyr	5000	0.44	9.00	4,955.6	0.0018
Erkafuron (Kg)	Methyl Metsulfuron	5000	0.20	2,173.83	4,955.6	0.44

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

### 7.2.3

The company shows records of pesticide use in 2020 and 2021 at PT Tapian Nadenggan Langga Payung Estate which shows a decrease in pesticide use, such as:

Pesticides	Unit	2020	2021
Roll Up	L	7,428.99	7,334.12
Erkafuron	Kg	2,487.81	2,173.83
Decis	L	42.92	27.57
Garlon	L	30.23	9.00

The company has also planted beneficial plants, such as *Antigonon leptopus* and *Turnera*. In addition, the company also develops owls as natural predators of rats. Based on field observations in several areas such as block A59 Division 1 PBNE, block A15 Division 1, block B24 Division 2 NRME there are owl cages with active conditions.

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

#### 7.2.4

The company shows a plan document for pest control activities consisting of detection and census of rats, leaf-eating caterpillars, and biological control, such as planting beneficial plants and developing owl populations. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars and developing owls for mice. The use of insecticides is carried out if the level of pest attack is above the threshold ( $> 5$  caterpillars / midrib). The company shows the *Psychidae* pest observation document in April 2022 at PBNE, it is known that the average *Psychidae* number is 0.6 per stem (below the threshold), the observation of rat pests in April 2022 at LPYE shows the average percentage of rat attacks is 0.78% (below the threshold).

#### 7.2.5

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

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

#### 7.2.6

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

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

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

- Spray training at LPYE on 9 July 2021 which was attended by 64 workers and spray foreman.
- Spray training at PBNE on 20 June 2022 which was attended by 24 workers and spray foreman
- Spray training at NRME on 18 May 2022 which was attended by 18 workers and spray foreman

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

#### 7.2.7

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

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

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

#### **7.2.8**

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

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

From the results of field visit in housing area at Langga Payung Estate, it was found that there were no traces of chemical packaging used as water reservoirs or other housing activities. Based on interviews with employees and the foreman of pesticide application Langga Payung Estate, Paya Baung Estate, and Normark Estate it is known that all pesticide packaging is collected at the designated storage area and the company coordinates with collectors to recycle and not be used for purposes other than pesticide application activities with documented and traceable.

#### **7.2.9**

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

#### **7.2.10**

The company has carried out regular health checks for all workers and special health for operators and pesticide factories at PT Tapan Nadenggan, including:

- Medical checkup at Normark Estate carried out on April 2 – 3, 2021. The medical checkup includes a cholinesterase, general medical checkup, and audiometry. The number of employees who took part in the cholinesterase special medical checkup was 84 people with normal results and 6 people with normal audiometric examination results. For periodic general medical checkup followed by 332 workers with normal results
- The company also shows the results of the medical checkup at Langga Payung Mill carried out on February 25, 2022, periodic general medical checkup for 133 workers with normal results, and a special medical checkup at Langga Payung Mill on April 31, 2022, such as audiometry for 71 workers with normal examination results and cholinesterase as many as 19 workers with normal examination results.

Based on this explanation, it can be concluded that the company has carried out periodic special medical checkup for pesticide operators and documented evidence of follow-up on the results of the inspection.

### 7.2.11

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

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

**Status: Comply**

### 7.3

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

#### 7.3.1

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

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

Regarding the procedure, unit certification applies the steps outlined in the work instructions, for example in:

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

#### **PT Tapian Nadenggan - Langga Payung Estate dan Langga Payung Mill**

Unit certification has a temporary storage permit for Hazardous and Toxic waste, through the document for the Extension of the Temporary Storage Permit for Hazardous and Toxic Waste (Operational Permit for Management of Hazardous and Toxic Waste for Producers) PT Tapian Nadenggan based on the Decree of the *Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency. No. 503/0001/L-LB3/I/2021 dated January 8, 2021 with a validity period until November 9, 2025. Maximum storage period is 180 days.

This permit has 2 storage locations, namely at Langga Payung Estate and Langga Payung Mill in Hutabaru Nangka Village, Holongonan Timur District, Padang Lawas Utara Regency, North Sumatera Province, with 1 building unit with an area of 18 m<sup>2</sup>. The types of waste that are permitted to be stored in each area such as; used oil, used batteries, expired chemicals, contaminated



packaging, contaminated materials, LED lamps, printer ribbons, rags contaminated with hazardous and toxic materials, oil filters, used diesel fuel, paint cans, medical waste, and laboratory waste.

### **PT Satya Kisma Usaha - Normark Estate**

Permit for storage of hazardous and toxic waste PT Satya Kisma Usaha based on decree of Labuhanbatu Selatan Regency Government dated August 08, 2019 is valid for 5 years until August 6, 2024 in Perkebunan Normark Village, Kota Pinang District, Labuhanbatu Selatan Regency with No. 503/0003/DPMPPTSP-LS/LB3/VIII/2019. Maximum storage of 90 days, with the type of waste allowed to be stored in the form of LB3 from the results of their own activities.

Based on the results of field observations carried out in the storage of hazardous and toxic waste area, it shows that the company has carried out hazardous and toxic waste management by installing emergency response facilities such as fire extinguishers, first aid kits, bells/alarm, eye wash, shower and other equipment such as coordinate points, warning boards and installing symbols. and labels according to the type of B3 waste stored. In addition, there is also a hazardous and toxic waste recording logbook to record waste entering and leaving the storage.

In its implementation in the field, the unit of certification already has a cooperation agreement with a third party who has a permit according to the law to collection, cleaning, handling, transportation hazardous and toxic waste, such as;

- PT Tapian Nadenggan with PT Amindy Barokah Sumut with No. 032/TN-ABS/SPK-LB3/1/2022 on January 3, 2022 with a validity period of up to one year from signing. The agreement also explains that the types of hazardous and toxic waste to be submitted are used lubricants, used batteries, expired chemicals, laboratory waste, used catalysts, contaminated packaging, used hazardous and toxic packaging, used filters, used rags, used toner/cartridges, medical waste and another hazardous and toxic waste from units activities.
- PT Satya Kisma Usaha with PT Amindy Barokah Sumut with No. 034/SKU-ABS/SPK-LB3/1/2022 on January 3, 2022 with a validity period of up to one year from signing. The agreement also explains that the types of B3 waste to be submitted are used lubricants, used batteries, expired chemicals, laboratory waste, used catalysts, contaminated packaging, used B3 packaging, used filters, used rags, used toner/cartridges, medical waste and another hazardous and toxic waste from units activities.

Whereas for the further process and/or utilization, PT Amindy Barokah Sumut cooperates with a licensed parties according to the regulation, such as;

- **PT Non Ferindo Utama** with agreement No. 202/PGA/NFU/X/2021 which is valid until October 10, 2022, with the type of waste being managed is used batteries.
- **PT Wastec International** with agreement No. 033/WI/SPKLB3TP/X/2021 which is valid until October 28, 2022, with the types of waste being managed are used toner/cartridge, laboratory waste, used catalyst.
- **PT Trigunapratama Abadi** with agreement No. 008/TPA-ABS/SPK/B3/TP/II/2021 which is valid until July 1, with the types of waste being managed are used lubricants, expired chemicals, contaminated packaging, used hazardous and toxic packaging, used filters, used rags, medical waste and other hazardous and toxic waste.

From this explanation, it can be concluded that the certification unit has a documented waste management plan and is implemented in accordance with applicable laws and regulations, including reduction, recycling, reuse, and disposal, based on toxicity and other hazards.

### **7.3.2**

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

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



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

Based on interview with manager known that the company has commitment not to burn the waste, domestic waste from housing area is collected and segregated into organic with composting and an-organic picked 2 times every week to landfill area. From field observation in landfill area Block B21 Division 2 found location of landfill is far away from waterways and the housing area, so there is no potential for contamination of the environment.

### 7.3.3

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

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

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

It is also proven through the waste transportation manifest and the results of field observations in housing area that there were no traces of burning activities. Interviews with employees who live in the housing estate also stated that they had never burned waste due company commitment and the availability of good waste management by the certification unit through waste segregation; organic with composting and inorganic picked 2 times every week to landfill area.

Status: Comply

## 7.4

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

### 7.4.1

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

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

### 7.4.2

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

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

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

- Leaf sampling at LPYE on 5 April 2022 as many as 91 samples.
- Leaf sampling at NRME on 21 April 2022 as many as 35 samples.
- Leaf sampling at PBNE on April 13, 2022, as many as 38 samples.

The company shows the implementation document for taking soil samples by analyzing texture (hydrometry), pH (pHmeter), C.Org (W&B titrimetry), N tot (kj+FIA), P, K, Mg Cad, QCP-OES exchange base), P Bray, CEC (FIA), H-Al exchange (titrimetry), including Taking 30 samples of soil at NRME on December 30, 2020.

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

#### 7.4.3

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

Location	Empty Bunch			
	Tonnage Jan – Dec 2021		Tonnage Jan – May 2022	
	NRME	LPYE	NRME	LPYE
PT. Tapian Nadenggan	10,691.44	36,056.73	2,566.62	12,691.00

The company also showed the realization of palm oil liquid waste (POME) applications in LPYE for the January - December 2021 period of 147,010 M3 and the January - May 2022 period of 72,472 M3

#### 7.4.4

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

- LPYE: Application of Urea fertilizer (382.95 Kg), MOP fertilizer (520.28 Kg), TSP fertilizer (34.8 Kg), Kieserite Powder (300.00 Kg), HGFB fertilizer (30.325 Kg), Dolomite fertilizer (201.4 Kg), and RP fertilizer (181.75 Kg).
- PBNE: Application of urea fertilizer (80,450 Kg), MOP fertilizer (223,920 Kg), S. Dolomite fertilizer (43,500 Kg), RP fertilizer (85.073 Kg), TSP fertilizer (93.539 Kg), Kieserite powder fertilizer (14,900 Kg), fertilizer Kieserite granular (4,532 Kg), NPK fertilizer 15.15.6 (1,980 Kg), NPK fertilizer 12.12.7 (637 Kg) and HGFB fertilizer (3,725 Kg).

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

**Status: Comply**

### 7.5

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

##### 7.5.1

The company shows document maps that identify marginal and fragile soils, including land with steep slopes, namely:

- LPYE: PT TN semi-detailed report from 2011 edition with a semi-detailed land map at 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographic area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30-45%. But there is no land with a topography of > 45%.

- NRME: PT SKU-Normark Estate on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30% and more than 30%. The soil type is Typic Dystropepts.
- PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with a topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal).

### 7.5.2

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

- LPYE: Semi-detailed report with a scale of 1:50,000 with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographic area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30--45%. But there is no land with a topography of > 45%. The replanting activity at LPYE has been completed in 2020, with activity items in the form of mechanical chipping and making felt by PT Surya Baru Prima Nusantara.
- NRME: PT SKU-Normark Estate on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30%, and more than 30%. The soil type is Typic Dystropepts. There is no replanting activity at NRME yet.
- PBNE: Extensive replanting of oil palm is not carried out on the land with steep slopes and is planned to start in October 2021. Based on the semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated 21 March 2006 with the topography of 0-8%, 8-15%, and 15-30% which means there is no land with steep topography. The replanting activity at PBNE will be carried out in 2021, with activity items in the form of mechanical chipping, mechanical planting holes, and trenching carried out by PT Surya Baru Prima Nusantara.

Based on field observations in PBNE's 2021 planting year area, it is known that there is no replanting activity in steep areas.

### 7.5.3

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

**Status: Comply**

### 7.6

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

#### 7.6.1

Companies show the long-term suitability of land and oil palm cultivation as well as identify soils that are marginal and vulnerable, including steep areas through the guidelines in semi-detailed soil survey reports for example:

- LPYE: Semi-detailed soil map 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographical area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30-45%. But there is no land with a topography of > 45%. However, the company has made it feel in accordance with the SOP for Planting and Land Preparation (SOP/SMART/MCAR/II/TA-PPA).
- NRME: on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30%, and more than 30%. The soil type is Typic Dystropepts and no peatland is identified.
- PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with the topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal).

#### 7.6.2

The company shows the Minutes of Payment for the results of the work of land clearing for replanting No.031/CEO-LOA/PBNE/09/2021 dated December 10, 2021, at PBNE, with a mechanical system that includes chipping work, mechanical planting holes, construction of a 2,350 Mtr long 1x1 trench, construction of a 2x2 trench with a length of 2,870 meters, washing a 2x2 trench with a length of 4,260 meters. The company also shows the Minutes of Payment for the results of the work of land clearing for replanting No. 015/CEO/Sumut-LOA/II/2020 on February 21, 2020, at LPYE, with a mechanical system that includes chipping work and terrace-making.

The results of field observations in the 2021 Planting Year area of block B59 Division 2 PBNE, it is known that trenches have been made and planted with beans, and in the 2020 LPYE Planting Year area with sloping topography, terraces have been made and planted with beans.

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

### 7.6.3

The company shows records and maps of land management that are in accordance with topographical conditions, including those listed in the available semi-detailed soil map document that informs the areas that need drainage and roads, for example:

- LPYE: Semi-detailed soil map 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographical area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30-45%. But there is no land with a topography of > 45%. The replanting activity was carried out in 2020 with mechanical chipping, making contour terraces, contour roads, trenches, and planting holes carried out by PT Surya Baru Prima Nusantara based on Letter of Appointment Number 015/CEO/Sumut-LOA/II/2020 dated February 21, 2020, which has also been equipped with a work plan map for making felt and trenches.
- NRME: Normark Estate on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-8%, 8-15%, 15-30%, and more than 30%. However, there is no land with a topography of > 45% and no peat land is identified. There is no replanting activity at NRME yet.
- PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with the topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal). The replanting activity will be carried out in 2021 with a mechanical system that includes chipping work, mechanical planting holes, making a 1x1 trench of 2,350 Mtr, making a 2x2 trench of 2,870 Mtr, washing a 2x2 trench of 4,260 Mtr carried out by PT Surya Baru Prima Nusantara based on Letter of Appointment Number 031/ CEO-LOA/PBNE/09/2021 on 10 December 2021.

**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; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7

Based on interviews, field observations, and data on soil types, it is known that the company does not own peat areas. Based on the planting map and area statement data, it is known that there were no new plantings after November 15, 2018.

**Status: Comply**

### 7.8

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

#### 7.8.1

The certification unit has a water management plan that is implemented to support efficient use of water sources and continuous availability, through operational procedure documents to control the Protection of River Border Areas with document No. SOP/SPO/SMART/LH-06 dated 1 July 2010, which contains: objectives, scope, references, definitions, duties and responsibilities, and work steps. To avoid negative impacts on other users in the water catchment area, the company carried out activities, including: prohibiting the planting of oil palm on the river border with a width of 50 meters left and right, prohibiting land cultivation on the river border by installing information boards, constructing a border road (known as *pringgan* area) in managed areas, cultivation without spraying (no spraying) around the river, manual maintenance. Through a map of the HCV area with a scale of 1:100,000, it is described that the type of HCV in unit certification is a river border.

Some examples of management and monitoring procedures that the company has, such as:

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

On the border of the managed area with the watershed area, a border road (known as *pringg* area) should be made.

The certification unit has a surface water quality monitoring program contained in the RKL-RPL matrix and liquid waste management which is managed and reported periodically, every 6 months. Surface water quality monitoring activities are carried out at upstream, middle and downstream locations Batang Galoga and Upstream rivers, Downstream of the Payabaung river. Meanwhile, for the Normark Estate area, the location for sampling surface water is at the Sosopan River inlet (Blok B-32) and the Sosopan River outlet (Block B-31, near the bridge that crosses the highway).

If referring to the quality standard used by the testing laboratory, in collaboration with accredited laboratory (LP-156-IDN), using *PP No. 22 Tahun 2021 (Air Kelas II)* then there are no parameters that are above the applicable quality standards for the period July-December 2021. Even though, the certification unit continues to make maximum efforts in managing and monitoring surface water to avoid negative impacts on other users in the water catchment area so that the results remain below the required quality standards, including:

- Application of best management practice principles in surface water and ground water quality management activities, carried out in river border areas, by prohibit application agrochemical in controlling weeds activities on oil palm plantations located in river border areas;
- The maintenance of oil palm plantations in the border area is carried out manually (weeding and raking circles) without chemical fertilization, not spraying pesticides and plant maintenance only mechanically in the river border area (50 m left and right of the river). Economically, this activity is considered less effective and efficient, because it will be quite costly and labor intensive. However, ecologically this is expected to help in maintaining the quality of river flow;
- Increase the efficiency of fertilizer and pesticide use in plant maintenance to minimize the effects of fertilizer and pesticide residues that may enter river water bodies;
- Rehabilitation of river border areas in stages, where the purpose of river border rehabilitation is to protect water systems, protect against erosion and as a source of animal feed. Efforts to rehabilitate riverbanks that have been carried out currently are in the form of planting vetiver grass and bamboo. This river border management activity is quite in accordance with the recommended HCV area management plan, because the function of the river border itself is to regulate water management, control erosion and feed/habitat for animals.
- Conducting socialization to the community, employees and contractors in the company area
- Installing information boards for activities limited to HCV areas, such as; prohibition of burning, hunting and maintaining cleanliness
- Regular monitoring of river riparian areas

### 7.8.2

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

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

With a management strategy in the form of:

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

The company has documents on water management and maintenance of water sources for the period 2022. These include:

1. Report on the Implementation of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RKL) which contains management and monitoring of surface water (rivers) in each unit of certification which are carried out every semester.
2. HCV Management and Monitoring Implementation containing river border management. For example, based on the PT TN and PT SKU HCV area management and monitoring reports, the following activities have been carried out:
  - Set a border with the HCV attribute for Environmental Services with a red cross on the oil palm tree up to 50 meters/ 5th palm tree and create a "spray area boundary".



- Installation of HCV boundary markers in forested valley areas, river border areas and conservation forests.
- Prohibition of the application of chemical fertilizers on riverbanks that have been designated as HCVs. Palm oil that is in the "spray area boundary" is maintained manually (chemically free) or by scratching the circle.
- Prohibition of jacking natural wood saplings on river borders.
- Planting erosion prevention plants on riverbanks to avoid high erosion
- Carry out rehabilitation activities for HCV areas at the border to return the river border area to a forested area, using *vetiver grass*, *bamboo* and *guatemala grass*. For example; Langga Payung Estate Rehabilitation Plan for 2022
  - Batang Galoga River in August-December with a total plan of 100 planted trees, the target area for this year's rehabilitation is 1.8 Ha
  - Aek Napanas River in August-December, with a total plan of 100 trees planted
- Carry out rehabilitation plant maintenance carried out and reported by the HCV PIC for each units
- Conduct direct socialization which is carried out periodically once a year to workers and villages around the plantation
- Installation of attributes, warnings, and posters in HCV areas, as an indirect means of socialization.
- Involve the community if there is an environmental conservation program that requires the attention of the surrounding community

Based on field observations of the conservation area at the Langga Payung Estate on the Galoga River border in division 3, the Sipogas River border in Block E01 Division 5, and the Spring Area Block B41 Division 2, as well as the conservation area in the Normark Estate on the Mahuam River Border Block B31 Division 2, and Mahuam River Border Block A15 Division 1, is known that all area has been equipped with an identification board for protected areas, restricted areas for springs, prohibit on chemical application or washing activities in the spring area, the river border has also been equipped with spray boundary markings, identification of protected species, and planting areas of woody plants.

### 7.8.3

Management of POME from oil palm processing from the Langga Payung Mill with totaling 6 waste ponds Before being used, the liquid waste is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l. POME is managed in accordance with applicable national regulations, according KepmenLH No.28 & 29 of 2003 regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet is then pumped and used as a designated location for the use of waste water on the ground (Land Application).

The company already has a permit for the utilization of POME for Land Application (LA) from the Permit for Utilization of Liquid Waste for Land Application (LA) based on the document of Extension of Permit for Utilization of Liquid Waste to Soil for Land Application PT Tapan Nadenggan through the *Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency No. 503/0001/LA/II/2020 January 29, 2020. Permit valid until December 23, 2022.

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month and land application monitoring well. The test is carried out by the PT Sucofindo and PT Mutuagung Lestari Laboratory which has been accredited by KAN. Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD) and for waste water utilization to be applied to land its does not cause pollution to the environment. The results of field observations at the *Sumur Pantau* (Monitoring Well) 3 also found that there was no indication of pollution due to liquid waste management at the certification unit. Interviews with workers and the surrounding community also obtained information that there were no complaints related to the waste generated by the company. Based on this information, it can be concluded that the certification unit has managed liquid waste in accordance with applicable regulations.

### 7.8.4

The water usage for FFB processing has been monitored and documented. The document of water usage in period of January – June 2022 shown that the water usage ratio in the range of 1.03 m<sup>3</sup>/ton of FFB, this range is still in accordance with the water quotas that can be utilized, that is  $\pm$  1.52 m<sup>3</sup>/ton of FFB. The unit certification also paid of water usage retribution every month for the entire scope of certification.

From the results of management interviews and field observations to the Water Treatment Plan (WTP) it can be confirmed that the



certification unit has replaced the water pipe leading to the reservoir, so that water can be used more efficiently. The flowmeter used is still functioning properly, and the officer responsible for WTP is very understanding about how the WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

The certification unit already has a surface water utilization permit based on the Decree of the Governor of North Sumatra concerning Water Resources Concession Permit for Surface Water Utilization to PT Tapan Nadenggan on the Batang Galogga River, Hutabaru Nangka Village, East Halongonan District, North Padang Lawas Regency with No. 610/768/DIS PM PPTSP/6/XI.1/V/2019 dated 29 May 2019 which is valid for 3 years from the date of stipulation. Starting from that date, the validity period of the water utilization permit expires on May 28, 2022.

The company has tried to extend the permit that was sent through the OSS system on April 1, 2022, with the result that the application was rejected. Referring to the timetable that the company has made, the process of applying for a permit extension will be realized by the end of 2022.

For this reason, companies are encouraged to comply with these rules in the plans contained in the stipulated timeframe. (OFI)

**Status: Comply**

### 7.9

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

##### 7.9.1

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

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and fiber is used to substitute diesel fuel, this utilized and the usage data recorded in detail and traceable. For example, the company shows data on the use of shells and fiber as a substitute for fossil fuels for the period 2021. From this data, it is known that the company has saved 89% of diesel fuel, of the total diesel that should have been used as much as 1,393,008 liters as evidence of energy efficiency produced from use of renewable energy.

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

**Status: Comply**

### 7.10

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

##### 7.10.1

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

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

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

**Langga Payung POM - 2020**
**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	1.10	tCO <sub>2</sub> e/tProduct	Oil palm planted on mineral soil	9250.66	Ha
PK	1.10	tCO <sub>2</sub> e/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0.00	tCO <sub>2</sub> e/tProduct	Total oil palm planted area	9250.66	Ha
PKE	0.00	tCO <sub>2</sub> e/tProduct	Conservation area (Forested)	0.00	Ha
OER	21.7	%	Conservation area (non-Forested)	456.14	Ha
KER	6.1	%	FFB Production per hectare	20.87	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>	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	32,076.82	0.20	PK from own mill	0.00
Fuel Consumption	547.19	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	32,624.01	0.20		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	79,416.47	0.00	0.00	79,416.47
CO2 Emissions from Fertilizer	25,997.67	0.00	0.00	25,997.67
N2O Emissions from Peat	0.00	0.00	0.00	0.00
N2O Emissions from Fertilizer	5407.74	0.00	0.00	5407.74
Fuel Consumption	347.42	0.00	0.00	347.42
Peat Oxidation	0.00	0.00	0.00	0.00
Sinks				
Crop Sequestration	-75,272.91	0.00	0.00	-75,272.91
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	35,896.38	2309.41	1,386.33	37,282.72

**Palm Oli Mill Effluent Treatment**

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

\*POME is processed in WWTP

**Langga Payung POM - 2021**
**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	1.53	tCO <sub>2</sub> e/tProduct	Oil palm planted on mineral soil	9250.66	Ha
PK	1.53	tCO <sub>2</sub> e/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0.00	tCO <sub>2</sub> e/tProduct	Total oil palm planted area	9250.66	Ha
PKE	0.00	tCO <sub>2</sub> e/tProduct	Conservation area (Forested)	0.00	Ha
OER	20.69	%	Conservation area (non-Forested)	483.83	Ha
KER	6.04	%	FFB Production per hectare	29.69	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>	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	48,410.42	0.20	PK from own mill	0.00
Fuel Consumption	554.95	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	48,9665.38	0.20		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	76,332.70	0.00	0.00	76,332.70
CO2 Emissions from Fertilizer	26,906.49	0.00	0.00	26,906.49
N2O Emissions from Peat	0.00	0.00	0.00	0.00
N2O Emissions from Fertilizer	5698.61	0.00	0.00	5698.61
Fuel Consumption	252.47	0.00	0.00	252.47
Peat Oxidation	0.00	0.00	0.00	0.00
Sinks				
Crop Sequestration	-72,353.26	0.00	0.00	-72,353.26
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	36,837.00	0.00	0.00	52,001.34

**Palm Oli Mill Effluent Treatment**

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

- POME to methane capture (electricity generation) % 0

*\*POME is processed in WWTP*

### 7.10.2

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

### 7.10.3

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

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

**Status: Comply**

### 7.11

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

#### 7.11.1

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

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

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

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

The certification unit did not clear new land after 2015, from interviews with management it was found that land clearing was done mechanically. From the results of the field visit in Block E01 Division 5 at the Langga Payung Estate, no burnt areas were found.

#### 7.11.2

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

- The existence of document procedure for land fire control No. SOP/SMART/UMUM/SADV/II/005
- There is a trained fire team, for example; *Struktur Organisasi Penanggulangan Kebakaran Hutan dan Lahan (KARHUTLA)* PT Tapani Nadenggan in document No. F/SMART/GENERAL/SADV/005/001. The organizational structure of the firefighting team, set on April 3, 2022 with a total member of 87 people.
- Socialization of land fire prevention

The unit of certification has carried out emergency and fire simulations, for example:

- Simulation of fire emergency response at Langga Payung Estate on March 23, 2021, attended by 32 people
- Training on forest and land fire control of PT SMART Tbk, PT Tapan Nadenggan, PT MP Leidong West Indonesia, and PT Satya Kisma Usaha with Manggala Agni for operational area of Labuhanbatu on April 22-24 2019, attended by 35 people

The company can show a recording of the implementation of fire monitoring in the fire patrol monitoring form document in 2021. The results of the inspection of the document revealed that there were no fire incidents in the company's operational areas, this was reinforced by the results of interviews with the Padang Lawas Utara Regency Agriculture Office that there were no fire incidents for two last year. In addition, as an effort to prevent fires, the unit of certification also puts up warnings related to fires, prohibits burning garbage and so on. And it's reported by PT Tapan Nadenggan Land Fire Management Report document for the 2nd Semester which is submitted to the Minister of Agriculture of Padang Lawas Utara Regency on February 3, 2022.

Based on the results of field observations in Block E01 Division 5 at the Langga Payung Estate, it is known that the replanting process is carried out mechanically and there are no signs indicated burning activity.

### 7.11.3

The unit certification also involves the community in monitoring fire prevention as a prevention and control measure, namely the *Masyarakat Siaga Api* (MSA), an example of which is shown by the *Keputusan Kepala Desa Hutabaru Nangka* No. 2033/27/KD/2022 concerning the Appointment of the Management of the *Relawan Masyarakat Siaga Api Desa Hutabaru Nangka*, Holongonan Timur District in 2022 on March 17, 2022, for 8 names of member representatives from the Hutabaru Nangka village community.

Unit certification also have coordination activities with other stakeholders, for example:

- Coordination meeting with Sungai Kanan 01 district in October 2019
- KARHUTLA coordination meeting with Padang Lawas Utara District on 25 September 2019
- Alert call for Padang Lawas Utara District on March 4, 2021
- KARHUTLA coordination meeting at the South Tapanuli police station on March 19, 2021

In its implementation, land fire prevention and control activities are supported by facilities and infrastructure, which are listed in the emergency preparedness and response equipment monitoring document in document No. F/SMART/UMUM/SADV/05/006 dated March 3, 2022, made by the Head of the KTD team. Based on the document, it is known that the facilities and infrastructure referred to by the Minister of Agriculture Number 5 of 2018. From the results of field observations in the fire department warehouse, it is known that the facilities and infrastructure owned are in good condition and suitable for use.

**Status: Comply**

### 7.12

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

#### 7.12.1 and 7.12.8

GAR-SMART as the parent of PT Tapan Nadenggan and PT Satya Kisma Usaha has reported liability data and zero liability disclosure via email to RSPO on 22 August 2019. Based on this data, it is known that unit of certification has not cleared any new land since November 2005 without prior HCV identification activities. HCV identification activities at PT Tapan Nadenggan and PT Satya Kisma Usaha were carried out in 2011. Up to recertification assessment there was no expansion of the operational area carried out by the company.

#### 7.12.2

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

#### **PT Tapan Nadenggan (Langga Payung dan Paya Baung Estate)**

The High Conservation Value (HCV) Identification Report in the PT Tapan Nadenggan area (Padang Lawas Utara Regency and Labuan Batu Selatan Regency, North Sumatra in 2011 by the PT SMART Tbk Internal HCV assessment team of Environmental

Department's) The assessor team consists of 6 people with Lead Assessors who have been approved by the RSPO, the assessment is carried out using the guidelines for identifying high conservation values in Indonesia issued by the Indonesian HCV toolkit consortium, June 2008. The area is 8,066.23 hectares consisting of 2 units of Langga Payung and Paya Baung estate, with a total conservation area of 257.15 ha. Most of the land cover conditions in the oil palm plantation area of PT Tapian Nadenggan are in the form of oil palm cultivation with planting years of 1985, 1986, 1998, and 1987. Natural vegetation is no longer available, the only remaining forest community is secondary forest which is distributed in the border area of the Batang Galoga river. All of indicates HCV areas was mapped by 1:40.000 scale and this HCV identification covered all estates/mill operational areas including surrounding landscape and RTE species.

### **PT Satya Kisma Usaha (Normark Estate)**

The High Conservation Value (HCV) Identification Report in the Normark Estate unit area of PT Satya Kisma Usaha assessed by the HCV Dept. Team. Environment PT SMART Tbk in 2011. With an area of 2,195.1 ha which is presented in a 1:50,000 map, few plant species were found, this is because the Normark plantation area is already in the form of oil palm cultivation, so only a few types of plants can be found. The total conservation area is 226.83 ha.

Unit certification also has the list of endanger species based on Government Regulation No. 7 Year 1999, CITES and IUCN in term of preservation for flora and fauna on unit certification area. For example, the wildlife found were *Cekakak belukar (Halcyon smyrnensis)*, *elang hitam (Ictinaetus malayaensis)*, *macan akar (Felis bengalensis)*, and *elang coklat (Butastur liventer)*, it's were not incorporated on the list of rare, threatened or endanger species (RTE). Meanwhile, there was no endangered flora.

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

### **7.12.3**

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

### **7.12.4**

The unit of certification has carried out activities in order to maintain protected areas and High Conservation Values which can be shown in Report on Management and Monitoring High Conservation Values. HCV management implemented in line according with the HCV management and monitoring plan period 2020, which can be shown in the following documents;

### **PT Tapian Nadenggan – Langga Payung Estate & Paya Baung Estate**

Report on the Implementation of Management and Monitoring of PT Tapian Nadenggan High Conservation Value Areas for the period 2021 in Padang Lawas Utara and Labuanbatu Selatan Regencies, North Sumatra Province, several activities including:

- HCV Area Management; boundaries and attributes Monitoring
- Direct and Indirect Socialization
- Communication and Consultation with stakeholder NGOs such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoo Society of London), and BICONS (Biodiversity and Conservation), and academics. The approach that has been taken by PT TN internally with its stakeholders is:
  - Submit a list of protected species found in the PT TN area in 2021 to the North Sumatra BKSDA office
  - Socialization regarding KBKT and HCV is carried out periodically to inform and provide understanding to the community about the presence of HCVs in the PT TN area
- Water Resources Protection
  - Set the boundaries of rivers and springs with HCV attributes
  - Do not apply chemical fertilizers on river and spring borders that have been designated as HCV
  - Do not jack natural wood saplings on river borders
  - Planting erosion prevention plants on the riverbanks to avoid high erosion, namely *vetiver grass*.
- Invasive Species Control. In PT TN throughout 2021 there were no identified HCV areas disturbed by invasive species
- Monitoring of HCV Areas
  - Security Patrol and Routine Monitoring
  - Operations: Monitoring of HCV Attributes
  - Strategic: Land cover change monitoring and species and wildlife monitoring
- Collective Agreements with the Community with support and participation in protecting and maintaining the presence of HCV



areas.

- Threats and Countermeasures
- Potential internal threats; use of chemicals in plantation management, clearing of HCV areas for plantations. Handling: application of organic materials, installation of boundary markings for boundary areas and sprays, installation of warnings and HCV attributes, giving warnings and strict sanctions to employees in case of violations
- External threats; encroachment on the HCV area, land clearing activities by burning around the HCV area. Handling: installation of warnings, outreach to the community regarding the importance of protecting rivers, and routine patrols.

#### **PT Satya Kisma Usaha – Normark Estate**

Report on the Implementation of Management and Monitoring of PT Satya Kisma Usaha – Normark Estate High Conservation Value Areas for the period 2021:

- HCV Area Management; boundaries and attributes monitoring
- Direct and Indirect Socialization
- Communication and Consultation with stakeholder NGOs such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoo Society of London), and BICONS (Biodiversity and Conservation), and academics.
- Water Resources Protection
  - Bordering with HCV attributes
  - Do not apply chemical fertilizers to border areas
  - Do not jack up tillers in border areas
  - Planting *vetiver grass* on the riverbanks to avoid the danger of erosion
- HCV rehabilitation with enrichment activities carried out by planting in open areas around swamps and rehabilitation with erosion-reducing plants, namely *vetiver grass* at points that are prone to erosion.
- Control of invasive species in the form of legumes are plants grown by the management unit for agronomic purposes so that they are always controlled with routine agronomic activities
- Mutual agreement. PT. SKU - Sumatra Region has agreed on an agreement document with the surrounding village communities in January 2021, covering the Normark Village, Mampang Village, and Hadundung Village

Periodically every year, the company also has a report on the Implementation, Management and Monitoring of High Conservation Value Areas which also discusses the results of monitoring (field observations) of plant and animal species for the 2020 period which was reported on July 05, 2021 to the BKSDA, North Sumatera Province.

Based on field observations of the conservation area at the Langga Payung Estate on the Galogga River border in division 3, the Sipogas River border in Block E01 Division 5, and the Spring Area Block B41 Division 2, as well as the conservation area in the Normark Estate on the Mahuam River Border Block B31 Division 2, and Mahuam River Border Block A15 Division 1, is known that all area has been equipped with an identification board for protected areas, restricted areas for springs, prohibit on chemical application or washing activities in the spring area, the river border has also been equipped with spray boundary markings, identification of protected species, and planting areas of woody plants as an effort to enrichment, *vetiver grass*, *queatemala grass*, and other local plants. From these results, it can be concluded that the unit of certification has identified and protected conservation areas within its scope. An integrated management plan to protect and/or enhance HCVs is implemented with the involvement of relevant stakeholders.

#### **7.12.5**

Based on the results of the document review and interview with management, it was found that there were no new clearing at unit certification since 15 November 2018. The oldest planting year was 1987, currently in the replanting period.

#### **7.12.6**

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

- The company is committed to protecting and prohibiting the hunting of all types of wild animals that are included in the criteria for rare and endangered species that are in the plantation area

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

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

Based on *Laporan Identifikasi Kawasan Lindung* PT Tapani Nadenggan in 2021, the results of the identification of flora and fauna within the company's area include:

- **Flora:** Consists of 21 types of flora, such as *Pakis Merambat (Stenochlaena Palustris)*, *Teki (Cyperus Rotundus)*, and *Anggurung*
- **Fauna:** Consists of 13 species of birds, 5 species of mammals, and 2 species of reptiles with some of them protected, such as *Macan Akar (Prionailurus Bangalesis)*, *Elang Tikus (Elanus Caeruleus)*, *Elang Ular Bido (Spilornis cheela)*, *Monyet Ekor Panjang (Macaca Fascicularis)*, *Lutung Kelabu (Trachypithecus Cristatus)*, *Beruk (Macaca Nemestrina)*, and *Biawak (Varanus Salvator)*

The last report was carried out on August 10, 2021 to the BKSDA of North Sumatra Province. The report explains the results of monitoring of species and the implementation of HCV area management for the 2020 period. For the 2021 reporting period, it will only be carried out in July 2022.

Whereas for PT Satya Kisma Usaha (Normark Estate) in 2021, the results of the identification of flora and fauna include:

- **Flora:** *Jambu-Jambu, Waru, Plangas, Cempedak Hutan (Artocarpus), Laban (Vitex), Beringin (Ficus) Rasak (Vetica Rasak), and Kantong Semar (Nepenthes)*
- **Fauna:**
- **Mammals (3 types);** *Monyet Ekor Panjang (Macaca Fascicularis)*, *Lutung Kelabu (Presbytes Cristata)*, *Bajing Kelapa (Calosciurus Notatus)*
- **Reptiles (2 types);** *Biawak (Varanus Salvator)*, and *Kadal (Mabuya Multifasciata)*
- **Aves (11 types);** *Betet Ekor Panjang (Psittacula Longicauda)*, *Kerak Kerbau (Acridotheres Javanicus)*, *Perkutut (Geopilia Striata)*, *Cangak Merah (Ardea Purpurea)*, and *Elang Hitam (Ictinatus Malayaensis)*

The last report was carried out on July 5, 2021 to the BKSDA of North Sumatra Province. The report explains the results of monitoring of species and the implementation of HCV area management for the 2020 period. For the 2021 reporting period, it will only be carried out in July 2022.

The certification unit has socialization the existence of priority plants and animals to the worker and the community as stated in the high conservation value (HCV) socialization document for the 2022 period. The company has implemented the socialization with evidence of the following minutes:

- Socialization of HCV/HCV including the presence of flora and fauna to 60 employees of Divisions 1 and 2 of Langga Payung Estate which was held on 7-8 March 2022
- Socialization of HCV/HCV including the presence of flora and fauna to 321 employees of Normark Estate held on 28-31 March 2022
- Socialization of HCV/HCV including the presence of flora and fauna to 137 employees of Divisions 1, 2, and 3 of Paya Baung Estate which was held on 28-30 March 2022

- Socialization of HCV/HCV including the presence of flora and fauna to 17 local villagers represented by village heads and contractors conducted on 19-20 March 2022
- Socialization of HCV/HCV including the presence of flora and fauna to contractor on 2 June 2022, local stakeholders, such as; Gender Committee, *SPSI*, and *Koperasi* on 17 Mei 2022

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

#### 7.12.7

Companies can show records of HCV management carried out in the period 2021. The results of the monitoring are used for follow-up improvements to the management plan, for example:

- Record of HCV Patrol Report with document No. F/SMART/BCOS-EHSD/SADV/002/014
- Record of HCV Attribute Monitoring Report (sign board, spray limit sign, HCV stake) with document No. F/SMART/BCOS-EHSD/SADV/002/019
- Records of Maintenance for the Rehabilitation of HCV Areas for *Waru* plants, vetiver grass, bamboo with document No. F/SMART/BCOS-EHSD/SADV/002/013
- Monitoring Records of Animal and Plant Species F/SMART/BCOS-EHSD/SADV/002/021
- Rehabilitation Plan of HCV areas. For the period of 2022 in Langga Payung Estate for Batang Galoga River and Aek Napanas River.

The certification unit has a continuous action to improve the management plan resulting from the monitoring results as an effort to improve the quality of HCV management and monitoring activities in accordance with the recommendations as a reference for implementation in the next period, including by:

- Completing the equipment needed for management and monitoring activities in the HCV area, such as; binoculars, special GPS for HCV monitoring, and cameras as a means of documenting management activities
- Updating the cross signs "spray boundaries" in on 5 (five) palm trees in the faded river border area.
- Adjusted the poster of protected animals based on PermenLHK No.106/2018
- Carry out various action plans for corrective actions based on management and monitoring recommendations that have been carried out
- Recheck the deforestation points in swamp areas with aerial photos related to point accuracy
- Improve knowledge and skills in flora and fauna data collection conducted by SPO Officer, HCV PIC and HCV foreman. This becomes important later in the process of reporting the results of monitoring and the completeness of the data series which is the baseline data of management
- Training related management techniques and monitoring of HCV areas must be carried out regularly and periodically by the FCMD Team to the sustainability unit in the plantation

The HCV management activities that taken by the company has been implemented describe in HCV management & monitoring plan period 2020 consist of maintaining HCV attributes, socialization regular patrols, species monitoring, and enrichment in riparian. HCV monitoring is periodically evaluated by certification every 5 years and is used as a reference as a management plan for HCV management. The management plan is implemented effectively based on the results of monitoring from the previous period.

**Status: Comply**

### 3.1 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>
	The company does not use RSPO logo.	√
	<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>
	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	

### 3.2 Summary of RSPO Partial Certification.

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

Golden Agri-Resources, Ltd Time Bound Plan (TBP) is explained in table 1.5. Golden Agri-Resources run forty nine (49) mills and one hundred and eighty (180) estates (own and smallholders) in Indonesia and has achieved RSPO certified for thirty-one (31) mills and supply base in Indonesia. Golden Agri-Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri-Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri-Resources, Ltd on 14 June 2022 made by Head of Operations Sustainability.

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

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b></p> <p>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set-up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul – Sawita Mill: Pre-Audit 2015, Compliance Audit 24 - 31 May 2021</li> <li>2. PT Smart Tbk – Bukit Kapur Mill: Pre-Audit 2015, Compliance Audit 15 November 2021</li> <li>3. PT Sinar Kencana Inti Perkasa – Kasuari Mill: Pre-Audit 2015, Compliance Audit 11 October 2021</li> <li>4. PT Agrolestari Mandiri – Pekawai Mill: Pre-Audit 2015, Compliance Audit 01 March 2021</li> <li>5. PT Binasawit Abadi Pratama – Perdana Mill: 14 June 2021</li> <li>6. PT Agrokarya Prima Lestari – Kuayan Mill: Pre-Audit 2014, Compliance Audit 13 September 2021</li> <li>7. PT Mitrakarya Agroindo – Tangar Mill: Pre-Audit 2015, Compliance Audit 27 September 2021</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> <li>8. PT Paramita Internusa Pratama – Belian Mill: Pre-Audit 2015, Compliance Audit 28 June 2021</li> <li>9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 01 November 2021</li> <li>10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 15 February 2021</li> <li>11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 20 September 2021</li> <li>12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 25 October 2021.</li> <li>13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 6 December 2021</li> <li>14. PT Bangun Nusa Mandiri – Kenari Mill: Compliance Audit 4 October 2021.</li> <li>15. PT Agrolestari Sentosa – Jalemo Mill: Compliance Audit 11 October 2021</li> <li>16. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 8 November 2021.</li> </ol> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base) compliance audit on 24 - 31 May 2021.</li> <li>2. PT SMART (Bukit Kapur Mill and supply base) compliance audit on 15 November 2021.</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) compliance audit on 11 October 2021.</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base) compliance audit on 01 March 2021.</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base) compliance audit on 14 June 2021.</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) compliance audit on 13 September 2021.</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base) compliance audit on 27 September 2021.</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base) compliance audit on 28 June 2021.</li> </ol>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) compliance audit on 01 November 2021.</p> <p>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) compliance audit on 15 February 2021.</p> <p>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 20 September 2021.</p> <p>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 25 October 2021.</p> <p>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 6 December 2021.</p> <p>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) compliance audit on 4 October 2021.</p> <p>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 11 October 2021.</p> <p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</p> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <p>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022.</p> <p>2. PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022.</p> <p>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</p> <p>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</p> <p>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</p> <p>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit plan on 8 August 2022.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit plan on 7 November 2022.</p> <p><i>Notes:</i> Verification of the realization of the internal audit carried out on the newly acquired units will be carried out at the nearest RSPO surveillance audit activity with the internal audit schedule that has been set.</p>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12	<p><b>Company Group/Holding Statement:</b> Several companies under GAR were planted above November 2005, while the HCV assessment process was conducted in the period 2010 – 2013.</p> <p>GAR and its subsidiaries carried out a Remediation and Compensation (RaCP) procedure beginning with Disclosure and Zero Liability reporting to the RSPO via email on 29 August 2014.</p> <p>From 25 companies, 7 of them are certified units, the remaining 18 companies are uncertified units. The following is an update on the RaCP progress as of 11 January 2022 for uncertified units:</p> <p>a) 4 companies have received Concept Note approval from RSPO dated 27 July 2020, namely:</p> <ol style="list-style-type: none"> <li>1. PT Kencana Graha Permai (Delima Estate) – Kalimantan Barat</li> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>3. PT Sumber Indah Perkasa – Papua</li> <li>4. PT Kresna Duta Agroindo – Kalimantan Timur</li> </ol>

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>d) The LUCA (Land Use Change Analysis) report has been approved is PT Satya Kisma Usaha (Batang Gading Estate) – Jambi.</p> <p>The LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN, is PT Sawit Mas Sejahtera – Sumatera Selatan (2 reports).</p> <p>HCV assessments for 17 reports was conducted in the period of 2010 to 2018 by external (consultant) and internal parties. The HCV assessment is carried out by a team assessor with a Team Leader who has been approved by the RSPO. The reference for the HCV assessment using the HCV Toolkit 2008. The peer review is carried out by an independent consultant who has also been approved by the RSPO.</p> <p>Assessment of PT Sawit Mas Sejahtera – Sumatera Selatan has used Integrated HCV-HCS with the consultants who have been licensed in HCVN and HCSA</p> <p>The company continues to follow up on the RaCP process, so that the RSPO timebound for uncertified units can be realized immediately.</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated 04 August 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation regarding the fulfillment of RaCP obligations for the newly acquired company. The timeline that has been prepared for the fulfillment of this RaCP is:</p> <ul style="list-style-type: none"> <li>• Submission of Disclosure and LUCA on semester 1 of 2022</li> </ul>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> <li>Submission of Concept Notes on Semester 2 of 2022</li> <li>Approval RaCP Proposal on Semester 1 of 2023</li> </ul> <p>For the RaCP process, smallholders scheme will be adjusted to the 2023 timebound along with the new acquisition company.</p> <p><b>Auditor Verification:</b> Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing after Nov 2005 has follow RaCP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>PT Kencana Graha Permai - Kalimantan Barat (Delima Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>PT Agrolestari Sentosa – Kalimantan Tengah (Jalemo Estate, Manuhing Estate, Kajui Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted the Concept Note Project Batu Menangis on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>PT Sumber Indah Perkasa – Papua (Mambruk Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>PT Kresna Duta Agroindo – Kalimantan Timur (Gunung Kombeng Mill, Rantau Panjang Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel</li> <li>PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process.</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> <li>6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process.</li> <li>7. PT Cahaya Nusa Gemilang – Kalimantan Barat (Kenanga Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>8. PT Paramitra Internusa Pratama – Kalimantan Barat (Belian Mill, Belian Estate and Tengawang Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>9. PT Bangun Nusa Mandiri – Kalimantan Barat (Kenari Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>10. PT Persada Graha Mandiri – Kalimantan Barat (Kapuas Hulu Estate and Sungai Beran Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>11. PT Satya Kisma Usaha – Kalimantan Tengah (Medan Sari Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>12. PT Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>13. PT Aditunggal Mahajaya – Kalimantan Tengah (Sungai Ayawan Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>14. PT Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>15. PT Agrokarya Primalestari – Kalimantan Tengah (Kuayan Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>16. PT Buana Adhitama – Kalimantan Tengah (Sajiri Estate and Bukit Dua Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>17. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan (Sungai Magalau Mill and supply bases),</li> </ol>



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

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014.</p> <p>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014.</p> <p>14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. This is become subject of sanction.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><b>Company Group/Holding Statement:</b></p> <p>No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV/II/001 revision 2 dates April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p> <p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV/II/001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a "Grower" category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>1. Complaint dated July 11, 2021 to PT SMART Tbk (West Kalimantan Region) regarding the alleged purchase/supply of fresh fruit bunches (FFB) and crude palm oil (CPO) from PT Kapuasindo Palm Industri (PT KPI), a subsidiary of the Kencana Group (not members of the RSPO), who have committed a series of violations against workers and indigenous peoples in the district. Last Status RSPO Complaints Panel has issued a decision letter regarding the complaint on 17 January 2022 in which it was decided to terminate the entire complaint. The decision letter has been submitted to both parties, and time is given if anyone wishes</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>to appeal until April 11, 2022. (RSPO Complaint Panel Decision is attached).</p> <p>2. Complaint on 2 March 2020 to GAR (Central Kalimantan Region) from Forest Peoples Program &amp; Elk Hills Research regarding alleged land legality and bribery cases. On the part of GAR itself, GIS-2 analysis for land clearance alerts after November 2014 from discussions with RSPO GIS manager on 21 May 2021 has agreed on the sampling method. GAR's clarification report was sent on September 8, 2021. As for the legal review on anti-bribery policies &amp; practices, the company rejected the ToR for Legal Review on March 26, 2021. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 15, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapuas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO, and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling Complaints and Dissatisfaction, Human Rights Policy and SOP for Handling Social Conflicts both internally and externally, in general the FPIC process has been carried out according to procedures, so that there are no land or social conflicts.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base)</li> <li>2. PT SMART (Bukit Kapur Mill and supply base)</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base).</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</li> <li>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base).</li> <li>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base)</li> <li>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base)</li> </ol>

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



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>through the worker union or put in the suggestion box provided in strategic locations.</p> <p>During 2021, there were no new complaints regarding employment through the RSPO website, as for the progress of previous complaints, they have closed status.</p> <p><i>Auditor Verification:</i></p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1	<p><i>Company Group/Holding Statement:</i></p> <p>Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> <li>1. PT Djuandasawit Lestari (Muara Kandis Estate &amp; Muara Tawas Estate)</li> <li>2. PT Sawit Mas Sejahtera (Sawit Mas Estate)</li> <li>3. PT Bumi Sawit Permai (Bumi Sawit Estate)</li> <li>4. PT Forestralestari Dwikarya (Tanjung Rusa Estate)</li> <li>5. PT Sumber Indah Perkasa (Ujung Tanjung Estate, Sungai Merah Estate)</li> <li>6. PT Ivo Mas Tunggal (Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate, Nenggala Estate)</li> <li>7. PT Buana Wiralestari Mas (Kijang Estate, Nagamas Estate, Nagasaki Estate)</li> <li>8. PT Ramajaya Pramukti (Ramarama Estate)</li> <li>9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate)</li> <li>10. PT Agrokarya Prima Lestari (Muara Tawang Estate, Kuayan Estate, Bukit Sentuhai Estate, Tajur Beras Estate, Seranau Estate)</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> <li>11. PT Buana Adhitama (Sapiri Estate)</li> <li>12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate)</li> <li>13. PT Mitra Karya Agroindo (Sungai Nusa Estate)</li> <li>14. PT Aditunggal Mahajaya (Sungai Ayawan Estate)</li> <li>15. PT Satya Kisma Usaha (Medang Sari Estate)</li> <li>16. PT Buana Adhitama (Bukit Dua Estate)</li> <li>17. PT Agrolestari Sentosa (Jalemo Estate)</li> <li>18. PT Binasawit Abadipratama (Perdana Mill)</li> <li>19. PT Agrokarya Prima Lestari (Kuayan Mill)</li> <li>20. PT Mitrakarya Agroindo (Tangar Mill)</li> <li>21. PT Agrolestari Sentosa (Jalemo Mill)</li> <li>22. PT Adi Tunggal Mahajaya (Sako Mill)</li> <li>23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)</li> <li>24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma)</li> </ol> <p>Beside that, there are some units still on process the land certificate (SHM) consists of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>16. PT Mitrakarya Agroindo (Sulin Plasma)</p> <p>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</p> <p>18. PT Adi Tunggal Mahajaya (Sako Plasma)</p> <p>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</p> <p>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</li> </ol> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated August 4, 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation related to compliance with legal documents such as HGU, Environmental Documents and SHM (for plasma).</p> <p><b>Auditor Verification:</b></p> <p>Legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. Supply base for Kasuari Mill are PT Sinar Kencana Inti Perkasa and PT Sumber Indah Perkasa. The legal non compliance which still on process is EIA revision in PT Sumber Indah Perkasa and</li> </ul>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Hazardous waste permit in PT Sinar Kencana Inti Perkasa.</p> <ul style="list-style-type: none"> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. Supply base for Kuayan Mill is PT Agrokarya Prima Lestari and PT Buana Adhitama.</li> <li>- PT Mitrakarya Agroindo (Tangar Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim Mill and supply base), there is a legal non-compliance. Supply base for Sungai Kikim Mill is PT Sawit Mas Sejahtera and PT Bumi Sawit Permai. The legal non compliance which still on process is EIA revision.</li> <li>- PT Agrolestari Sentosa (Jalemo Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill and supply base), there is a legal non-compliance. Supply base for Sako Mill is PT Adi Tunggal Mahajaya, PT Mitra Karya Agroindo and PT Agrokarya Prima Lestari. The legal non compliance which still on process is Land Use Title (HGU).</li> <li>- PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is community's plantation.</li> <li>- PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha)</li> <li>- PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha)</li> </ul>

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</p> <p>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari persada) which has been certified.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <p>The acquisition company already has legality in the form of HGU, but other legalities such as environmental documents and other permits are being collected and will be completed when an internal audit of the acquisition units is carried out.</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</li> </ol> <p>There are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> </ol>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> <li>16. PT Mitrakarya Agroindo (Sulin Plasma)</li> <li>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</li> <li>18. PT Adi Tunggal Mahajaya (Sako Plasma)</li> <li>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</li> <li>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)</li> </ol> <p>Based on auditor verification, there is still progress in obtaining legality documents for the uncertified units so that GAR has included the certification plan for the uncertified units in the timebound plan.</p>

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

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.3+ASA-1.4

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed & Non-Conformance Description (filled by auditor):					
<i>No Non-Conformance were found in this audit activity</i>					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

## 3.4.2. Identification of Findings, Corrective Actions and Observations at Recertification

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed & Non-Conformance Description (filled by auditor):					
<i>No Non-Conformance were found in this audit activity.</i>					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	7.8.4	<p><b>POM water use per tonne of FFB is monitored and recorded.</b></p> <p>The certification unit already has a surface water utilization permit based on the Decree of the Governor of North Sumatra concerning Water Resources Concession Permit for Surface Water Utilization to PT Tapian Nadenggan on the Batang Galogga River, Hutabaru Nangka Village, East Haholongan District, North Padang Lawas Regency with No. 610/768/DIS PM PPTSP/6/XI.1/V/2019 dated 29 May 2019 which is valid for 3 years from the date of stipulation. Starting from that date, the validity period of the water utilization permit expires on May 28, 2022.</p> <p>The company has tried to extend the permit that was sent through the OSS system on April 1, 2022, with the result that the application was rejected. Referring to the timetable that the company has made, the process of applying for a permit extension will be realized by the end of 2022.</p> <p>For this reason, companies are encouraged to comply with these rules in the plans contained in the stipulated timeframe.</p>

**3.4.4. Noteworthy Positive Components**

No	Description
1	Company participation in PROPER with BLUE predicate for the period 2020-2021.
2	Commitment to implementing a sustainable palm oil management system
3	All employees have been vaccinated against Covid-19.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Land Agency of Padang Lawas Utara</b> <ul style="list-style-type: none"> <li>No negative issue related to land conflict.</li> <li>Land utilization report done yearly.</li> <li>Land use title still valid.</li> <li>No issue related to land fire.</li> <li>Had good relationship with company.</li> </ul>	No negative issue need to further observation.
<b>Ararhim (Previous Landowner)</b> <ul style="list-style-type: none"> <li>Sales are made with the agreement of both parties without any coercion.</li> <li>Prices are set without any intimidation.</li> <li>Currently still on good terms with the company.</li> </ul>	No negative issue need to further observation.
<b>Manpower and Cooperation of Small and Medium Enterprise of Padang Lawas Utara Regency</b> <b>28 June 2022</b> <b>Head of Industrial Relation and Social Insurance Division</b> <ul style="list-style-type: none"> <li>Wage is suitable with regional minimum wage of Padang Lawas Utara Regency of 2022.</li> <li>Workers in company are divided into permanent worker and contract worker/PKWT.</li> <li>All workers have been registered to <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i> including contract status/PKWT.</li> <li>There are no workers under 18 years old.</li> <li>Company has Bipartite Cooperation Institution.</li> <li>There is no negative issue which reported to manpower agency related to labour.</li> </ul>	There are no negative issues that need further verification.
<b>Labor Union of SPSP/</b> <b>28 June 2022</b> <ul style="list-style-type: none"> <li><b>Head of Gender Committee of LPYE and LPYM</b></li> <li><b>Head of Gender Committee of NMRE</b></li> </ul> <p>Labor Union have been registered in Manpower Agency of Padang Lawas Utara Regency. The last meeting between company and the labor union discussed. Salary implementation is in accordance with the provincial sectoral minimum wage in 2022. In addition, payment of salaries has been in accordance with specified time and through transfer. There are no labor issues.</p>	There are no negative issues that need further verification.
<b>Worker Cooperative</b> <b>28 June 2022</b> <ul style="list-style-type: none"> <li><b>Representative of <i>Koperasi Konsumen Tapan Nadenggan</i></b></li> <li><b>Representative of <i>Koperasi Tapan Nadenggan</i></b></li> </ul>	There are no negative issues that need further verification.







Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Worker cooperatives are engaged in saving and loan business sector. There is mandatory contribution and a regular contribution of Rp 100,000. Worker cooperatives has made member annual meeting and revenue sharing of 2021 in 2022.</p>	
<p><b>Gender Committee</b>  <b>28 June 2022</b></p> <ul style="list-style-type: none"> <li>• <b>Head of Gender Committee of LPYE and LPYM</b></li> <li>• <b>Head of Gender Committee of NMRE</b></li> </ul> <p>Implementation of Gender Committee activities in 2021 including socialization of sexual harassment, women workers rights. Female workers have the right to get menstruation leave (H1) and maternity leave (H2). Gender Committee program in 2022 are socialization of sexual harassment, women workers rights and <i>posyandu</i>. There are no issues related to sexual harassment in 2020-2022.</p>	<p>There are no negative issues that need further verification.</p>
<p><b>Environmental Agency of Padang Lawas Utara Regency</b>  Pollution and Damage Control Division</p> <ul style="list-style-type: none"> <li>• There are no current environmental issues in the last 2 years</li> <li>• There are no complaints from the public regarding environmental pollution</li> <li>• Routine surveillance is carried out every quarter, the last is early June 2022</li> <li>• Company participation in the PROPER program in 2021 with a blue rating</li> <li>• Regular reporting and no problems</li> <li>• Permits (<b>Hazardous</b> and Toxic Storage, Land Application, etc.) are still valid and there are no records of problems</li> <li>• Active participation of the company in official activities (either in the form of participation or donations)</li> <li>• There is involvement of the service to the company, it can be concluded that the relationship between the service and the company is going well</li> <li>• Input: increase activities to strengthen the relationship with the community and the service</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Local Contractor PT Universal Transindo Mas - FFB Transporter</b></p> <ul style="list-style-type: none"> <li>• Contractor activities in the field of FFB transportation at Paya Baung Estate, Langgau Payung Estate, and Normark Estate</li> <li>• The cooperative relationship with the company is going well.</li> <li>• Contractor payments are made on time.</li> <li>• PPE is provided by the contractor, in the form of safety helmets and shoes</li> <li>• Contractors have enrolled their employees in the <i>BPJS</i> Employment and Health program independently.</li> </ul>	<p>There are no negative issues that need further verification.</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>There were no accidents in the last 2 years, the handling of accidents can be through the nearest clinic or health center</li> <li>The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>There are no complaints or suggestions for the company regarding operations</li> </ul>	
<b>PT Amidi Barokah Sumut – Hazardous and Toxic Waste Transporter</b> <ul style="list-style-type: none"> <li>Contractor activities in the Hazardous and Toxic Waste Transporter</li> <li>at Langga Payung Mill Payabaung Estate, Langgau Payung Estate, and Normark Estate</li> <li>The cooperative relationship with the company is going well.</li> <li>Contractor payments are made on time.</li> <li>PPE is provided by the contractor, in the form of safety helmets and shoes</li> <li>Contractors have enrolled their employees in the BPJS Employment and Health program independently.</li> <li>There were no accidents in the last 2 years, the handling of accidents can be through the nearest clinic or health center</li> <li>The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>There are no complaints or suggestions for the company regarding operations</li> <li>The cooperation agreement is renewed once a year.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<b>Agricultural Agency of Padang Lawas Utara Regency</b> <b>Source: Head Plantation</b> <b>Date: June 29, 2022</b> <ul style="list-style-type: none"> <li>The company has a good relationship and communication with the Dinas</li> <li>The company always involves the Dinas in every CSR activity the company.</li> <li>The company has routinely submitted mandatory reports to the Dinas</li> <li>During the past year there were no fires in the company area.</li> <li>There are no issues related to the disturbance of plantation business by the community</li> <li>Plantation class assessment has been carried out on August 28, 2019 with a grade 2</li> </ul>	<p>There are no negative issues that require further verification.</p>
<b>FFB supplier Afriansyah</b> <b>Source: Administrator</b> <b>Date: June 28, 2022</b>	<p>There are no negative issues that require further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Has collaborated with PT Tapian Nadenggan in the sale and purchase of FFB since the last 3 years.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>The price of FFB is determined based on the price from the Plantation Agency and changes in the FFB price will be notified by PT Tapian Nadenggan via telephone or WhatsApp.</li> <li>So far there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far</li> </ul>	
<p><b>FFB supplier Pandi Wijaya</b>  <b>Source: Administrator</b>  <b>Date: June 28, 2022</b></p> <ul style="list-style-type: none"> <li>Has collaborated with PT Tapian Nadenggan in the sale and purchase of FFB since the last 2 years.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>The price of FFB is determined based on the price from the Plantation Agency and changes in the FFB price will be notified by PT Tapian Nadenggan via telephone or WhatsApp.</li> <li>So far there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far</li> </ul>	<p>There are no negative issues that require further verification.</p>
<p><b>FFB supplier CV Dongan Sahuta</b>  <b>Source: Owner</b>  <b>Date: June 28, 2022</b></p> <ul style="list-style-type: none"> <li>Has collaborated with PT Tapian Nadenggan in the sale and purchase of FFB since the last 1 years.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>The price of FFB is determined based on the price from the Plantation Agency and changes in the FFB price will be notified by PT Tapian Nadenggan via telephone or WhatsApp.</li> <li>So far there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far</li> </ul>	<p>There are no negative issues that require further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Village Representative of Desa Sihopuk Baru</b> <ul style="list-style-type: none"> <li>• There is no conflict area in the unit certification operational area.</li> <li>• There are no issues related to environmental pollution.</li> <li>• There are no issues related to discrimination</li> <li>• Job opportunities are open for the community.</li> <li>• The participation and relationship of the unit of certification with the community is well established.</li> <li>• Assistance in the form of CSR has been carried out by the certification unit such as water supply, bazaars, mosque management, etc.</li> </ul>	<p>There are no negative issues that require further verification.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td><p>PT Tapian Nadenggan Head of Sustainability Management System and Certification Operations Sustainability</p><p> <b><u>Yahya Mustakim</u></b> Friday, 15 July 2022</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p> <b><u>Briyogi Shadiwa</u></b> Friday, 15 July 2022</p></td></tr></table>	<p>PT Tapian Nadenggan Head of Sustainability Management System and Certification Operations Sustainability</p> <p> <b><u>Yahya Mustakim</u></b> Friday, 15 July 2022</p>	<p>Mutuagung Lestari Lead Auditor</p> <p> <b><u>Briyogi Shadiwa</u></b> Friday, 15 July 2022</p>
<p>PT Tapian Nadenggan Head of Sustainability Management System and Certification Operations Sustainability</p> <p> <b><u>Yahya Mustakim</u></b> Friday, 15 July 2022</p>	<p>Mutuagung Lestari Lead Auditor</p> <p> <b><u>Briyogi Shadiwa</u></b> Friday, 15 July 2022</p>		

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
1	Land Agency of Padang Lawas Utara	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
2	Ararhim (Previous Landowner)	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
3	Manpower and Cooperative of Small and Medium Enterprise Agency	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
4	Gender Committee <ul style="list-style-type: none"> <li>• Head of Gender Committee of LPYE and LPYM</li> <li>• Head of Gender Committee of NMRE</li> </ul>	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
5	Labor Union of SPS/ <ul style="list-style-type: none"> <li>• Head of Gender Committee of LPYE and LPYM</li> <li>• Head of Gender Committee of NMRE</li> </ul>	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
6	Worker Cooperative <ul style="list-style-type: none"> <li>• Representative of <i>Koperasi Konsumen Tapan Nadenggan</i></li> <li>• Representative of <i>Koperasi Tapan Nadenggan</i></li> </ul>	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
7	LPYM Workers: <ul style="list-style-type: none"> <li>• 1 Warehouse worker</li> <li>• 1 Workshop worker</li> <li>• 3 Securities</li> <li>• 2 WWTP operators</li> <li>• 3 Sorting station workers</li> <li>• 1 Sterilizer station worker</li> <li>• 1 Press station worker</li> <li>• 1 Hoisting crane station worker</li> <li>• 1 Boiler station worker</li> <li>• 1 Engine room station worker</li> <li>• 1 Clarification station worker</li> <li>• 1 Nut &amp; Kernel station worker</li> </ul>	Padang Lawas Utara Regency	-	Direct Interview	28 June 2022	✓	
8	NMRE Workers: <ul style="list-style-type: none"> <li>• 1 Warehouse worker</li> <li>• 1 Workshop worker</li> <li>• 3 Harvesters</li> </ul>	Padang Lawas Utara Regency	-	Direct Interview	29 June 2022	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
9	PBNE Workers: • 1 Warehouse worker • 1 Hazardous and Toxic Waste worker • 3 Harvesters • 3 Pick loose fruit workers • 1 Resident • 3 Sprayer	Padang Lawas Utara Regency	-	Direct Interview	30 June 2022	✓	
10	LPYE Workers: • 5 Sprayers • 5 Harvester • 3 Loose Fruit Pickers • 4 FFB Transport Workers • 6 Manual Upkeep Workers	Padang Lawas Utara Regency	-	Direct Interview	30 June 2022	✓	
11	Land Agency of Padang Lawas Utara	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
12	Village Representative of Desa Sihopuk Baru	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
13	FFB supplier CV Dongan Sahuta	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
14	FFB supplier Pandi Wijaya	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
15	FFB supplier Afriansyah	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
16	Agricultural Agency of Padang Lawas Utara Regency	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
17	PT Amidi Barokah Sumut	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
18	PT Universal Transindo Mas	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
19	Environmental Agency of Padang Lawas Utara Regency	Padang Lawas Utara Regency	-	Interview by phone	28 June 2022	✓	
20	WWF	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	By Email	21 June 2022		✓
21	AMAN	Jakarta	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	By Email	21 June 2022		✓
22	Walhi	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	By Email	21 June 2022		✓
	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	By Email	21 June 2022		✓



**Appendix 2. Assessment Program**

DATE	27 June – 1 July and 6 - 7 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 27 June 2022</b>		
09.35 – 12.00	JAKARTA (CGK) → MEDAN (PKU)	All Auditor
15.00 – 19.00	MEDAN → PT TAPIAN NADENGGAN (LANGGA PAYUNG MILL)	All Auditor
<b>Tuesday, 28 June 2022</b>		
08.00 – 09.00	<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
09.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Padang Lawas Utara &amp; Labuhanbatu Utara Regency by Phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 17.00	<b>Field observation to Langga Payung Mill:</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch 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> Presentation of Daily Progress	All Auditor
<b>Wednesday, 29 June 2022</b>		
08.00 – 12.00	<b>Field Observation to Normark Estate</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> <li>Interview with related personnel during field observation.</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	All Auditor

DATE	27 June – 1 July and 6 - 7 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> <li>Presentation of Daily Progress.</li> </ul>	
<b>Thursday, 30 June 2022</b>		
08.00 – 12.00	<b>Field Observation to Payabaung Estate &amp; Langga Payung Estate</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> <li>Interview with related personnel during field observation.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> <li>Presentation of Daily Progress.</li> </ul>	<b>All Auditor</b>
<b>Friday, 1 July 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> <li>Presentation of Daily Progress.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>PT TAPIAN NADENGGAN → PT SMART (PADANG HALABAN MILL)</b>	<b>All Auditor</b>
<b>Wednesday, 6 July 2022</b>		
08.00 – 10.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
12.00 – 18.00	<b>PT SMART → MEDAN</b>	<b>All Auditor</b>
<b>Thursday, 7 July 2022</b>		
08.00 – 12.00	<b>MEDAN → JAKARTA</b>	<b>All Auditor</b>