

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

Name of Management Organization : **Surya Intisari Raya Palm Oil Mill – PT Surya Intisari Raya, subsidiary of First Resources, Ltd.**

Plantation Name : PT Surya Intisari Raya: Sei Lukut Estate and Sei Mandau Estate

Location : Village of Tebing Tinggi Okura, Sub District of Rumbai Pesisir, Pekanbaru City, Province of Riau, Indonesia

Certificate Code : **MUTU-RSPO/166**

Date of Certificate Issue : 11 February 2022 Date of License Issue : 11 March 2023

Date of Certificate Expiry : 10 February 2027 Date of License Expiry : 10 February 2024

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|-----------------------|---|---------------------|-------------|
| ASA - 1 | 24 to 28 October 2022 | Haikal Ramadhan Kharismansyah (Lead Auditor), Arief Tajalli, Sentot Adi Subandono and Mia Rahmah Qadryani | Hasiholan Sihombing | Leonada |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA - 1 | 23 January 2023 |

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Figure 1. Location Map of Surya Intisari Raya POM – PT Surya Intisari Raya

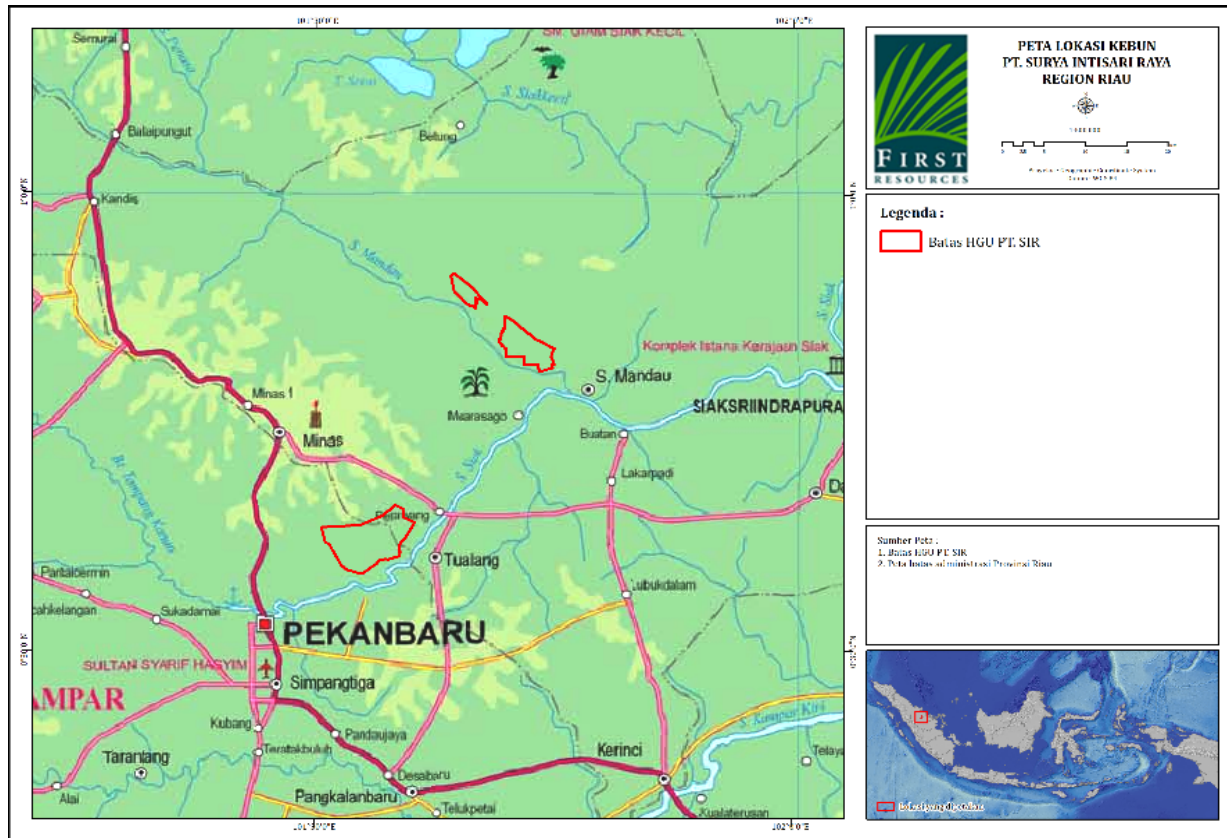


Figure 2. Operational Map of Sei Lukut Estate – PT Surya Intisari Raya

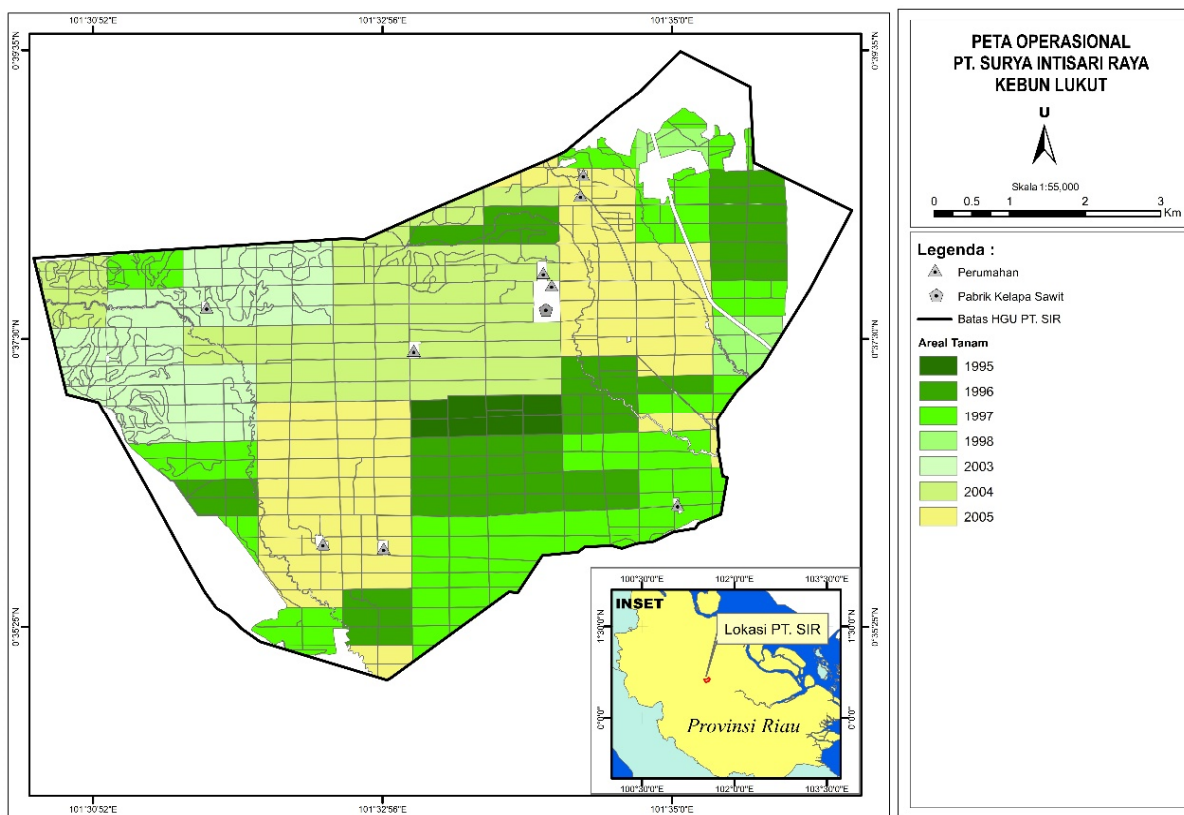
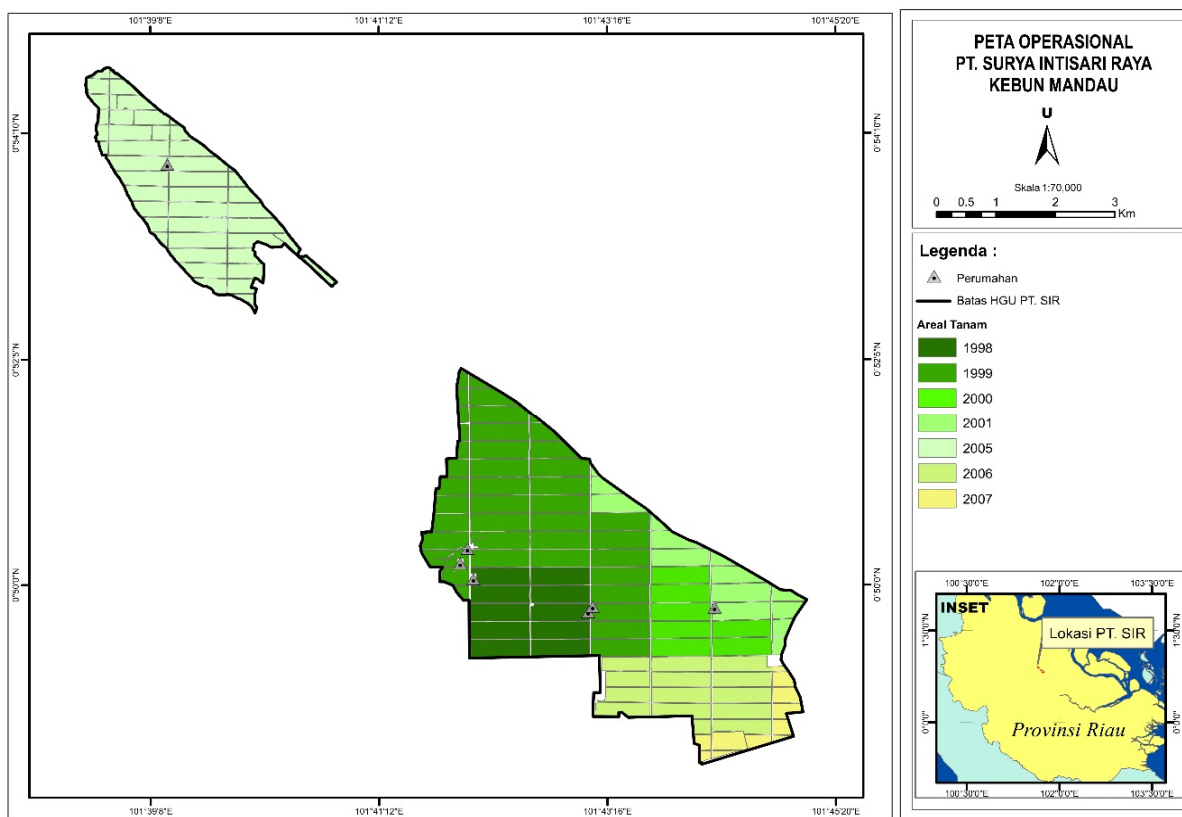


Figure 3. Operational Map of Sei Mandau Estate – PT Surya Intisari Raya



Abbreviations Used

| | | |
|---------|---|--|
| AMDAL | : | <i>Analisa Mengenai Dampak Lingkungan</i> |
| BOD | : | Biological Oxygen Demand |
| BPJS | : | <i>Badan Penyelenggara Jaminan Sosial</i> or national assurance |
| BPN | : | <i>Badan Pertanahan Nasional</i> or National Land Agency |
| CEO | : | Chief Executive Officer |
| CLA | : | Collective Labour Agreement |
| CPO | : | Crude Palm Oil |
| CSR | : | Corporate Social Responsibilities |
| DPPL | : | <i>Dokumen Pengelolaan dan Pemantauan Lingkungan</i> |
| EFB | : | Empty Fruit Bunch |
| FFB | : | Fresh Fruit Bunch |
| FGD | : | Focus Group Discussion |
| FPIC | : | Free Prior Informed Consent |
| FR | : | First Resources |
| GHG | : | Greenhouse Gas |
| HCS | : | High Carbon Stock |
| HCV | : | High Conservation Value |
| HGB | : | <i>Hak Guna Bangunan</i> or Building Title/Rights |
| HGU | : | <i>Hak Guna Usaha</i> or Land Title |
| HIRAC | : | Hazard Identification Risk Assessment Control |
| HIRADC | : | Hazard Identification Risk Assessment and Determining Control |
| HP | : | <i>Hak Pakai</i> or Use Rights |
| IDR | : | Indonesia currency of Rupiah |
| IUP | : | <i>Izin Usaha Perkebunan</i> or Plantation Business Permit |
| KER | : | Kernel Extraction Rate |
| LA | : | Land Application |
| LUCA | : | Land Use Change Analysis |
| OFI | : | Opportunity for Improvement |
| OHS | : | Occupational Health and Safety |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> / Guiding Committee of Occupational Safety & Health |
| PIC | : | Person In Charge |
| PK | : | Palm Kernel |
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| PT SIR | : | Surya Intisari Raya Limited Company |
| RKL/RPL | : | <i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> |
| RSPO | : | Roundtable on Sustainable Palm Oil |
| RT / RW | : | <i>Rukun Tetangga / Rukun Warga</i> or Head of every ± 50 houses or families / Head of RT |
| RTRW | : | <i>Rencana Tata Ruang Wilayah</i> or Government Spatial Plans |
| SEIA | : | Social Environment Impact Analysis |
| SIA | : | Social Impact Assessment |
| SIMPEL | : | <i>Sistem Informasi Pelaporan Elektronik Lingkungan Hidup</i> |
| SPSI | : | <i>Serikat Pekerja Seluruh Indonesia</i> or labour union |
| TTE | : | <i>Tanda Terima Elektronik</i> |
| 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">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020. | |
| 1.2 | Organisation Information | | |
| 1.2.1 | Organization name listed in the certificate | PT Surya Intisari Raya – First Resources Limited | |
| 1.2.2 | Contact person | Bambang Dwi Laksono | |
| 1.2.3 | Organisation address and site address | Head Office: 8 Temasek Boulevard #36-02, Suntec Tower Three, Singapore, 038988 | |
| 1.2.4 | Telephone | +65 6602 0200 | |
| 1.2.5 | Fax | +65 6333 6711 | |
| 1.2.6 | E-mail | bambang.dwilaksono@first-resources.com | |
| 1.2.7 | Web page address | www.first-resources.com | |
| 1.2.8 | Management Representative who completed the application for certification | Bambang Dwi Laksono | |
| 1.2.9 | Registered as RSPO member | 1-0047-08-000-00 (10 March 2008) | |
| 1.3 | Type of Assessment | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Palm Oil Mill and supply base SIR POM, Sei Lukut Estate and Sei Mandau 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 |
| | Surya Intisari Raya Mill | Tebing Tinggi Okura Village, Rumbai Pesisir Sub-District, Pekanbaru City, Riau Province, Indonesia | N 0° 37' 46.1"E 101° 34' 02.3" |
| 1.4.2 | Location of Certification Scope of Supply Base | | |
| | Name of Supply Base | Location | Coordinate |
| | | | LatitudeLongitude |
| | Sei Lukut Estate | Tebing Tinggi Okura Village, Rumbai Pesisir Sub-District, Pekanbaru City, Riau Province, Indonesia | N 0° 37' 46.1"E 101° 34' 02.3" |
| | Sei Mandau Estate | Muara Kelantan Village, Sungai Mandau Subdistrict, Siak District, Riau Province, Indonesia | N 0° 50' 02.9"E 101° 34' 02.3" |

| | | | | | | | |
|--|--|--------------------------------------|--------------------------------|---------------------|------------------------|---------------------|-------------------|
| 1.5 | Description of Area Statement | | | | | | |
| 1.5.1 | Tenure | | | | | | |
| | • State | | | 7,714.72 Ha | | | |
| | • Community | | | - Ha | | | |
| | | | | | | | |
| 1.5.2 | Area Statement | | | | | | |
| | Description | | Sei Lukut Estate (Ha) | | Sei Mandau Estate (Ha) | | Total (Ha) |
| | Total area | | 5,038.60 | | 2,676.12 | | 7,714.72 |
| | Planted area | | 4,357.91 | | 2,553.70 | | 6,911.61 |
| | Emplacement, Road, Trench | | 243.81 | | 122.17 | | 365.98 |
| | Mill | | 14.70 | | - | | 14.70 |
| | Conservation area | | - | | 0.25 | | 0.25 |
| | Occupation | | 422.18 | | - | | 422.18 |
| | *Total HCV is 223.17 Ha while other area of 222.92 Ha is inside planted area | | | | | | |
| 1.6 | Planting Year and Cycles | | | | | | |
| 1.6.1 | Age profile of planting year | | | | | | |
| | Planting Year | | Sei Lukut Estate (Ha) | | Sei Mandau Estate (Ha) | | Total (Ha) |
| | 1995 | | 104.61 | | - | | 104.61 |
| | 1996 | | 703.11 | | - | | 703.11 |
| | 1997 | | 955.75 | | - | | 955.75 |
| | 1998 | | 92.22 | | 317.77 | | 409.99 |
| | 1999 | | - | | 843.63 | | 843.63 |
| | 2000 | | - | | 203.18 | | 203.18 |
| | 2001 | | - | | 219.28 | | 219.28 |
| | 2003 | | 555.41 | | - | | 555.41 |
| | 2004 | | 862.32 | | - | | 862.32 |
| | 2005 | | 1,084.49 | | 577.55 | | 1,662.04 |
| | 2006 | | | | 307.81 | | 307.81 |
| | 2007 | | | | 84.48 | | 84.48 |
| | TOTAL | | 4,357.91 | | 2,553.70 | | 6,911.61 |
| | 1.6.2 | New Planting area after January 2010 | | | | - Ha | |
| 1.6.3 | Planting Cycle | | | | 1 st 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 (%) |
| | Surya Intisari Raya Mill | 45 | 169,982.14 | 37,174.11 | 21.87 | 9,852.72 | 5.80 |
| *Production data source from 12 months before assessment (August 2021 to September 2022) | | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Production Area (Ha) | FFB (ton/yr) | Yield (ton/ha/yr) | Supplied to Mill | |
| | | | | | | FFB (ton/year) | % |

| | | | | | | | |
|-------|---|-----------------------------|---|---------------------------------|--|-------------------|------------|
| | Sei Lukut Estate | 5,038.60 | 4,357.91 | 88,205.72 | 20.24 | 88,205.72 | 100 |
| | Sei Mandau Estate | 2,676.12 | 2,553.70 | 49,956.74 | 19.56 | 49,956.74 | 100 |
| | TOTAL | 7,714.72 | 6,911.61 | 138,162.46 | 19.99 | 138,162.46 | 100 |
| | <i>*Production data source from 12 months before assessment (August 2021 to September 2022)</i> | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of sources/Organization (RSPO non-certified) | Type of Organization | number of smallholders | Production Area (Ha) | Supplied to Mill FFB (tones/year) | | |
| | PT Panca Surya Garden | Independent Supplier | - | - | 9,286.98 | | |
| | KKPA Kelantan Jaya | Scheme smallholder | 151 | 256 | 1,013.91 | | |
| | PT. Perkebunan Palmax Sejati | Independent Supplier | - | - | 9,645.54 | | |
| | Kerinci Kanan | Independent Supplier | - | - | 28.48 | | |
| | Ratiman | Independent Supplier | - | - | 2,166.82 | | |
| | Sutrisno | Independent Supplier | - | - | 2,556.59 | | |
| | Saifullah | Independent Supplier | - | - | 2,347.47 | | |
| | Tohir | Independent Supplier | - | - | 1,274.35 | | |
| | Asep Saeful | Independent Supplier | - | - | 827.69 | | |
| | Rio Restu Anggara | Independent Supplier | - | - | 953.22 | | |
| | Sri Sudarminingsih | Independent Supplier | - | - | 707.87 | | |
| | Kusyanto | Independent Supplier | - | - | 983.71 | | |
| | TOTAL | | | | | 31,792.63 | |
| | <i>*Production data source from 12 months before assessment (August 2021 to September 2022)</i> | | | | | | |
| 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 (Ton) February 11, 2022, to February 10, 2023 | | Actual Production (MT) of previous audit (February 11, 2022 – September 30, 2022) | | |
| | FFB Processed | | 144,000 | | 87,229.30 | | |
| | CPO Production | | 33,000 | | 19,028.99 | | |
| | Palm Kernel (PK) Production | | 8,500 | | 5,004.40 | | |
| 1.8.2 | Product selling | | | | | | |
| | Type of selling product | | Actual selling product for last year (Feb 11, 2022, to September 2022) (MT) | | | | |
| | CSPO sold as RSPO certified product | | 0 | | | | |
| | CSPK sold as RSPO certified product | | 3,893.13 | | | | |
| | CSPO sold under another scheme | | 9,745.75 | | | | |
| | CSPK sold under another scheme | | 0 | | | | |
| | CSPO sold as conventional | | 5,009.56 | | | | |
| | CSPK sold as conventional | | 863.80 | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | |
| | Name of Estate(s) | Total Area (Ha) | Production Area (Ha) | FFB (tones/year) | Yield (tones/ha/year) | | |
| | Sei Lukut Estate | 5,038.60 | 4,357.91 | 93,000 | 21.34 | | |
| | Sei Mandau Estate | 2,676.12 | 2,553.70 | 53,000 | 20.75 | | |

| | | | | | | | | |
|--|--|---------------------------|--------------------------------------|---------------------------|---|-----------------------------------|-------------------|------------------------|
| TOTAL | | 7,714.72 | 6,911.61 | 146,000 | 21.12 | | | |
| *Projected FFB production for 12 months of certificate | | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tones/ hour) | FFB Processed (tones/year) | CPO Out put (tones) | Extraction (%) | Palm Kernel Out put (tones) | Extraction (%) | Supply Chain Module |
| | Surya Intisari Raya Mill | 45 | 146,000 | 34,000 | 23.28 | 8.700 | 5.95 | MB |
| *Projected CSPO and CSPK production for 12 months of certificate | | | | | | | | |
| 1.9 | Other Certifications | | | | | | | |
| | ISO 9001:2015 | | | | - | | | |
| | ISO 14001: 2015 | | | | - | | | |
| | ISO 45001:2018 | | | | - | | | |
| | ISCC | | | | EU-ISCC-Cert-ID230-20220016, certificate is valid from 14 July 2022 to 13 July 2023 | | | |
| | Others | | | | | | | |
| 1.10 | Time Bound Plan | | | | | | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | | | | | | |
| | Management Unit | | Estate (Supply Base) | Time Bound Plan | Location | Status | | |
| | MILL | Time Bound Plan | | | | | | |
| | PT Arindo Trisejahtera | 2018 | PT Arindo Trisejahtera | 2018 | Riau, Indonesia | Certified | | |
| | PT Meridan Sejatisurya Plantation | 2018 | PT Meridan Sejatisurya Plantation | 2018 | Riau, Indonesia | Certified | | |
| | PT Subur Arum Makmur | 2020 | PT Subur Arum Makmur | 2020 | Riau, Indonesia | Certified | | |
| | PT Surya Intisari Raya | 2021 | PT Surya Intisari Raya | 2021 | Riau, Indonesia | Certified | | |
| | PT Perdana Intisawit Perkasa | 2021 | PT Perdana Intisawit Perkasa | 2021 | Riau, Indonesia | Certified | | |
| | PT Ketapang Agro Lestari | 2021 | PT Ketapang Agro Lestari | 2021 | East Kalimantan, Indonesia | IC | | |
| | PT Limpah Sejahtera | 2021 | PT Limpah Sejahtera | 2023 | West Kalimantan, Indonesia | Planned | | |
| | PT Panca Surya Agrindo | 2021 | PT Panca Surya Agrindo | 2023 | Riau, Indonesia | Planned | | |
| | PT Swadaya Mukti Prakarsa | 2021 | PT Swadaya Mukti Prakarsa | 2023 | West Kalimantan, Indonesia | Planned | | |
| | PT Mitra Karya Sentosa 2 | 2022 | PT Mitra Karya Sentosa 2 | 2022 | West Kalimantan, Indonesia | Planned | | |
| | PT Citra Agro Kencana | 2022 | PT Citra Agro Kencana | 2022 | East Kalimantan, Indonesia | Certified | | |
| | PT Borneo Persada Energy Jaya | 2022 | PT Borneo Persada Energy Jaya | 2022 | East Kalimantan, Indonesia | Certified | | |
| | PT Borneo Surya Mining Jaya | 2022 | PT Borneo Surya Mining Jaya | 2022 | East Kalimantan, Indonesia | Planned | | |
| | PT Umekah Sari Pratama | 2023 | PT Umekah Sari Pratama | 2023 | West Kalimantan, Indonesia | Planned | | |

| | | | | | | |
|--------|--|------|--|------|----------------------------|---------|
| | PT Mitra Karya Sentosa 1 | 2023 | PT Mitra Karya Sentosa 1 | 2023 | West Kalimantan, Indonesia | Planned |
| | PT Muriniwood Indah Industry | 2023 | PT Muriniwood Indah Industry | 2023 | Riau, Indonesia | Planned |
| | PT Ciliandra Perkasa | 2023 | PT Ciliandra Perkasa | 2023 | Riau, Indonesia | Planned |
| | PT Subur Arum Makmur 2 | 2024 | PT Subur Arum Makmur 2 | 2024 | Riau, Indonesia | Planned |
| | PT Perdana Intisawit Perkasa 2 | 2024 | PT Perdana Intisawit Perkasa 2 | 2024 | Riau, Indonesia | Planned |
| | PT Meridan Sejatisurya Plantation - BA | 2024 | PT Meridan Sejatisurya Plantation - BA | 2024 | Riau, Indonesia | Planned |
| | PT Priatama Riau | 2024 | PT Priatama Riau | 2024 | Riau, Indonesia | Planned |
| | PT Falcon Agri Persada | 2024 | PT Falcon Agri Persada | 2024 | West Kalimantan, Indonesia | Planned |
| | PT Setia Agrindo Mandiri | 2025 | PT Setia Agrindo Mandiri | 2025 | Riau, Indonesia | Planned |
| | PT Surya Dumai Agrindo | 2025 | PT Surya Dumai Agrindo | 2025 | Riau, Indonesia | Planned |
| | PT Pulau Tiga Lestari Jaya | 2025 | PT Pulau Tiga Lestari Jaya | 2025 | West Kalimantan, Indonesia | Planned |
| | PT Borneo Ketapang Permai | 2025 | PT Borneo Ketapang Permai | 2025 | West Kalimantan, Indonesia | Planned |
| | PT Gerbang Sawit Indah | 2025 | PT Gerbang Sawit Indah | 2025 | Riau, Indonesia | Planned |
| | PT Indogreen Jaya Abadi | 2026 | PT Indogreen Jaya Abadi | 2026 | Riau, Indonesia | Planned |
| | PT Setia Agrindo Lestari | 2026 | PT Setia Agrindo Lestari | 2026 | Riau, Indonesia | Planned |
| | PT Citra Palma Kencana | 2026 | PT Citra Palma Kencana | 2026 | Riau, Indonesia | Planned |
| | PT Karya Tama Bakti Mulia | 2026 | PT Karya Tama Bakti Mulia | 2026 | Riau, Indonesia | Planned |
| | PT Bumi Sawit Perkasa | 2026 | PT Bumi Sawit Perkasa | 2026 | Riau, Indonesia | Planned |
| | PT Maha Karya Bersama | 2026 | PT Maha Karya Bersama | 2026 | East Kalimantan, Indonesia | Planned |
| | | | | | | |
| | *The revised TBP has been approved by the RSPO according to the email dated 07 October 2021. "Based on the internal discussion and agreement, we agree to approve the revised Time Bound Plan for First Resource to certify all of its management unit beyond the period of 5 years after membership and based on the new planned year of certification as per attached. This approval is based on justification that you have provided in the earlier email, and the CB will verify the status accordingly" | | | | | |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | | |
| | <p>Agreement with Cooperative Smallholder of Kelantan Jaya</p> <ul style="list-style-type: none"> MoU No. 02.04/XI/649/XI/2005 dated 22 November 2005 with Cooperative of Kelantan Jaya for Cooperative Credit Premier for Member (or KKPA) smallholder scheme in area covers about 450.00 ha. The MoU signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village, Camat (or Head of Sub-District) of Sei Mandau and Regent of Siak. Agreement No. 02.0.4/SPK/005/XI/2018 dated 26 September 2018 about cooperation on development, management and maintenance of oil palm plantation through KKPA smallholders' scheme for area covers about 256 ha. This agreement valid up to 1 cycle of planting or approximately about 25 years and signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village (Penghulu), Camat (or Head of Sub-District) of Sei Mandau and Regent of Siak. Addendum of Agreement No. 02.0.4/ADD/SPK/003/IV/2019 dated 02 April 2019 about cooperation on development, management and maintenance of oil palm plantation through KKPA smallholders' scheme, with point of addendum are: cost of planting activities from IDR 80 million/ha to become IDR 85 million/ha; time of agreement is started after credit of cooperation has been fully paid; and party that responsible for maintenance and upkeep on the field. This addendum signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village (Penghulu) and Camat (or Head of Sub-District) of Sei Mandau. | | | | | |

- Official Letter transfer of KKPA Kelantan Jaya as partner of PT SIR – Sei Mandau dated 31 May 2019 which inform that KKPA estate is transfer from PT SIR to Cooperative of Kelantan Jaya. The FFB will be fully owned by Cooperative since 31 May 2019 and work works activities will be starts from 01 July 2019. However, PT SIR still play role to assisting technical matter up to December 2019. Furthermore, filed upkeep and supply palms will be carried out by PT SIR after palm reach 4 years old.

Based on interview with Head of Cooperative of Kelantan Jaya, it was known that the KKPA estate has fully managed by cooperative management, but with technical assisting from PT SIR. Thus, the smallholder cooperative is excluded from the time bound plan of First Resources, Ltd.

| | |
|--------------|--|
| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA-1 | <p>1. Haikal Ramadhan Kharismansyah (Lead Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001:2015, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS, and Social Auditing by WIRE. Did some audit SPO scheme with aspects best management practices, SCCS, Legal, Social, and worker welfare. During this assessment verified Legal, FPIC, SCCS, Social, Time Bound Plan & Partial Certification, Worker Welfare and Transparencies.</p> <p>2. Arief Tajalli (Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, Social, GHG, and Waste management aspects.</p> <p>3. Sentot Adi Subandono (Auditor). Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2020, and SMETA awareness training. During this assessment, verified the aspects of Best Management Practices and OHS Aspect.</p> <p>4. Mia Rahmah Qadryani (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001 and ISO 19011 Lead Auditor Training in 2021, ISPO Auditor Training in 2022, Awareness ISO 17021 in 2021, Awareness ISO 17065 in 2021, Awareness ISO 14001 in 2021, and Awareness ISO 45001 in 2021. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies supervised by Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p> |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA-1 | <p>Number of auditors: 3 auditor and 1 Auditor Trainee</p> <p>Number of days for ASA-1 onsite audit: 5 days</p> <p>Number of working days for ASA-1 onsite audit: 15 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA-1 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Surya Intisari Raya to the requirements of RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020) and Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20th April 2020</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> |

Some opportunities for improvement of the results **IC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (*ASA-1*)

The opening meeting was held on 24 October 2022 in PT SIR office. The participants who attended the opening meeting included the Estate and Mill Managers, Sustainability staff, Support Team from Jakarta and other staff. Closing meeting was held online on 28 October 2022 attended by the same participants as the opening meeting. Management PT Surya Intisari Raya accepted all this audit results. UoC got immediate suspension of the certificate due to the recurring major NC on the same indicator in successive audits.

The assessment program please find Appendix 2

2.2.3
Locations of Assessment
ASA-1

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

Surya Intisari Raya POM

- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Reservoir and Water Intake.** Observation about reservoir, OHS implementation, and water pump room.
- **WWTP.** Field observations related to Ban to entry to WWTP, run off, testing of effluent and recording of effluent debit effluent.
- **Mill drainage.** Observation and interview related mill drainage.
- **Empty Bunch, Fiber and Shell Area.** Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to work procedures, OHS, wages and environmental management.
- **Spare part Warehouse.** Field observations and interview related spare part management, OHS, and environmental aspect.
- **Chemical and oil warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Workshop.** Field observations workshop activity, OHS, environmental and worker welfare aspect.
- **Sortasi.** Field observations and interviews with workers related to work techniques according to procedures, ethical business aspects, employment, OHS, social and environmental aspects.
- **Sterilizer.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Solar Tank.** Field observations related to OHS and environmental aspects.
- **Kernel.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Boiler.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Engine room.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Security.** Observation and interview related supply chain, FFB Sources, worker welfare, and OHS aspect.
- **Weighbridge.** Observation and interview relate supply chain, FFB Sources, OHS aspect, and worker welfare.
- **CPO Storage tank.** Observation related CPO storage tank capacity.
- **Kernel Storage.** Observation related Kernel storage tank capacity.
- **Emplacement.** Observation related worker facility, OHS aspect, Worker welfare, drainage, day-care, etc.

Sei Lukut Estate

- **Boundary Pole No. BPN 158/ BPN 190 (Block H22/H23, Division 3).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.

- **Boundary Pole No. BPN SIR 207 (Block E24/E25, Division 3).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole No. BPN 200 (Block C24, Division 1).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Barn Owl Box (Block G22, Division 3).** Observation of aspect of pest control, and marks of *Tyto alba* presence.
- **Fire Monitoring Tower (block G21, Division 3).** Observation related to emergency and monitoring facilities.
- **Land Application (Block G22, Division 3) and monitoring well (Block F22, Division 3).** Observation on waste water management and nutrient cycle strategy, as well as soil water quality monitoring.
- **HCV Area Riparian of Pulai River (Block I22/I23, Division 3).** Observation of the management of spray boundary signs, signboards, and management of river border areas.
- **HCV Area Riparian of Ukai River (Block C19/C20, Division 1 and Block D08/D09 Division 2).** Observation of the management of spray boundary signs, signboards, and management of river border areas.
- **HCV Area Riparian of Lukut River (Block H22/H23, Division 3 and Block E24/E25 Division 1).** Observation of the management of spray boundary signs, signboards, and management of river border areas.
- **Piezometer, Block G9 Division 4.** Field observation related peat management.
- **Harvesting, Blok F8 Division 4.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Circle Path – lifeline & garlon, Block G19 Division 3.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Fire Tower, Block G21 Division 3.** Field observation related management of firefighting facilities.
- **Barn Owl Box, Block G22 Division 3.** Field observation related Integrated Pest Management in estate.
- **Terraces and Erosion stakes, Block G22 Division 3.** Field observation related land conservation.
- ***Antigonon leptosus*, Block F23 Division 2.** Field observation related integrated pest management.
- **Manuring – Urea, Block F23 Division 2.** Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects.
- **Empty Fruit Bunch application, Block D19 Division 2.** Field observation related nutrient recycling in the estate.
- **Emplacement Division 1.** Observation related worker facility, OHS aspect, Worker welfare, drainage, day-care, etc.
- **Emplacement Division 3.** Observation related worker facility, OHS aspect, Worker welfare, drainage, day-care, etc.
- **Workshop.** Observation and interview related management of hazardous and toxic waste, OHS aspect, training, and worker welfare
- **Clinic.** Observation and interview related worker facility, OHS aspect, etc.
- **Fire Fighting Facility.** Observation and interview related firefighting facilities.
- **Pesticide warehouse.** Observation and interview related handling on pesticide, emergency response, and OHS aspect.
- **Fertilizer warehouse.** Observation and interview related handling on fertilizer, emergency response, and OHS aspect.
- **Fuel Tank.** Observation and interview related fuel tank capacity and OHS aspect.
- **Day-care.** Observation related facilities of day-care, clean water, OHS aspect, and children condition.

Sei Mandau Estate

- **Boundary Pole No. HGU SIRM 34 (Block N23/N24, Division 2).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole No. BPN SIRM 2 & 3 (Block E14, Division 3).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole No. BPN SIRM 5 (Block D14, Division 3).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole No. BPN SIRM 47 (Block D09/D10, Division 3).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole No. BPN SIRM 40 (Block A03/B03, Division 3).** Observation of aspect of land demarcation and

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| | <p>maintenance of HGU pole, and land dispute potency.</p> <ul style="list-style-type: none"> • HCV Area Riparian of Pulai River (Block I22/I23, Division 3). Observation of the management of spray boundary signs, signboards, and management of river border areas. • HCV Area Riparian of Jering River (Block E14, Division 3). Observation of the management of spray boundary signs, signboards, and management of river border areas. • HCV Area Cemetery (Block C10 and Block B06, Division 3). Observation of the management of spray boundary signs, signboards, and management of river border areas. • Fertilizer Warehouse. Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used. • Agrochemicals Warehouse. Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used. • Spare part warehouse. Observation minimum stock of PPE. • Firefighting warehouse and simulation of firefighting equipment. Observation related to OHS and firefighting facilities and emergency simulations. • Clinic. Observations and interviews of health, environmental, training, and employment facilities. • Workshop. Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management. • Hazardous Waste Temporary Storage. Observations and interviews with officers related to work procedures, OHS, wages and environmental management. • Pesticide mixing area. Observation related pesticide mixing area, PPE storage, safety aspect. • Rinse House. Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used. • Day-care, Division 1 and 3. Observations and interviews with workers related to labour and OHS aspects. • Housing Area, Division 1, 2, and 3. Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, and electricity facilities. • Landfill. Observations and interviews with officers related to domestic waste management. • Water level, Block N28/29 Division 2. Field observation related peat management and water management. • Manuring – Zn, Block N28/29, Division 2. Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects. • Circle path-lifeline, Block P34 Division 2. Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects. • Barn Owl Box, Blok P33 Division 2. Field observation related Integrated Pest Management in estate. • Piezometer, Blok P33 Division 2. Field observation related peat management. • Subsidence pole, Blok T33 Division 2. Field observation related peat management. • Harvesting, Blok S33 Division 1. Field observations and interviews with workers related to work techniques according to procedures, employment, OHS, social and environmental aspects. • Watergate and water level, Block T/U 30/31. Field observation related peat management and water management. • FFB loading, Block S29 Division 2. Field observations and interviews related to work techniques according to procedures, employment, OHS, social and environmental aspects. |
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA-1 | <p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Surya Intisari Raya was held by:</p> <ul style="list-style-type: none"> • Public Notification on MUTU website on 10 October 2022 • Public consultation meeting with non-government organization (WWF, Sawit Watch, AMAN, and WALHI) on 17 October 2022. • Public consultation meeting with government institution on 25 October 2022. • Public consultation meeting with communities including previous landowner on 26 October 2022 |

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| | <ul style="list-style-type: none"> Public consultation meeting with internal stakeholders and contractor on 25 to 26 October 2022 |
| | Numbers of input from stakeholders were clarified by PT Surya Intisari Raya. |
| 2.3.2 | Stakeholder contacted |
| ASA-1 | Please find appendix 1 |
| | |
| 2.4 | Determining Next Assessment |
| ASA-1 | The next visit (ASA-2) will be conducted eight (8) months to twelve (12) months after date of annual license. |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Surya Intisari Raya POM – PT Surya Intisari Raya operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicators; three (3) nonconformities were assigned against Minor Compliance Indicators; and no nonconformance against supply chain requirement for CPO mill and five (5) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic). Those corrective actions taken that consist of seven (7) Major non-conformities and three (3) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that SIR POM – PT Surya Intisari Raya complied with the requirements of **Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.**

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

| Ref Std. | VERIFICATION RESULT of MUTU-Certification | |
|--|---|--|
| PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY | | |
| 1.1 | The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| 1.1.1 | <p>Unit of certification showed SOP of communication (No. FR.EMS.CIE Rev. 01) validated on 24 February 2020 which explains the types of documents which are publicly accessible such as legal documents (e.g HGU, IUP, permit, etc.), environment documents, social documents, continuous improvement documents (e.g chemical usage reduction data, reduce-reuse-recycle data), land title (e.g. HGU, HGB, HP), program and realization of occupational health and safety, high conservation value (HCV) and high carbon stock (HCS) data, and human rights policy.</p> <p>These documents can be accessed by sending a request to the management. Based on the interview with Agencies of Siak District and Riau Province, they stated that if they needed information, they would contact the company through the mobile app or information request letter and the company always responded and submitted mandatory report in accordance with its period.</p> | |
| 1.1.2 | <p>The unit of certification can show evidence that information has been received in the appropriate form and language related to stakeholder involvement as well as the rights and obligations of the company that is conveyed to all relevant stakeholders, among others:</p> <p>Compliance with Social and Environment Regulation</p> <ul style="list-style-type: none"> Evidence of the RKL-RPL Report of PT SIR Sei Lukut Estate and Sei Lukut Mill Semester 1, 2022 (2 documents) which were reported to the Environment and Forestry Office of Riau Province and Pekanbaru City on 29 July 2022 and to KLHK on 29 July 2022 with TTE ID 1659068640-1691. Evidence of PT SIR Sei Mandau Estate's RKL-RPL Report Semester 1, 2022 which was reported to the Environment and Forestry Office of Riau Province and Siak Regency on 22 July 2022 and to KLHK on 25 July 2022 with ID TTE 1666662792-3351. | |

- Evidence of Hazardous and Toxic Waste Management Reports of PT SIR Sei Lukut Estate and PT SIR Sei Mandau Estate for Quarter III, 2022, which were reported to the Environment Agency of Riau Province, Pekanbaru City and Siak Regency on 20 October 2022.
- Evidence of PT SIR's Hazardous and Toxic Waste Management Report Quarter III, 2022 which was reported to KLHK on October 25, 2022 with ID TTE 1666663174-3680.
- Evidence of the Land Application Management Report of PT SIR Sei Lukut Estate for the third quarter of 2022, which was reported to the Environment Agency of Riau Province and Pekanbaru City on October 21, 2022.
- Evidence of the report on the results of monitoring the existence of protected plants and animals and the management of HCV for Semester 1, 2022 and has been reported to the BKSDA of Riau Province on July 15, 2022.

Worker welfare

UoC also showed the mandatory report submitted related to worker welfare in accordance with its period, here as follows:

- Reporting of Employment Report for Sei Lukut Estate via online in 2022 on 27 May 2022 and must be reporting back on 27 May 2023.
- Reporting of Employment Report for Sei Mandau Estate via online in 2022 on 27 May 2022 and must be reporting back on 27 May 2023.
- Reporting of Employment Report for SIR POM via online in 2022 on 27 May 2022 and must be reporting back on 27 May 2023.

Compliance with OHS and BMP Aspect Regulation

- OHS Committee Report of PT SIR Quarter 3 of 2022 to the Riau Province Manpower and Transmigration Office on October 4, 2022.
- OHS Committee Report of PT SIR Quarter 2 of 2022 to the Riau Province Manpower and Transmigration Office on 02 July 2022.
- OHS Committee Report of PT SIR Quarter 1 of 2022 to the Riau Province Manpower and Transmigration Office on April 5, 2022.
- OHS Committee Report of PT SIR Quarter 4 of 2021 to the Riau Province Manpower and Transmigration Office on January 6, 2022.
- PT SIR 1st semester 2022 Plantation and Land Fire Control Report to the Riau Provincial Plantation Service on July 12, 2022.

Legal Aspect

- Report on the utilization of HGU for the 2021 period which was reported in February 2022 to BPN Siak Regency and Riau City
- Online quarterly 2022 Investment Activity Report to BKPM

Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) are provided in Bahasa and understandable by each stakeholder.

1.1.3

Unit of certification showed SOP of communication (No. FR.EMS.CIE Rev. 01) validated on 24 February 2020 which explains the PIC of handling information, publicly accessible documents, the flow of handling information requests, and the maximum time limit of responding to the information request which is a month since the date of information request received.

UoC had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification, it was found that during 2021-2022 all incoming letters are requests for funds and the company has responded to the fund request. UoC only showed outgoing letters which are the company's report to each stakeholder according to its period, not as the respond to incoming letters.

Based on the interview with villagers of Tebing Tinggi Okura Village and Muara Kelantan Village, they have understood mechanism of communication and consultation. Normally, headman of the village or communities would send a letter as a form of communication.

1.1.4

UoC also showed the record of the socialization regarding the SOP mentioned in 1.1.1 on 10 June 2022 attended by every stakeholder such as: contractor workers and communities. In addition, based on the interviews with the villagers of Tebing Tinggi Okura Village and Muara Kelantan Village, labor union and gender committee, it is known that they had a good understanding of communication and consultation procedures.

1.1.5

UoC showed the current list of stakeholders which informed the internal and external stakeholders updated on 1 September 2022. The stakeholders include the government agencies, polices, heads of the community, health facilities, educational facilities, NGO, local suppliers, contractors, internal stakeholder, and previous land owner. In the current list of stakeholders, it was also explained the names, relation, addresses, categories and contact person numbers.

During the assessment, auditor has verified the list of stakeholders by calling the contact person randomly to ensure the validity of its contact person put in the list of stakeholders.

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| Status: Comply |
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1.2

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

1.2.1

The CH has a policy regarding ethical actions in the Zero Fraud Tolerance Policy document (FR.CIA.ZFT.001) issued by the Corporate Internal Audit on December 28, 2012. The policy addresses the following matters:

- Communicate clearly that the company does not tolerate fraud and will provide strict sanctions for perpetrators of fraud.
- Achieve a consistent approach in managing fraud incidents.
- Establish general principles of fraud risk mitigation and prevention in the company.

In the previous audit, socialization was explained to workers and related stakeholders that had been carried out in 2021. During the current inspection, in relation to the code of ethics, interviews were conducted including with Mills weighbridge workers, FFB grading at Mill, contractors, and new harvesters that still with freelance daily worker status in Afdelling 4 Sei Lukut. From the results of the interviews, it is known that they know about ethical policies, and there is no gratuity or extortion committed by company representatives against them.

1.2.2

The CH has a mechanism to monitor operational unit compliance in every procedure and policy it has. The Internal Audit procedure has been demonstrated with the code FR.CSM.IAS which has been in effect since September 1, 2018. This procedure monitors, among other things, compliance, and the overall implementation of ethical business practice policies. Internal audit as the coordinator of the fraud committee reviews and assesses the root causes of fraud in cases of fraud to determine control weaknesses to prevent similar incidents from recurring. Internal audit also updates the status of the whistle blowing issue to the audit committee once every 3 months.

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| Status: Comply |
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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 unit certification unit is under PT Surya Intisari Raya which consists of 2 Estates, namely Sei Lukut Estate which is within the scope of Pekanbaru City and Sei Mandau Estate which is within the scope of Siak Regency. In fulfilling compliance, the company has referred to all relevant laws and regulations, namely by having the following documents:

Compliance with Social and Environment Regulation:

Sei Lukut Estate

- Document for determining environmental management and monitoring (DPPL) for Sei Lukut oil palm plantation activities covering an area of 5,038.6 ha according to the Governor of Riau Decree Number 882/VIII/2009 dated August 19, 2009 which is located in Tebing Tinggi Okura Village, Rumbai Pesisir District, Pekanbaru City and Tualang Village and Meredan Village, Tualang District, Siak Regency, Riau Province.
- Recommendation for Wastewater Disposal Control Permit (Domestic Waste) from the Pekanbaru City Environment and Hygiene Service Number 03/DLHK/REK/IP-AL/III/2020 dated March 9, 2020. Based on the document, the company has also obtained a Water Disposal Permit Document Waste dated March 16, 2020 based on the Decree of the Pekanbaru City DPMPTSP Number 3/DPMPTSP/IP-AL/III/2020 which is valid for 5 years from the date of stipulation.

Sei Mandau Estate

- Environmental Management and Monitoring Documents for Sei Mandau Oil Palm Plantation Activities covering an area of 2,676,123 ha according to the Governor of Riau Decree number 119/HK/KPTS/2009 dated April 20, 2009 which are located in Lubuk Jering Village and Muara Kelantan Village, Sungai Mandau District, Siak Regency, Riau Province.
- PT SIR's hazardous waste temporary storage permit (Sei Mandau Estate) is located in Muara Kelantan Village, Sungai Mandau District, Siak Regency in accordance with the decision of the Head of the Siak Regency One Stop Integrated Service and Investment Service with number 02/DPMPSTSP-IPSLB3/KPTS/2019 dated 18 March 2019 valid for 5 years.

SIR POM (Sei Mandau Area)

- Approval document for Environmental Impact Analysis (AMDAL) by the AMDAL Assessment Commission of Pekanbaru City number 92 of 2008 dated 28 May 2008. The document has also obtained an environmental suitability letter for the construction of a Palm Oil Mill in Tebing Tinggi Okura Village, Rumbai Pesisir District, Kota Pekanbaru according to the decision of the Mayor of Pekanbaru number 92 of 2008 dated 28 May 2008.
- Recommendations for Fulfilling the Commitment to the Extension of the Operational Permit for Hazardous Waste Management from the Pekanbaru City Environment and Hygiene Office dated January 29, 2021 for the hazardous waste producer and hazardous waste storage activity PT Surya Intisari Raya (SIR POM Area).
- Statement document that the fulfilment of the commitment to the extension of the Hazardous Waste Management Operational Permit from the Pekanbaru City Investment and One Stop Integrated Service Office has been fulfilled on 11 February 2021 which is valid for 5 years.
- Document of Commercial/Operational Permit for Hazardous and Toxic Waste Management for producers on behalf of PT Surya Intisari Raya with NIB 8120316063413 dated 11 February 2021 (OSS document).
- The permit for the utilization of palm oil industrial wastewater on the soil in the KS plantation of PT Surya Intisari Raya in the Tebing Tinggi Okura Village, Rumbai Pesisir District according to the decision of the Mayor of Pekanbaru with number 881 / Year 2017 is valid for 5 years from December 29, 2017.

Compliance with OHS and Best Management Practices Regulation:

In an effort to comply with all relevant regulations, at the Factory, The CH has carried out inspection tests on the machines it owns. For example, a Boiler inspection is carried out once a year, and in 2022 it will be carried out on June 28, 2022. For the fulfilment of Operators with an OHS license, this has been discussed in indicator 3.7.1 and becomes a non-compliance in 2022.03.

Fulfilment of compliance in the estate, indicated by the no longer using paraquat in weed control. The pesticides used are not included in class 1a and 1b and are not included in those prohibited in the Stockholm convention. All pesticides used have been registered. Water management has been carried out in the management of planted peat areas, and there has been monitoring of peat subsidence. There is no use of fire in weed control, and IPM has been carried out.

Compliance with Worker Welfare Regulation:

- UoC has implemented a minimum wage and the fulfilment of overtime wages.
- UoC already has and implements a pay scale structure.
- There was no illegal labor, underage labor and forced labor systems.

Compliance with Legal Regulation:

- Unit of certification has **Location Permit** that covers **7,844 ha**, as refers to several documents, as follows:
 - Decree of Siak Regent No. 269 in 2004 dated 06 December 2004 for area covers 2,344 ha.
 - Decree of Siak regent No. 1 in 2006 dated 15 March 2006 for area covers 500 ha.
 - Decree of Riau Governor No. Kpts.11/I.I-VI/1988 dated 14 June 1988 for area covers 5,000 ha.
- Unit of certification has **Plantation Business Permit (IUP)** for oil palm plantation cover **12,638.60 ha** and its processing mill, as refers to several documents, as follows:
 - *Persetujuan Prinsip Usaha Perkebunan Kelapa Sawit* according to Decree of the Minister of Agriculture No. HK.350/E.5.461/06.96 dated 28 June 1996 for oil palm plantation on the area covers 7,600 ha and its mill with processing capacity on **30 ton FFB/hour**. Processing capacity of PT SIR Mill is **45 ton FFB/hour** which not comply with the permit. Raised **NCR No. 2021.01 with major category**.
 - *Surat Pendaftaran Usaha Perkebunan (SPUP)* according to Decree of the Minister of Forestry No. 936/Menhutbun-VII/2000 dated 08 August 2000 for oil palm plantation on the area covers 5,038.60 ha in Pekanbaru and Siak.
- Unit of certification has **Land Title (HGU)** that covers **7,714.723 ha**, as refers to several documents, as follows:

- Decree of BPN Head No. 37/HGU-BPN RI-2008 dated 17 July 2008. Valid until 17 July 2043. From this Decree, issued two (2) HGU Certificate, i.e.: Certificate No. 12 dated 24 October 2008 for area covers **628.43 ha** and Certificate No. 13 dated 24 October 2008 for area covers **2,047.693 ha**.
- Decree of BPN Head No. 41/HGU/BPN1994 dated 04 August 1995. Valid until 31 December 2024. From this Decree, issued one (1) HGU Certificate, i.e.: Certificate No. 1 dated 01 November 1994 for area covers **1,430.25 ha** in Siak.
- Decree of BPN Head No. 40/HGU/BPN1994 dated 04 August 1995. Valid until 31 December 2024. From this Decree, issued one (1) HGU Certificate, i.e.: Certificate No. 01 dated 08 November 1994 for area covers **3,608.35 ha** in Pekanbaru.

The current scope of certification is 7,714.72 Ha according to the HGU owned. Regarding the HGU extension process which will expire in 2024 (for HGU No. 1 of 1994), it is explained in more detail in 4.4.1.

2.1.2

Unit of certification pursuant towards Laws and/or regulations is conducted annually presented in document of "*Ringkasan Dan Tinjauan Kesesuaian Peraturan Dan Perundang-Undangan Dan Persyaratan Lainnya*"

List of regulation which applicable with unit of certification activity i.e :

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

However, based on observed evidence such as:

- Salary and overtime slips for contractor workers PT Rajawali Perkasa Jaya and PT Pagar Negri, found some field information as follows:
 - PT Pagar Negri security pay slips for the September 2022 period, workers with the initials NF, FS, IY, and DA receive wages in the amount of IDR 3,040,000.
 - Salary slips for security workers at PT Rajawali Perkasa Jaya for the period August 2022, it is known that the wages of US employees (initials) with 104 hours of overtime earn a total basic salary and overtime received, namely Rp. 3,528,330.
 - Salary slips for security workers at PT Rajawali Perkasa Jaya for the period August 2022, it is known that the wages of JEL workers (initials) with 98.5 hours of overtime earn a total basic salary and overtime received, namely Rp. 3,681,375.
- Decree of the Governor of Riau No. Kpts.1272/XI/2021 concerning District/City Minimum Wage in Riau Province in 2022. The document explains that the minimum wage for Pekanbaru City is Rp. 3,049,675.79/month. Meanwhile, the Siak District wage is Rp. 3,114,237.83/month.
- Results of interviews with outsourced security workers at SIR POM (PT. Pagar Negri), obtained information that these contractor workers receive a wage of Rp. 3,040,000/month with a total daily working hours of 12 working hours with a setting of 20 working days, 5 standby days, and 5 holidays. Meanwhile, in the pay slip, there is no information on overtime payments for outsourced security workers.
- Based on the results of the review of the agreement letter between PT Surya Intisari Raya and PT Rajawali Perkasa Jaya No. 41/Security Unit Personnel/SIR/LGL-PKU/VI/22 with a term of agreement April 1, 2022 to December 31, 2022, it is known that the agreed wage for security personnel stationed at Sei Mandau Estate is Rp. 3,050,000 per month. In the work agreement it has also been explained in article 6 paragraph 1 it is explained that the second party (the contractor) is obliged to pay overtime premiums if the workers stationed at the plantation site do overtime.
- Letter of Agreement for Provision of Security Unit Personnel between PT Surya Intisari Raya and PT Pagar Negri No. 02/Security Unit Personnel/SIR/LGL-PKU/IV/22 with a term of agreement April 1, 2022 to December 31, 2022, it is known that the agreed wage price for member positions is Rp. 4,500,000/month. The document also explains that the set working hours are morning (07.00-15.00 WIB), afternoon (15.00-23.00 WIB), and evening (23.00-07.00 WIB).
- The company shows the supplier/vendor/contractor evaluation formular for PT Rajawali Perkasa Jaya and PT Pagar Negri which was carried out on June 3, 2022. In this document, it is known that the criteria for evaluating are: quality of service, timely completion of services, handling of complaints, cases bribery, gratuity, and others. In this policy, there are no contractor assessment criteria for compliance with the law.

Based on explanation above It can be concluded that the company has not been able to show sufficient evidence that the company

has a documented system to ensure legal compliance of all contracted third parties. **This becomes nonconformity No.2022.01 with Minor Category.**

2.1.3

Land Title or HGU-BPN poles monitoring is conducted annually, presented in document of "Monitoring and Maintenance or Installation of Land Title (HGU-BPN) Poles of PT SIR" in Sei Lukut Estate and Mandau Estate. The report has approved by Technical Assistant and Estate Group Manager. Based on the results of field visits to Boundary Pole No. BPN 158/BPN 190 (block H22/H23 Division 3) No BPN SIR 207 (block E24/E25 Division 3), and Boundary Pole No BPN 200 (Block C24 Division 1) Sei Lukut Estate also Boundary Pole No HGU SIRM (Block N23/N24 Division2), BPN SIRM 2 & 3 (Block E14 Division 3 and BPN SIRM 40,47,5 it is known that the condition of the stakes is in good condition and well maintained according to the monitoring results. HGU pole monitoring and maintenance were last implemented in June 2022.

In the previous assessment there was a nonconformity with planting outside the HGU for an area of ± 75 Ha. In this regard, the Company showed a statement letter from the land owner of its land (Sarbaini) with an area of ± 70 Ha. The statement letter is signed by the land owner and accompanied by a location map and land boundary map. Based on the results of interviews with the landowners, it is known that it is true that the land adjacent to the company property in block B24 belongs to him and was inherited from generation to generation.

With regard to the plant figures and upkeep conditions which were same with the main estates, it was stated that at the time of land clearing, it was indeed the company that provided the seeds, including planting the plants and also carrying out the upkeep, including for road access. This is part of the compensation for achieving a land acquisition agreement in the company operational area. The land owner is a former village head and also the customary head (Batin) of Tebing Tinggi Okura and currently the one who serves as Batin is the son of the previous village head.

2.1.2 Status: Minor Non-Conformity No. 2022.01

2.2

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

2.2.1

In monitoring the existence of contractors for plantation and mill activities, UoC had well-documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. The contractors collaborate in the activities of operational vehicles rental such as CPO and Kernel transport, security outsourcing, and hazardous waste transport, here as follows:

- Sei Lukut Estate and SIR POM cooperating with 5 contractors, as follows: CV Jaya Utama Ramos collaborating in Palm Kernel Transport, PT Shali Riau Lestari collaborating in hazardous waste transport, PT Berkas Karimar Mandiri collaborating in CPO transport CPO, PT Envi Reksatama Engineering collaborating in environmental quality testing and monitoring, and PT Pagar Negri collaborating in security outsourcing workers which has 45 workers.
- Sei Mandau Estate cooperating with 3 contractors, as follows: PT Shali Riau Lestari collaborating in hazardous waste transport, PT Envi Reksatama Engineering collaborating in environmental quality testing and monitoring, and PT Rajawali Perkasa Jaya collaborating in security outsourcing workers which has 10 workers.

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

- Work Agreement of PT. Rajawali Perkasa Jaya (No. 41/Tenaga Sat Pengaman/SIR/LGL-PKU/IV/22) for collaborating in security outsourcing workers dated on 1 April 2022 which is valid for 8 months (1 April 2022 to 31 December 2022).
- Work Agreement of PT. Pagar Negri (No. 02/Tenaga Sat Pengaman/SIR/LGL-PKU/IV/22) for collaborating in security outsourcing workers dated on 1 April 2022 which is valid for 8 months (1 April 2022 to 31 December 2022).

The explanation above can be concluded that the UoC has managed and documented the list of contractors along with its supporting documents.

2.2.2

UoC showed that there were several separate clauses on the work agreement between the company and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security

insurance, the provision of minimum wages, the obligation to use PPE, other permits such as tax payment, etc. To ensure the compliance with these clauses, UoC always requests the requirements for the completeness before the contractor does work.

In addition, UoC has carried out an evaluation of each contractor to see the performance of the contractors and the compliance of the contractors to the existing regulation, for example the evaluation of PT. Pagar Negri on 3 June 2022. There were several important indicators in the evaluation including work quality, punctuality, grievance handling, and the comprehension regarding anti bribery policy. However, the evaluation isn't including the compliance regarding existing regulation yet. This point become the Non-conformity in indicator 2.1.2.

Based on the interviews with contractor, contractor workers, and documents verification, it's revealed that workers had received wages and were registered in the BPJS program. For example:

- Proof of payment of wages period of September 2022 for PT Pagar Negri workers in Sei Lukut (Estate and POM) on behalf of NF, FS, IY, and DA (initial) who received wages of Rp. 3,040,000.
- Proof of payment of wages period of August 2022 for PT Rajawali Perkasa Jaya workers in Sei Mandau (Estate) on behalf of AS (initial) who received wages of Rp. 3,528,330 (including 104 overtime hours).
- BPJS *Ketenagakerjaan* (Social Security Insurance) payments for PT Rajawali Perkasa Jaya contractor workers have been completely fulfilled and the last proof of payment is on 29 August 2022 for period of August 2022.
- BPJS *Kesehatan* (Health Insurance) payments for PT Rajawali Perkasa Jaya contractor workers have been completely fulfilled and the last proof of payment is on 18 August 2022 for period of August 2022.

2.2.3

UoC showed that on each work agreement between the unit of certification and the contractor, 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 UoC's commitment against forced labour, underage worker, and not to employ workers from human trafficking.

To ensure compliance with these clauses, the company always requests the requirements for the completeness before the contractor does work and make sure the contractor signed the written statement named commitment letter when the work agreement started.

Based on the document review and the field observation, it revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. Based on the interviews with contractor, contractor workers, and documents verification, it revealed that they had a good understanding related to the minimum age of worker, the prohibition of forced labor and the human trafficking.

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| Status: Comply |
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2.3

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

2.3.1

The company shows a list of FFB supplier information documents which are direct suppliers with the following details:

1. PT Perkebunan Palmax Sejati
 - a. The coordinates are 0.67333 latitude and 101.65694 longitude.
 - b. Decree of the Head of the Investment and One Stop Service Office of Siak Regency No. 02/DPMPTSP-IUP.B/KPTS/2017 dated November 24, 2017 regarding the Plantation Business Permit for Cultivation (*IUP-B*) PT Palmax Sejati Plantation in Kampung Pinang Sebatang, Tualang District, Siak Regency, Riau Province.
2. PT Panca Surya Garden
 - a. The coordinates are 0.41722 latitude and 101.39361 longitude.
 - b. Kampar Regent Decree No. 525/DISBUN/891/2009 dated 17 December 2009 concerning the Granting of a Plantation Business Permit for Cultivation (*IUP-B*) of PT Panca Surya Garden's Oil Palm Seed Plantations.
3. KKPA Kelantan Jaya
 - a. The coordinates are 0.81471 latitude and 101.76852 longitude.
 - b. Recapitulation of certificate of compensation (*SKGR*) for KUD Kelantan Jaya with a total of 256 Ha.

Companies can show examples of the legality of direct FFB importers, for example:

- PT Panca Surya Garden namely HGU Certificate No. 4 of 1996 and Kampar Regent Decree No. 525/Disbun/891/2009 concerning Business Permits for Cultivation Plantations.
- Cooperative of Kelantan Jaya members period 2018 which consist of 151 members, signed by Camat of Sungai Mandau and Penghulu (or Customary Elder) of Muara Kelantan in 05 February 2018. Furthermore, shows Statement Letter of Land Ownership that signed by Head of RT, RW, Dusun, Village (Desa). The letter also informed area (in m²), adjacent parties on the north, south, west and east side of property object and identity of land owner. Sighted Ownership Letter of some Cooperative members from Dusun of Tanah Lambuk, Village of Muara Kelantan, as follows:
 - Land under Trisno Edi Hartono for area $\pm 17,700$ m² dated 13 December 2006.
 - Land under Kasimun for area covers $\pm 13,900$ m² dated 13 December 2006.
 - Land under Usman for area covers $\pm 20,000$ m² dated 13 December 2006.
 - Land under Heri Purwanto for area covers $\pm 12,100$ m² dated 13 December 2006.
 - Land under Azmil Falah for area covers $\pm 20,000$ m² dated 13 December 2006.

2.3.2

The company also receives FFB supplies from third parties, but in this case the company has not identified the legality requirements of third party FFB suppliers. In accordance with the special guidelines for indicator 2.3.2 which states that "for uncertified mills/mills that are in the process of the first year of certification, the time requirement for supply farmers to fulfil the requirements according to indicator 2.3.1 is three years from the time the mill is certified". The third parties which supply FFB to the mill in ASA-1 are:

- Kerinci Kanan
- Ratiman
- Sutrisno
- Saifullah
- Tohir
- Asep Saeful
- Rio Restu Anggara
- Sri Sudarminingsih
- Kusyanto

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 & 3.1.2

The CH has shown long-term plans for the 2019-2023 period, including: budget plans, plantation operations, factory operations, projected income, projected costs, social (CSR), and environment. The results of the document review also revealed that there was no replanting plan, with considerations of 21 tons/ha. Based on interviews with management representatives, it is known that routine evaluations are carried out to assess the company's achievements.

3.1.3

The CH conducts regular management reviews. Minutes of meetings and follow-up notes from the Management Review Meeting were shown regarding the progress and performance of the sustainability system implementation, which was held on January 21, 2022. Some of the things discussed included follow-up from the previous MRM, follow-up on internal audit results, follow-up on external audit results, feedback customer feedback, programs and targets for 2021 – 2022, as well as recommendations for continued improvement and preventive actions. The PIC, due date, and suggestions for each discussion have been determined.

The management review was also carried out by conducting a management review of the 2021 OHS Management System at the company, which was conducted on December 27, 2021. The discussion included reviewing OHS and environmental policies, internal audit results of the OHS Management System, evaluation of compliance with regulations related to OHS, and achievement of goals, objectives and programs OHS.

The latest RSPO Internal Audit Report has also been shown, which was conducted on 14-16 March 2022. The results of the document

review found that there were 3 non-compliances that had been fulfilled the last in August 2022.

The CH also shows the Internal Audit Report on Plantation and Factory Operations, which was carried out on 09-13 May 2022. The scope of the inspection includes Minutes of Work Handover; Area statement, production, and plants; estate and plant cash, engineering, personnel, estate and factory operations; as well as previous internal audit results.

From the company's financial side, an external audit has been carried out by a public accounting firm. It has been shown that the report of independent auditors Purwantono, Sungkoro & Surja number 01479/2.1032/AU.1/01/0240-1/1/VI/2022 dated 14 June 2022 with an opinion on PT SIR's financial statements dated 31 December 2021 presented fairly and in accordance with Indonesian financial accounting standards.

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| Status: Comply |
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3.2

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

3.2.1

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

Social and Environmental Aspect

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable energy accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.
- Green House Gas Management and using land clearing with mechanical and zero-burning policy.
- Utilize renewable energy with the Biogas Plant (Methane Capture) as a source of electrical energy.

Worker Welfare Aspect

Unit of certification has monitored and reviewed their performance and taken actions of continuous improvement towards worker welfare aspects, here as follows:

- Unit of certification committed to improving work efficiency and improving the workers' quality by giving training and identify each worker training needs.
- Unit of certification committed to provide complaints report that is filled out by internal and external parties if they have any complaint against the company.
- Unit of certification committed to provide rules and regulations that are always updated if there were any updates, such as worker minimum wage based on the stipulation of minimum wages by the Governor of Riau and other labor regulations.
- Unit of certification is also committed to avoiding acts of discrimination, sexual harassment, child labor, or acts of human rights violations in the work environment by giving socialization and provide grievance mechanism of any discrimination and sexual harassment.
- Unit of certification committed to provide worker's welfare by giving rice supply allowance each working days excluding the monthly basic wage.

3.2.2

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

| | |
|--|--------------------------|
| Name of RSPO Member | : First Resources Ltd |
| RSPO Membership Number | : 1-0047-08-000-00 |
| Name of Certified Unit | : PT Surya Intisari Raya |
| Name of Certification Body | : PT Mutu Agung Lestari |
| RSPO PalmTrace ID Number | : RSPO_PO1000004216 |
| Number of Mills | : 1 |
| Number of Estates | : 2 |
| Production Area (ha) - Estate | : 6912 |
| Certified Area (ha) - Estate | : 7715 |
| High Conservation Value (HCV) Area (ha) | : 223.17 |
| Peatlands - Planted (ha) | : 3661 |
| Peatlands – Unplanted (ha) | : 0 |
| Freshwater Usage per PO produced tonne | : 4.98 |
| Number of lost time injuries in SIR POM | : 0 |
| Total hours worked in SIR POM | : 186616 |
| Lost Time Injury Frequency Rate (LTIFR) in SIR POM | : 0 |
| Number of lost time injuries in Sei Lukut | : 4 |
| Total hours worked in Sei Lukut | : 465649 |
| LTIFR in Sei Lukut | : 8.59 |
| Number of lost time injuries in Sei Mandau | : 6 |
| Total hours worked in Sei Mandau | : 312475 |
| LTIFR in Sei Mandau | : 19.20 |

Based on the data above, it shows that there is a difference in the area of HCV between the statement area and the matrix template. This is because in the area statement data, an HCV area of 223 Ha is identified as a planted area. Further explanation regarding the distribution of HCV area is listed in indicator 7.12.2.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The CH has plantation procedures that explain all plantation operational activities from land preparation to harvesting and replanting. In addition, the company has demonstrated procedures related to the mill as stated in the Operational Best Practices Palm Oil Mill document (FR.COP.OPM dated December 31, 2015 endorsed by the CEO). In the document, it is known that the procedure has covered all factory operational activities from receiving FFB to activities in bulking.

All SOP above were available in Bahasa. Master list of procedure for estate and mill were keeps by Head of Research and Development and Head of Engineering, respectively. Document control of SOP was conducted by General Manager of Administration and SOP Management Compliance. Based on SOP document review, it could be concluded that all SOP's were still relevant with current situation and covers all aspect of best management practices in the estates and mill.

This procedure is conveyed to workers in the form of training and installation of related procedures at certain stations / locations, as well as installing processing work instructions at each Mill station and installing work instructions for hazardous waste management in chemical warehouses.

Based on field observations at factories and plantations during the audit process, it is known if procedures have been implemented and workers can describe and demonstrate their work according to the procedures, referring to operational, safety and environmental best practices.

3.3.2, 3.3.3

The CH has a system that ensures the implementation of SOPs in all work units of the company. Internal audit procedures have been demonstrated with the code FR.CSM.IAS effective September 1, 2018. The scope of procedures includes quality management systems, environmental management systems, palm oil sustainability, ISCC, etc.

The CH presented the most recent RSPO Internal Audit Report, which was conducted on 14-16 March 2022. The results of the document review found that there were 3 non-compliances that had been complied with the latest in August 2022.

The CH also shows the Internal Audit Report on Plantation and Factory Operations, which was carried out on 09-13 May 2022. The scope of the inspection includes Minutes of Work Handover; Area statement, production, and plants; estate and plant cash, engineering, personnel, estate and factory operations; as well as previous internal audit results.

From the company's financial side, an external audit has been carried out by a public accounting firm. It has been shown that the report of independent auditors Purwantono, Sungkoro & Surja number 01479/2.1032/AU.1/01/0240-1/1/VI/2022 dated 14 June 2022 with an opinion on PT SIR's financial statements dated 31 December 2021 presented fairly and in accordance with Indonesian financial accounting standards.

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| Status: Comply |
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3.4

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

3.4.1

The unit of certification did not carry out any new land clearing activities during the audit period. However, for all areas currently managed, the company already has several documents related to social and environmental impact studies that are carried out independently or participatively by involving affected stakeholders in collaboration with accredited independent experts. Some of the documents held by the certification unit are as follows:

Social and Environmental Impact Assessment (SEIA)

Sei Lukut Estate

- Document for determining environmental management and monitoring (DPPL) for oil palm plantation activities in Sei Lukut covering an area of 5,038.6 Ha in accordance with the Governor of Riau Decree Number 882/VIII/2009 dated 19 August 2009 which is located in Tebing Tinggi Okura Village, Rumbai Pesisir District, Pekanbaru City and Tualang Village and Meredan Village, Tualang District, Siak Regency, Riau Province.

Sei Mandau Estate

- Environmental Management and Monitoring Documents for Sei Mandau Oil Palm Plantation Activities covering an area of 2,676,123 Ha according to the Decree of the Governor of Riau No. 119/HK/KPTS/2009 dated April 20, 2009 located in Lubuk Jering Village and Muara Kelantan Village, Sungai Mandau District, Siak Regency, Riau Province.

SIR POM (Sei Mandau Area)

- Environmental Impact Analysis Approval (ANDAL) document for the construction of a Palm Oil Processing Factory with a mill area of ± 15 Ha and a capacity of 45 tons of FFB/hour. The document has been approved by the Pekanbaru City AMDAL Assessment Commission. The document has also obtained an environmental suitability letter for the construction of an oil palm factory in Tebing Tinggi Okura Village, Rumbai Pesisir District, Pekanbaru City according to the decision of the Mayor of Pekanbaru number 92 of 2008 dated 28 May 2008.

In the document above, there is information related to environmental aspects and parameters that must be monitored and managed along with information on targets and implementation times contained in the RKL-RPL matrix. The document has also covered all aspects of plantation and mill activities as well as their changes throughout the operational activities. The sampling methodology used is also participatory involving external stakeholder groups for the purpose of identifying impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

Social Impact Assessment (SIA)

The certification unit is located in two (2) different administrative locations, because of this, the certification unit has 2 Social Impact Assessment (SIA) documents, both of which are carried out simultaneously by the First Resources Internal Team with the final document in the form of a Social and Environmental Impact Assessment (SEIA) Final Report. PT SIR unit Sei Lukut Estate in April 2015 and unit Sei Mandau Estate in November 2015. The social impact assessment has also been carried out based on the need for RSPO certification so that it can be used for certification schemes that require a social impact assessment report.

This study explains the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs, and culture of the villagers around the company, environmental management efforts in the social, economic and cultural fields as well as community perceptions about the existence and benefits of the company. The assessment involved all affected parties, both internal and external stakeholders, including employees, trade unions, heads of surrounding villages, local NGOs and smallholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. In addition, the SIA study has also been disseminated to villagers and stakeholders in the affected area with evidence of the Public Consultation Report for the Assessment of High Conservation Value (HCV) and Social Impacts which was conducted on April 13, 2013, and attended by 23 participants. The report also contains a matrix of Social Management Plan and Social Monitoring Plan which contains recommendations for managing identified social impacts.

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

High Conservation Value Assessment (HCVA)

The unit of certification has also conducted several studies related to areas with high conservation values which are described in full in indicator 7.12.2. The latest HCV management reference is based on the 2022 HCV Assessment Report conducted by the Internal Team from First Resources Ltd. The report also includes a matrix for the Management and Monitoring Plan for High Conservation Value Areas which contains recommendations for the management of all identified HCV areas.

Based on the results of the 2013 HCV document review, information was obtained that the impact assessment on HCV, biodiversity and RTE species was carried out covering Sei Lukut and Sei Mandau Estate. HCV areas consist of protected areas for flora and fauna, riverbanks and other high conservation value areas. Based on the verification of the document, it can be concluded that all areas with high conservation potential and protected areas have been identified and their management recommended with reference to the relevant environmental management guidelines.

3.4.2

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

Environmental Impact Assessment (EIA)

Because the company has 3 different environmental documents, the company prepares 3 different RKL-RPL reporting documents as well. Based on the results of the verification of each RKL-RPL document for the period of Semester 2 of 2021 and Semester 1 of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. The certification unit has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations there are no indications of environmental pollution in the area around the company, for example for the high BOD value in the river test results. deep peat swamp area, while for other things it is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field. several things that can be concluded from the results of the study of the document, for example for the results of monitoring at Sei Lukut Estate and SIR POM, include:

- Preventing soil, water and air pollution by reducing the use of chemicals, managing waste properly and complying with proper waste disposal in each area.
- Carry out efforts to save the environment by protecting areas important for environmental sustainability such as river borders, swamp forests and secondary forests.
- Manage and monitor the impact of potential land fires.

- Manage and monitor the quality of soil, air, water and other disturbances.
- Utilize palm oil waste as a substitute for fertilizer and fossil fuels.
- Conducting fire management and monitoring for a wider scope as well as collaborating with stakeholders to anticipate forest and land fires.

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

The unit of certification has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies as described in indicator 1.1.2 for environmental aspects. All reporting evidence documents have also been completed with a stamp, signature and name of the recipient as well as proof of document delivery notes. Based on the results of interviews with the Environment Agency related to reporting on the implementation of RKL-RPL, the certification unit routinely does it and until the time the audit is carried out there are no complaints or conflicts related to the environment from NGOs or local communities around the company.

Social Impact Assessment (SIA)

The 2015 SIA study results document as described in indicator 3.4.1 is used as a guide in the preparation of social impact management programs. The document contains several social programs, including the provision of regular social assistance for the surrounding community, economic improvement through cooperation with companies, job openings, and improvement of community welfare through plasma partnerships. Program planning is carried out based on the results of the Focus Group Discussion (FGD) conducted with stakeholders including the village community around the company as well as the results of the potential and risk analysis with attached evidence of documentation and attendance. FGD activities for Sei Lukut Estate were carried out on 20 – 22 April 2015 and for Sei Mandau Estate were conducted on 23 – 25 November 2014. The program is a general plan that will be implemented by the company based on stakeholder needs analysis and stakeholder mapping related to the company, directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication, and cooperation with all stakeholders.

The company also evaluates the Management Plan annually to monitor the progress of program management, for example, there are programs that need to be stopped, continued, or added. The last evaluation of the management plan was carried out in 2021, the evaluation activity was also a reference in the preparation of the 2022 program. This can be proven through the Social Environment Impact Assessment Evaluation Document through social management and monitoring conducted on 1 September 2021.

Based on the results of the verification of the SIA Management Plan document for 2021-2023, it can be concluded that all activities listed in the 2015 SIA Study Results have updated all potential aspects that may be found in the company's landscape. The document also includes social programs to avoid/mitigate negative social impacts, partnership programs for farmers, human rights, CSR programs, gender equality, education, and public health. When referring to the 2022 SIA Report document, it can be concluded that the study has been carried out in depth and comprehensively. All aspects requested in the 2015 SIA Study Results and Management Plan 2021-2023 have been covered in the report. This can be proven from the evidence of management activities that have been carried out such as CSR activities, socialization activities and BMP training to KKPA farmers and others.

Based on the results of consultations with worker representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, electricity, places of worship, educational infrastructure (schools), and other facilities, although not all of these facilities are in a proper condition (to be NC in indicator 6.2.4). The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans. Based on the results of field visits and external stakeholder interviews related to the management of social impacts carried out by the company for the period of 2022, it can also be

concluded that there are no issues related to social impacts that have not been identified by the company. all potential social impacts have been managed and included in the management plan, which is still being managed.

3.4.3

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

Environmental Impact Assessment (EIA)

The company involves the Department of Environment and the Ministry of Environment and Forestry to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission and government programs so that they can run synergistically. This can be proven based on the results of an interview with the Pekanbaru City Environment Agency who conducted a field visit at the end of December 2020 to carry out supervision related to environmental management and the extension of the permit for hazardous waste storage. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management in 2021 which is described in more detail in indicators 7.12.2 and 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

Social Impact Assessment (SIA)

Based on the 2015 Social Impact Assessment Report, the social impacts in this assessment are divided into positive impacts, and negative impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. the company has analysed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts evaluations every 2 years to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust to the latest needs according to conditions in the field. This can be proven through the Social Environment Impact Assessment Evaluation document through social management and monitoring which was carried out on September 1, 2021. The evaluation has also included relevant stakeholders which was carried out through FGDs with the following evidence:

- Stakeholder consultation conducted with religious leaders, education leaders, youth leaders, village heads and representatives of other figures at the Sei Mandau District Office on August 1, 2021.
- Stakeholder consultation with religious leaders, education leaders, youth leaders, Hamlet heads and representatives of other leaders from Lubuk Jering Village, Sei Mandau District on August 2, 2021.
- Stakeholder consultation with religious leaders, education leaders, youth leaders, hamlet heads and village officials from Tebing Tinggi Okura Village, as well as representatives from Rumbai Pesisir District on August 3, 2021.
- Stakeholder consultation with religious leaders, education leaders, youth leaders, Dusun and Muara Kelantan village heads, as well as representatives from Rumbai Pesisir District on August 4, 2021.

Based on the results of the verification of the document, it shows that all social management and monitoring plans that have been implemented and monitored are then updated periodically in a participatory manner by accommodating the aspirations of stakeholders. The evaluation activity was also carried out to prepare the SIA program which will be carried out for the next 2 years, namely the 2021-2023 period (the annual management results review period is allocated every August with the final document of the SIA management results report in October). In addition, for annual activities a review is also carried out to determine whether there is a possibility of additional programs for the next 1 year. The review for the 2022 period is carried out internally, while the external review still refers to the results of the 2021 SIA review mentioned above.

In the 2022 review activity, the assessment team has referred to the 2015 SIA study report and the 2021 SIA Management Plan on plantation development that is responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, customary leaders, land owners around the company's area, plasma and independent smallholders, as well as all affected parties. In the document there are additional recommendations in the plan for implementing activities to address social issues that need to be carried out by the company for the period 2022 - 2023, including:

- Build communication and networks with relevant stakeholders to improve the quality of education and the accessibility of the surrounding community.
- Community economic empowerment by encouraging community independent businesses through empowerment of local contractors.
- Environmental management program by implementing awareness of environmental sustainability, and others.

Based on the explanation above, it can be concluded that the company has made efforts to update the social and environmental management program periodically with clear and accountable evidence.

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| Status: Comply |
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3.5

A system for managing human resources is in place.

3.5.1

UoC had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement (CLA) period of 2021 to 2023 written in *Bahasa*. This CLA has been registered in manpower agency of Siak District for example by decree No. 42 tahun 2021. In general, these procedures describe:

- Recruitment of workers is based on the company's needs.
- The minimum age of workers is 18 years old.
- The workers who have been accepted will through three months of probation.
- Promotion of workers is based on needs, period of work, expertise, and assessment of workers for the last 6 months.
- The company is authorized to carry out the placement, transfer, and promotion of workers by applicable regulations.
- The compensation payments for workers who got terminated were referred to Government Regulation Number 35 of 2021.

In addition, the procedures of employee recruitment are explained specifically in SOP No. FR.CHR.R&S.002 dated on 1 November 2012 concerning on Recruitment.

Based on the interviews with workers (harvesters, pesticide sprayers, and mill operators), workers had a sufficient understanding of the procedures related to recruitment, promotion, and termination of employment. The types of workers exist in the company are permanent workers in probation and permanent workers. Workers explained that the recruitment process carried out by the company was in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation and other causes of termination as in existing government regulation. All labor procedures have been in accordance with the applicable regulation.

3.5.2

Unit of Certification documented some labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MH (initial) decree No. 02.0.4/SK/016/XII/2021 who had a promotion based on worker's appraisal, from daily worker to permanent worker on 1 January 2022.
- Termination document such as the management decree of employment's termination on behalf of JS, RR, RD, JPL and AM (initial). UoC also showed other supporting documents such as the management decree of employment's termination, calculation of termination payments, and the proof of its payment in accordance with the applicable laws.

Based on the interviews with the Manpower Agency of Siak District and Riau Province, the company had been applied the existing labor procedures in accordance with the regulations. During 2021 to 2022, there were no issues related to manpower.

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| Status: Comply |
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3.6

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

3.6.1

Activities do not yet have Hazard Source Identification, Assessment, and Risk Control (HIRACD)

The CH shows the HIRACD procedure with code FR.OSH.P03 dated 01 September 2011, it is known that the purpose of the procedure

is to identify all existing sources of danger arising from all company activities, both goods and services, production processes, and their supports

Based on field observations, interviews and Mill document review, it is known that there is no ISBPPR which is not limited to:

- Unsafe condition – there is no height safety limit at the Press station.
- Unsafe action – there are passengers on the wheel loader during activities.
- Transfer of diesel fuel from the truck to the diesel tank in the sorting area
- Receiving fuel and calibrating diesel fuel using baby tanks in the sorting area
- Inspection of PKS machines
- Tests carried out at the mill, such as stationary emissions, noise, etc.

Based on field observations, interviews, and estate document studies, it is known that there is no ISBPPR but is not limited to the following activities:

- Piezometer, subsidence pole and water level monitoring
- Monitoring tower fires
- Harvest along the regency highway
- Maintenance of plants along the main roads of the Regency
- Transportation of FFB by Trucks transporting FFB across Regency roads
- Fuel tank transfers

The CH has not been able to show enough evidence that all activities in the company have identified hazards, assessed and controlled risks. **This becomes a 2022.02 non-conformity.**

3.6.2

The CH has a planned OHS program and is always evaluated regularly. The program is indicated in the OHS Management System Work Program document, and management evaluation is carried out in the management review which has been discussed in indicator 3.1.3. Routine monitoring is carried out, one of which is by holding an OHS Committee meeting, in July 2022 on July 30, 2022. Discussions carried out included the P2K3 work program, reports from the OHS Committee unit team (SIR POM, Sei Mandau, and Sei Lukut) and accident analysis reports. The company also monitors OHS aspects of Mill machines such as vibration, noise, and odor. As an example, it has been shown that the results of the vibration test at Sei Mandau in 2022 were carried out on 14 February 2022 at 10 monitoring points with results not exceeding the threshold value.

| | |
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| 3.6.1 | Status: NCR 2022.02 with major category |
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3.7

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

3.7.1

Unit of certification had training identification and program for 2021-2022 in order to improve the competence and expertise of all workers including contractors. The company had identified the needs of competence standard and the proposed training for each worker including contractor worker, for example:

- Training of pest and plant disease controlling for workers in estate.
- Training of firefighting and first aid simulation for emergency team.
- Training of road maintenance for manual maintenance workers.
- Training of transport management for mechanical workers.

Based on the field observation in mill, it's known that UoC had boiler machine which has 30 ton per hours capacity with the 2 shifts working hour. Based on the license operator list, it's known that there were 2 boiler operator which already has steamship license which is valid until 23 November 2023. However, UoC has not been able yet to show the rest 2 boiler operator license (since UoC had 4 boiler operators).

Minister of manpower regulation number 1 of 1988, in 1st appendix stated that for boiler machine which has more than 20 ton per hour and less than 40 ton per hour capacity, need an operator class 1 and an operator class 2 each shift.

Based on the field observation in mill, it's known that UoC had turbine machine which has 1.200 kW/1.609 HP capacity with the 3 shifts of working hour. Based on the license operator lists, it's known that there were 2 engine room operator which already has power and production mechanics license which is valid until 23 November 2023 and 18 November 2026. However, UoC has not been able yet to show the rest 1 engine room operator license.

Minister of manpower regulation number 38 of 2016, in article number 110, 111, and table section E, stated that prime mover engines which has power more than 214.47 HP shall have an operator class I and class II (1 per each).

Based on this, the company has not been able to demonstrate that adequate training has been provided for all boiler and power and production operators as stipulated in regulations, so **this indicator become the major non-conformity No. 2022.03.**

3.7.2

UoC 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 pesticide application procedure standard on 8 June 2022 which was attended by all pesticide application workers.
- Training of hazardous waste and domestic waste handling on 8 June 2022 which was attended by 15 foremen.

Based on field observations and interviews with workers (harvesters, maintenance workers, warehouse officers, and mill operators) and contractor workers, it is known that the company 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 well enough.

3.7.3

The company showed minutes of meeting SCCS training and outreach on June 9, 2022 which was attended by 9 participants, namely assistants, production assistants, lab analysts, grading foreman, weighing operators, and security. Based on the socialization, it is known that the supply chain model used by the company is MB. The results of interviews with production managers and weighbridge officers during the field visit revealed that they were able to properly explain the supply chain implemented by mill.

3.7.1 Status: Major Non-Conformity No. 2022.03

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

SIR POM implementing RSPO mass balance supply chain due receive FFB both of certified and uncertified source.

3.8.3

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

| Product | Estimate Production period of February 11, 2022 to February 10, 2023 | Actual Production (MT) of previous audit (February 11, 2022 – September 30, 2022) | Estimate Production for 12 months (MT) |
|---------|--|---|--|
| FFB | 144,000 | 87,229.30 | 146,000.00 |
| CSPO | 33,000 | 19,028.99 | 34,000.00 |
| CSPK | 8,500 | 5,004.40 | 8,700.00 |

*Estimated production is obtained from actual production one year prior to the assessment (Oct 21 – Sept 22)

3.8.4

Surya Intisari Raya POM, PT Surya Intisari Raya has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: PT Surya Intisari Raya
- License ID: CB130189
- Core Product: Palm Oil
- Member ID: RSPO_PO1000004216

- Member category: Oil Mill
- Supply chain model: Mass Balance

3.8.5

The unit of certification has Supply Chain Policies and Procedures dated December 20, 2018 and revised April 22, 2021 (FR.CSM.MRPR rev 01). The references used have adjusted to the certification system and PnC in 2020. The procedures include explaining about traceability at the factory, traceability in bulking, traceability at refineries, traceability at KCP, internal audit, use of IT platforms, to the roles and responsibilities of personnel.

According to the interview with weighbridge operator known that the company has had the procedure to separate FFB that comes from certified or noncertified sources. All of FFB received will be separate in weighbridge system and calculate CPO/PK certified/noncertified product and stamped with certified and noncertified stamp. Administration staff will inform the sum of certified/noncertified product in daily bases, monthly and three-monthly bases.

3.8.6

Internal audit mechanisms related to SCCS are contained in the Supply Chain Policies and Procedures dated December 20, 2018 and revised April 22, 2021 (FR.CSM.MRPR rev 01) and the procedure states that internal audit is carried out every 1 year. The last internal audit was carried out on March 14 – 16 2022 in conjunction with the RSPO internal audit. From the results of the internal inspection, it is stated that the company has complied with the RSPO supply chain requirements.

3.8.7

| Product | Estimate Production period of February 11, 2022 to February 10, 2023 | Actual Production (MT) of previous audit (February 11, 2022 – September 30, 2022) |
|---------|--|--|
| FFB | 144,000 | 87,229.30 |
| CSPO | 33,000 | 19,028.99 |
| CSPK | 8,500 | 5,004.40 |

Based on the table above, it is known that there has been no overproduction between the license quota and the actual production. Related for handling non-conforming oil palm products, has been set in RSPO Supply Chain Certification Standard dated December 20, 2018 and revised April 22, 2021 (FR.CSM.MRPR rev 01)

3.8.8

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

| | Despatch period (MT) (Feb 11, 2022 to September 2022) |
|------------------------------|---|
| CSPO sold under RSPO Scheme | - |
| CSPO sold under other scheme | 9,745.75 |
| CSPO sold as conventional | 5,009.56 |
| CSPK sold under RSPO Scheme | 3,893.13 |
| CSPK sold under other scheme | - |
| CSPK sold as conventional | 863.80 |

| Product | Actual Production (MT) of previous audit (Feb 11, 2022 to September 30, 2022) |
|---------|--|
| FFB | 87,229.30 |
| CSPO | 19,028.99 |

| | |
|------|----------|
| CSPK | 5,004.40 |
|------|----------|

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents can be seen in Shipping announcement for example name of buyer, name of seller, and code of transaction report i.e

- Transaction ID: TR-61f187c7-ffc4
- Member Name: PT Surya Intisari Raya
- Member ID: RSPO-PO1000004216
- Buyer member name: PT Adhitya Serayakorita (KCP)
- Member ID for buyer: RSPO_PO1000009274
- Seller contract number: 20000505/SIR/II/2022
- Buyer reference number: 2022.02.12144
- Product Name : CSPK
- Volume : 59.2 MT
- Shipping/BL date : 08/03/2022
- Creation date : 16/03/2022
- Confirmation date : 16/03/2022

3.8.9 & 3.8.10

SIR POM conducts outsourcing activities for CPO and PK transportation activities. The CPO and PK contractors at the time the audit was carried out were as follows:

1. CV Jaya Utama Ramos, whose address is at Jl Hangtuah, Air Jamban Village, Mandau District, Bengkalis Regency, Riau with PIC Ariyanto (PK transporter) → Agreement Number 6052/SIR/VIII/2022 dated 26 August 2022 valid for 250 DO parties Tons have been transported.
2. PT Berkas Karimar Sejati having its address at Galeri Niaga Mediterania II block N.81 Jl.Pantai Indah Utara II PIK. Kapuk Muara Village, Penjaringan District, North Jakarta Administrative City with PIC Riza Kusharyanto (CPO transporter) → Agreement Number: 6011/SIR/III/2022 dated March 4, 2022 valid until DO of 500 tons is completed

Article 11 of the work agreement contains a clause stating that they are willing to provide access as appropriate to accredited CB in order to be able to access their respective operations and systems, along with all the information they have, if the audit is notified in advance. Based on interview with PT Berkas Karimar Mandiri representative known that they aware related that clause.

3.8.11

SIR POM get the RSPO certificate in February 2022 and until now there has been no change in contractors handling certified products

3.8.12

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

- **FFB**
Feb 11, 2022 to September 2022: 87,229.30 MT

- **CSPO**

| Period | CPO production (MT) | | Total | CPO Dispatch (MT) | | | Total | Stok CPO | |
|--------------------------------|---------------------|----------|-----------|-------------------|--------------|-----------|-----------|-----------|---------------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | | Certified | Non Certified |
| Feb 11, 2022 to September 2022 | 19,028.99 | 5,004.40 | 24,033.39 | - | 9,745.75 | 10,013.96 | 19,759.71 | 3,818.76 | (5,464.48) |

- **CSPK**

| Period | CSPK production (MT) | Total | PK Dispatch (MT) | Total | Stok PK |
|--------|----------------------|-------|------------------|-------|---------|
|--------|----------------------|-------|------------------|-------|---------|

| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | | Certified | Non Certified |
|-------------------------------|----------|----------|----------|----------|--------------|----------|----------|-----------|---------------|
| Feb 11, 2022 – September 2022 | 5,004.40 | 1,195.80 | 6,200.20 | 3,893.13 | - | 2,059.60 | 5,952.73 | 247.47 | (863.80) |

Based on the table above it can be concluded that:

- CSPO production was 19,028.99 MT and other scheme (ISCC) sales were carried out in the amount of 9,745.75 and conventionally in the amount of 5,009.56 MT. So the CSPO stock is 3,818.76 MT
- Production of CSPK was 5,004.40 MT and RSPO sold 3,893.13 and conventionally amounted to 863.80 MT so PK stock was 247.47 MT

3.8.13 & 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for Oct 2021 until September 2022 i.e OER 21.87% and KER 5.80%. Periodically update of extraction is actual extraction.

3.8.15

SIR POM applying MB module

3.8.16

SIR POM during the current license period (Feb 11, 2022 – September 2022) performs the following transactions :

- CSPO production was 19,028.99 MT and other scheme (ISCC) sales were carried out in the amount of 9,745.75 and conventionally in the amount of 5,009.56 MT. So the CSPO stock is 3,818.76 MT
- Production of CSPK was 5,004.40 MT and RSPO sold 3,893.13 and conventionally amounted to 863.80 MT so PK stock was 247.47 MT

For products sold as conventional, remove stock or credit allocation has been carried out with the following evidence:

Stock Transactions

| Stock Transaction ID | Date | Product | Supply Chain Model | Transaction Type | Volume |
|----------------------|------------|---------|--------------------|-----------------------------|----------|
| ST-TR-9c1f1ec0-bd8f | 20-10-2022 | CSPO | Mass Balance | Remove From Certified Stock | 8,605,61 |
| ST-TR-bd12ab14-2611 | 20-10-2022 | CSPK | Mass Balance | Remove From Certified Stock | 623,35 |

*Volume in MT

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch for example Transaction report TR-61f187c7ffc4 with shipping/BL date 08 March 2022 and conformation date 16 March 2022.

3.8.17

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

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

The CH has shown the Policy on Protection of Human Rights and Use of Paramilitary, November 29, 2020, which informs, among other things:

1. Everyone has the right to recognition, guarantees, protection related to Human Rights and to obtain legal certainty and equal treatment before the law in force in Indonesia.
2. The company guarantees the protection of human rights defenders in the company's operational environment.
3. The company does not use military assistance/security services as intimidation in carrying out security measures within the

company's environment.

4. Each employee has a work agreement letter and a clear assignment of authority in the company.
5. If employees find violations of the points above, they can immediately inform HRD, Internal Audit or their direct supervisor.

Based on interviews when the audit was carried out, both with POM workers, Mills, trade unions, local village governments, and other third parties related to the company, it was found that there was no use of military assistance in solving problems.

4.1.2

Based on interviews with several workers at the Mill, trade union representatives, and the gender committee, it is known that so far there has never been a case of human rights violations committed by the company. This is also the same as the results of interviews with the surrounding village community, namely that there has never been a case of human rights violations committed by the company against the surrounding community.

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

UoC had the communication procedure No. FR.EMS.CIE.02 (Rev. 01) validated on 24 February 2020 concerning in internal and external communication procedures (including grievance). The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc). In addition, clause 3.16 explained that complaints which have not been resolved by both parties can be proceeded to a court agreed by both parties according to the laws and regulations and if the complaint has not met the solution, then the complaint can be submitted through the RSPO complaint panel mechanism.

Based on the interviews with the Head of Tebing Tinggi Okura Village and Muara Kelantan Village, occupants, and workers (harvesters and mill operators), the workers had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators.

4.2.2

Unit of certification showed SOP No. FR.EMS.CIE.02 (Rev. 01) validated on 24 February 2020 concerning in communication including handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc). In the general mechanism of handling grievance, is stated as follows:

- The company's commitment to protect the anonymity of whistle-blowers.
- Submission verbally or in writing to the contact person of the company or through labor union.
- Responses will be given at a maximum of 1 month.

All complaints will be summarized and recorded in the List of Complaint. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the List of External Complaint Monitoring.

4.2.3

Based on interviews with workers and external or internal stakeholders, it's known that they have understood the person responsible and the grievance mechanism in which the complainant's identity is protected. Based on the interview with both internal and external stakeholders, they informed that there were no complaints or grievances against the UoC.

Based on the documents review of the worker's grievance logbook period of 2021 to 2022, it is known that the complaints received by the company are related to facilities. UoC then showed the compliance of these complaints. Based on the interviews with government agencies, surrounding communities, gender committees, labor unions and workers, it's known that there were no further complaints against the unit of certification.

4.2.4

UoC showed the SOP No. FR.EMS.CIE.02 (Rev. 01) validated on 24 February 2020 concerning in communication procedure. These policies explained the mechanism of handling any grievances and access to the Manpower Agency (tripartite) and RSPO complaint system if the grievance didn't meet any solution.

In addition, UoC also showed the company's socialization using posters for all workers and external stakeholders posted in strategic spots e.g in front of the estate and mill office. This poster explained the mechanism of all grievances through the labor union or each worker's supervision and will be recorded in the grievance logbook. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the grievance logbook.

Status: Comply

4.3

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

4.3.1

Unit of certification shows questionnaire of community response towards information request and program of CSR and community development. For example, realization of CSR program during 2021 to 2022 is presented as follows:

- Support for community sport in Sei Lukut and Mandau Estate.
- Support for Covid-19.
- Support from community proposal
- Honor or incentive during 2021 for teachers in Lukut Estate
- Honor or incentive during 2021 for teachers in Mandau Estate
- Development of honey farmers in Mandau Estate
- support for religious events and national holidays

Unit of certification has also developed plantation community as shows in document of Agreement with Cooperative Smallholder of Kelantan Jaya, as follows:

- MoU No. 02.04/X/649/XI/2005 dated 22 November 2005 with Cooperative of Kelantan Jaya for Cooperative Credit Premier for Member (or KKPA) smallholder scheme in area covers about 450.00 ha. The MoU signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village, Camat (or Head of Sub-District) of Sei Mandau and Regent of Siak.
- Agreement No. 02.0.4/SPK/005/XI/2018 dated 26 September 2018 about cooperation on development, management and maintenance of oil palm plantation through KKPA smallholders' scheme for area covers about 256 ha. This agreement valid up to 1 cycle of planting or approximately about 25 years and signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village (Penghulu), Camat (or Head of Sub-District) of Sei Mandau and Regent of Siak.
- Addendum of Agreement No. 02.0.4/ADD/SPK/003/IV/2019 dated 02 April 2019 about cooperation on development, management and maintenance of oil palm plantation through KKPA smallholders' scheme, with point of addendum are: cost of planting activities from IDR 80 million/ha to become IDR 85 million/ha; time of agreement is started after credit of cooperative has been fully paid; and party that responsible for maintenance and upkeep on the field. This addendum signed by Director of PT SIR, two Cooperative Kelantan Jaya representatives, Head of Muara Kelantan Village (Penghulu) and Camat (or Head of Sub-District) of Sei Mandau.
- Official Letter transfer of KKPA Kelantan Jaya as partner of PT SIR – Sei Mandau dated 31 May 2019 which inform that KKPA estate is transfer from PT SIR to Cooperative of Kelantan Jaya. The FFB will be fully owned by Cooperative since 31 May 2019 and work works activities will be starts from 01 July 2019. However, PT SIR still play role to assisting technical matter up to December 2019. Furthermore, filed upkeep and supply palms will be carried out by PT SIR after palm reach 4 years old.

Based on interview with Head of Cooperative of Kelantan Jaya, it was known that the KKPA estate has fully managed by cooperative management, but with technical assisting from PT SIR. Furthermore, based on interview with presentative from Village of Tebing Tinggi Okura and Village of Muara Kelantan, it was known that the CSR is annually carried out by the unit of certification which had conducted incidentally, implemented on various aspect such as infrastructure, health, education, etc. Representative of Tebing Tinggi Okura and Muara Kelantan Village also inform that the company routine attended MUSREMBANGDES for synergize the company CSR with the village program

Status: Comply

4.4

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

4.4.1

Unit of certification shows several documents related to land rights, as follows:

- Unit of certification has **Location Permit** that covers **7,844 ha**, as refers to several documents, as follows:
 - Decree of Siak Regent No. 269 in 2004 dated 06 December 2004 for area covers 2,344 ha.
 - Decree of Siak regent No. 1 in 2006 dated 15 March 2006 for area covers 500 ha.
 - Decree of Riau Governor No. Kpts.11/I.I-VI/1988 dated 14 June 1988 for area covers 5,000 ha.
- Unit of certification has **Platation Business Permit (IUP)** for oil palm plantation cover **12,638.60 ha** and its processing mill, as refers to several documents, as follows:
 - Persetujuan *Prinsip Usaha Perkebunan Kelapa Sawit* according to Decree of the Minister of Agriculture No. HK.350/E.5.461/06.96 dated 28 June 1996 for oil palm plantation on the area covers 7,600 ha.
 - *Surat Pendaftaran Usaha Perkebunan (SPUP)* according to Decree of the Minister of Forestry No. 936/Menhutbun-VII/2000 dated 08 August 2000 for oil palm plantation on the area covers 5,038.60 ha in Pekanbaru and Siak.
- Unit of certification has **Land Title (HGU)** that covers **7,714.723 ha**, as refers to several documents, as follows:
 - Decree of BPN Head No. 37-HGU-BPN RI-2008 dated 17 July 2008. Valid until 17 July 2043. From this Decree, issued two (2) HGU Certificate, i.e.:
 - Certificate No. 12 dated 24 October 2008 for area covers **628.43 ha**.
 - Certificate No. 13 dated 24 October 2008 for area covers **2,047.693 ha**.
 - Decree of BPN Head No. 41/HGU/BPN1994 dated 04 August 1995. Valid until 31 December 2024. From this Decree, issued one (1) HGU Certificate, i.e.: Certificate No. 1 dated 01 November 1994 for area covers **1,430.25 ha** in Siak.
 - Decree of BPN Head No. 40/HGU/BPN1994 dated 04 August 1995. Valid until 31 December 2024. From this Decree, issued one (1) HGU Certificate, i.e.: Certificate No. 01 dated 08 November 1994 for area covers **3,608.35 ha** in Pekanbaru.

When ASA-1 was conducted there was a HGU extension process for certificate No. 1 (HGU No. 1 of 1994 covering an area of 3,608.35 Ha (Tebing Tinggi) and HGU No. 1 of 1994 covering an area of 1,430.25 Ha (Tualang Maredan) which will expire in 2024 and until now it is still running so that the scope of the assessment is still the same as ST-2 for an area 7,714.72 Ha according to the HGU. The latest process until this assessment was:

- letter for application for extension of HGU period Number: HP.01.03/21-14/VIII/2022 dated 21 July 2022 from the Regional Office of the National Land Agency of Riau Province (for area 1,430.25 Ha)
- Letter of Application for Extension of the Term of Cultivation Right Number: HP.01.03/16-14/IV/2022 dated 27 April 2022 from the Regional Office of the National Land Agency of Riau Province (for area 3,608.35 Ha)

4.4.2

Based on the results of the document review, it is known that there is a land compensation process covering an area of 2,986.00 Ha in the Sei Lukut Estate and an area of 608.38 Ha in the Mandau Estate. Unit of certification has shown evidence that land compensation had conducted voluntarily through participative ways and fair negotiations, also involving surrounding communities elders and leaders. Some documentation shown i.e :

- Compensation of land with initial owner NST* dated 18 March 1993 in Tebing Tinggi Okura. Land compensate was for area covers 10,000 m²
- Compensation to land owner with initial SFR for area covers 9.00 ha as mentioned in the Letter of Land Right Release dated 27 May 2004, signed by land owner and Head of Village.
- Compensation to land owner with initial AYG for area covers 12,875 m² on 02 April 1997, has signed by land owner, Head of Village and representative from District Agency (Camat).
- Compensation with society of Lubuk Jering community for area covers 608.38 ha and plants for about 23,803 trees in Lubuk Jering Village and about 261.00 ha for Dusun Lambok. This compensation has also mentioned in Land Title Decree No. 37-HGU-BPN RI 2008. In every compensation process, there must be a land map situation, sign agreement from border land owners and information letter which mentioned that the respective land is clear and not under conflict, legal dispute, as warranties and/or confiscation by other parties. This land will be used for agricultural or plantation activities.

There is a Letter of Head of Tebing Tinggi Okura Village, District of Bukit Raya, City of Pekanbaru dated 25 July 1992 stated that the respective land is clear and clean owned by NST and not under conflict, legal dispute, as warranties and/or confiscation by other parties. This land will be used for agricultural or plantation activities. Furthermore, land map situation (*sceets kaart*) dated 21 July 1992 has signed by Head of Community (*Ketua RT*) I Rasau Sati Okura, Ketua RW II Rasau Sati Okura, Head of Sati Okura 1 Hamlet, Head of Tebing Tinggi Okura Village, 2 witnesser, *Camat* (Head of District) of Bukti Raya Pekanbaru with Reg. No. 565/BR/K/1994 dated 13 April 1994. Land status also mentioned and comply with Information Letter of Head of Tebing Tinggi Okura Village No.

900/IT.1992 dated 25 July 1992.

Based on interview with representative of Muara Kelantan Village and Tebing Tinggi Okura Village known that the land acquisition process was based on FPIC because it was preceded by a socialization process from the company, then there was negotiation and finally there was land acquisition in accordance with the agreement of the parties. Each process has been based on the willingness of each party without coercion. This statement also confirmed from the previous land owner with initials SRB and RYD from Tebing Tinggi Okura Village

4.4.3

Participative map has conducted for every compensation process, involving and must be agreed by the land owners of borders comprises on the north, south, east and west. The participative map has also signed by land owner, land owners from every border, head of Village, RT, RW and witnesser. Example of land map situation (*sceets kaart*) has sighted and further mentioned in Indicator 4.4.2.

4.4.4

Based on interview with representative of previous land owners and surrounding communities (Muara Kelantan and Tebing Tinggi Okura Village), it was known that process of compensation has been carried out smoothly, transparent, voluntary and fair through participative and FPIC approach. Land compensation process has been recorded on several documents such as: certificate of compensation letter, head of village information letter regarding land ownership status, land testimony of 4 sided borders which attached in land situation map, payment receipt, etc. All documents mentioned above are available in Bahasa and signed by the respective parties. Thus, it could be concluded that process of compensation or acquisition has conducted through FPIC manners and did not diminish any legal rights and/or customary rights.

4.4.5

Based on land compensation document review and interview with previous land owners initial SBN from Tebing Tinggi Okura Village, it was known that the land owners have directly involves in the process of negotiation.

4.4.6

Land compensation has final as the unit of certification obtain the land title (HGU) and there is no new land compensation negotiations process. All compensation process in the past has conducted through participative and FPIC approach, without any conflicts. On the extension HGU process, the occupied areas already identified and will be deducted from the current land title.

Company commitment to impacted parties has shown through several fact, as follows:

- Annual CSR program arrangement and evaluation with village representatives. Annual CSR program is available.
- Development of plantation community with Cooperative of Kelantan Jaya. Annual smallholder scheme report is available.

Based on interview with village representative from Tebing Tinggi Okura Village and Muara Kelantan Village, it was known that the company has commitment to participate in improving the standard of living of the local community including CSR, employment opportunities, and development of plasma plantations.

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 – 4.5.8

There is no new land acquisition since the unit of certification has obtained the last land title (HGU) Certificate in October 2008. Compensation process had settled since 2008. Based on interview with representative of previous land owners and surrounding communities (Muara Kelantan and Tebing Tinggi Okura Village), it was known that process of compensation in the past has been carried out smoothly, transparent, voluntary

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

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| own representative institutions. | | |
| 4.6.1 - 4.6.4 | | |
| Unit of certification has starts plantation development activities since 1995 and process of land compensation had been carried out from 1992 to fully settled up in 2008. Process of compensation through participatory and FPIC approach is explained in criteria 4.4. PT SIR representative stated that there is no plan for new land acquisition in the future, only extension of land title (HGU). | | |
| However, there is an FPIC procedure code FR.EAC.FPC dated 17 June 2013. Procedures explaining the land compensation process through FPIC begin from identification of landowners, negotiating compensation, payment of compensation, etc. | | |
| | Status: Comply | |
| 4.7 | | |
| Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements. | | |
| 4.7.1 – 4.7.4 | | |
| Unit of certification has starts plantation development activities since 1995 and process of land compensation had been carried out from 1992 to fully settled up in 2008. Process of compensation through participatory and FPIC approach is explained in criteria 4.4. PT SIR representative stated that there is no plan for new land acquisition in the future, only extension of land title (HGU). | | |
| | Status: Comply | |
| 4.8 | | |
| The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights. | | |
| 4.8.1 – 4.8.4 | | |
| Based on the interviews with representatives of Tebing Tinggi Okura and Muara Kelantan Villages, it was found that there was no information regarding land dispute. However according to hectare statement, it was known that there are existing occupation areas within PT SIR land title (HGU), totalling for about 422.18 ha. Unit of certification did not force the respective land owners for any compensation process. During HGU extension process, the occupied areas will be deducted and enclaved on the new extended-HGU as mentioned in several documents, as follows: | | |
| <ul style="list-style-type: none"> Letter of Head of BPN Pekanbaru City No. NT.01.05/2368-14.71/IX/2021 dated 07 September 2021 about “<i>Penyampaian Pertimbangan Teknis Pertanahan PKKPR (Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang) a.n. PT SIR</i>”, which informed that about 216 ha (or 5.99 %) were occupied by surrounding communities and will be deducted from the existing HGU. Document of “<i>Risalah Pertimbangan Teknis Pertanahan Dalam Rangka Persetujuan Atau Penolakan Izin Lokasi</i>” No. 46/2021 dated 18 August 2021, which informed that areas for about 60.02 ha will be deducted from existing HGU totalling, due to residential purposes (<i>Kawasan Pemukiman Perkotaan</i>). | | |
| | Status: Comply | |
| PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION | | |
| 5.1 | | |
| The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses. | | |
| 5.1.1 | | |
| Based on document review, field observations and interviews with staff and management, it was found that the company obtained FFB supplies from third parties/FFB suppliers such as Premier Cooperative Credit for Members (KKPA), and FFB middleman suppliers. For cooperation with KKPA, the applicable FFB price refers to the decision of the Plantation Office per week and is routinely informed every week via email or communication media to the KKPA cooperative management. The company shows an example of a payment for the September 2022 period which was paid directly to the cooperative's account at the current price. The company can also show the Minutes of Meeting Results of the FFB Purchase Pricing Team for that period. | | |
| For cooperation with the middleman, the FFB price is determined in the work agreement agreed by both parties, several considerations in determining the FFB price such as the price of CPO, PK, transportation costs, and proposed prices from suppliers. Prior to making a payment, the verification of the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payments have been completed before the payment is made. The pricing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. | | |

Interviews with the management unit and FFB suppliers also stated that the FFB price that had been determined could be accessed by the supplier, and was informed every day via email, online communication media and telephone from the PIC to the supplier.

5.1.2

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

The company can also show proof of payment transparency to KKPA by showing details of production and costs for the period August and September 2022 where in the document there is a table that explains FFB production data and details of management costs from tax deductions. This is conveyed to the cooperative managing the KKPA and has received approval from the cooperative management with proof of the stamp before payment is made. The results of the interview with the Kelantan Jaya Cooperative KKPA management also stated that the price distribution was quite clear and there were no complaints regarding payments, the value paid was 90% for the cooperative, and 10% for tax payments with a monthly payment system. This is in accordance with the agreement letter agreed by both parties. Currently, the Kelantan Jaya KKPA Cooperative has managed its oil palm plantations independently without any intervention from the company so that the payment for the sale of FFB is made in full without any deductions from the company. Payment discounts are made directly by the Bank as the lender.

5.1.3

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

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

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

5.1.4

The company can show evidence that representatives from FFB suppliers and cooperatives as KKPA administrators are involved in drafting the contract. The company can show the MoU with the Kelantan Jaya Cooperative in 2019. The document is an addendum to the 2013 MoU where the previous agreement was drawn up for full-manage plasma management, while the 2019 addendum was made for direct plasma management under the Cooperative, so that the form of the agreement is only limited to the sale and purchase of FFB. The document has also been signed by all representatives of the cooperative, witnesses and the company. This shows that all relevant parties have been involved in the decision-making process and understand the contents of the contract.

The development of KKPA plantations is carried out to improve the welfare of the community around the plantation where currently the management related to plantations has been fully carried out by cooperatives. Cooperatives play a role in managing the finances obtained from the sale of FFB and distributing them to all members and ensuring that maintenance and management activities are carried out properly by providing workers for all aspects of plantation management. Cooperative members consist of the community around the company who want to be involved, not limited to men or women. Regarding the involvement of women in decision-making,

it can also be proven from the results of interviews with the head of the cooperative who stated that the KKPA land was given to all communities living in the designated village, not limited to men or women with an equal distribution of area. The informant stated that the contract was made with the agreement of both parties without any coercion, intimidation and discrimination.

5.1.5

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

- MoU with FFB supplier on behalf of Kusyanto dated July 1, 2022 Number 007/SIR-FRG/TBS/VII/2022
- MoU of FFB supplier on behalf of Sri Sudarminingsih dated July 1, 2022 Number 009/SIR-FRG/TBS/VII/2022

In the statement made, it was stated that several conditions for FFB were mentioned, including FFB source location, FFB criteria, FFB repatriation, fines and delivery of FFB to the mill. Based on this explanation, it is known that the management unit already has a contract that is made fairly, in accordance with applicable law, and is transparent, and has an agreed term.

5.1.6

The Cooperation Agreement Letter explains the procedure for paying the net proceeds from FFB sales, both for independent FFB suppliers, collectors and KKPA. Payment is made based on the Minutes of the FFB sale and purchase which has been agreed and signed by all parties. Based on the results of the review of the FFB payment proof document to the Kelantan Jaya Cooperative as well as the minutes of the presentation of the results and explanation of the operational costs for the period August 2022, it shows that the payment has been made on time and can be proven through a receipt for payment dated September 20, 2022. The KKPA FFB payment is valid. for the period 1-31 August 2022. The payment has been completed with income from the cooperative, the fruit tonnage is 121.60 tons, and the price according to the period is IDR 2,293.32 for FFB in the 2011 planting year. Based on the results of verification of FFB prices and proof of calculations from the data it is known that the payment has been in accordance with the price set by the Plantation Service. In the proof of payment document also explains the details of production and costs per week period, FFB production data and details of management costs, maintenance costs and fertilization costs. The document is also submitted to the cooperative through a meeting attended by representatives of the cooperative and has been approved with proof of stamp.

As for examples for fruit payments for external FFB suppliers, for example, proof of FFB payment to Kusyanto dated 8 September 2022 for the FFB delivery period on 18 - 31 August 2022. The invoice describes the amount of FFB received, the price applicable on the date of delivery, and the total payment after withholding tax PPH22. Each payment data has been equipped with weighing data, grading reduction data and proof of transfer. Based on this explanation, it is known that the management unit has made fruit payments to plasma and the middleman supplier FFB in accordance with the contract it has, either the payment period or the specified price.

5.1.7

The company has tested the electronic weigh bridge for PT SIR by the Head of UPT Metrology legal, Pekanbaru City Government with evidence, among others:

- Test Result Certificate for SIR POM which was carried out on June 14, 2022 and valid until June 14, 2023, number 700/DPP/UPT.1.2/488/VI/2022 with serial number NDB 10222 and maximum capacity 60,000 Kg.
- Test Result Certificate for SIR POM which was carried out on June 14, 2022 and valid until June 14, 2023, number 700/DPP/UPT.1.2/489/VI/2022 with serial number NDB 10361 and maximum capacity 60,000 Kg.

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

5.1.8

The company has conducted socialization related to RSPO certification to independent smallholders and KKPA farmers through regular meetings. The company showed the Minutes of the annual meeting on 19 and 20 October 2022 which was presented to independent smallholders attended by 22 participants about the benefits of the RSPO, and the recommendation to register for the

RSPO. From the results of the meeting, it was stated that KKPA farmers were interested in participating in the company's initiation to include their land in RSPO certification and would follow all existing requirements and regulations. In this socialization activity, the certification unit also promoted the RSPO. Based on the results of the socialization conducted to FFB suppliers, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and farmer groups to coordinate certification activities. The results of interviews with the company stated that they are currently assisting in the socialization phase to all suppliers who cooperate with the company.

5.1.9

The company also has Procedures related to communication, consultation and coordination which are contained in the Communication SOP document number FR.EMS.CIE which is valid on November 22, 2018. The procedure explains technically the guidelines for receiving various complaints submitted by stakeholders or other parties and how to process the solution. Companies through their respective departments have recorded requests for information and responses. In addition, there is a clause that guarantees the confidentiality of the whistle-blower and the reporting witness. Based on the results of the document review, it is known that for the period of 2022 there are only requests for information and assistance, and there are no complaints from farmers or the surrounding community. The company has also appointed officers who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

In addition, to ensure confidentiality, the company also provides a suggestion and complaint box as well as a contact number that can receive complaints via SMS or telephone as a means of submitting complaints that can be submitted anonymously. The complaint flow is that the employee writes down the problem in the complaint book available at the Estate office, then the unit leader must seek a resolution first. If it cannot be resolved, it will be forwarded in writing to the head of the representative. Each stage of completion is documented and kept by the head of the representative. Based on the results of interviews with Cooperatives and FFB suppliers regarding the complaint handling mechanism, they stated that complaints can be submitted through letters or direct submissions through communication media and/or in regular meetings. The informant also stated that for the 2022 period there were no complaints, the entire cooperation process that had been going on so far was going well. The forms of communication that have been carried out so far have only been limited to updating FFB prices and requests for road repairs. The KKPA Cooperative can also directly contact the First Resources Ltd branch office located in the city of Pekanbaru if the application cannot be accepted by the Estate.

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| Status: Comply |
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5.2

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

5.2.1

The certification unit has conducted consultations with FFB supplying smallholders which is indicated by evidence of socialization related to RSPO certification to independent smallholders and plasma smallholders through annual meetings between the company and FFB suppliers. The company shows the Minutes of the annual meeting on October 20, 2022 which was submitted to FFB suppliers attended by 22 participants about the benefits of RSPO, and the recommendation to register for the RSPO. In addition, there is also evidence of consultation activities with KKPA farmer representatives regarding technical aspects of field work through socialization activities of BMP, handling pesticides and sprays on October 19, 2022. From the results of the meeting, it was stated that KKPA farmers would participate in the company's initiation to include their lands in the community. RSPO certification and will comply with all existing requirements and regulations.

In this socialization activity, the certification unit also promoted the RSPO. Based on the results of the socialization conducted to FFB suppliers, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and farmer groups to coordinate certification activities. The results of interviews with the company stated that they are currently in the stage of socialization to all independent farmers. The results of interviews with FFB suppliers stated that they were very interested in participating in RSPO certification because of the many benefits, but they still did not know about the certification system and its fulfilment because the socialization provided was not deep and comprehensive enough.

5.2.2

The company has made improvements to the welfare of the communities around the plantations by building and fully managing the KKPA plantations to the stage of mature plantations and returning the plantations to the Cooperatives to continue their management. Currently, the management of the KKPA is fully managed by the cooperative management, while the company only provides

assistance to ensure that the management of oil palm cultivation is in accordance with RSPO standards. In addition, companies can also show socialization documents on best practices in oil palm cultivation, work safety, the environment, fire, benefits of RSPO, and recommendations to register for the RSPO which was carried out on 19 October 2022 which was submitted to FFB suppliers attended by 22 participants.

However, based on the explanation in indicator 5.2.1 which states that there are no independent smallholders who can participate in RSPO certification due to several obstacles, so far, the company has only implemented programs to improve the standard of living for farmers to the extent of providing socialization. The results of the interview with the middleman supplier of FFB on behalf of Sri Rahayuningsih stated that the farmers who supply FFB to them did not know about RSPO because they had only collaborated with the company for about 3 months, however, when asked for their opinion regarding RSPO, the resource person stated that there were still obstacles experienced, namely difficulties in manufacturing cooperatives and farmer groups to coordinate certification activities.

5.2.3

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

5.2.4

When the audit was conducted, the collaboration between the certification unit and KKPA was carried out with a management system that was fully carried out by the Cooperative. Because the management is carried out by a cooperative, all employees working on KKPA plantations are workers who have been previously trained by the company in handling pesticides, treatments, fertilization and others. The company also continues to provide assistance in plantation management in accordance with RSPO standards. The training activities can be proven based on the minutes of pesticide training to the Agrochemical Application Officer and Cooperative management on October 19, 2022, which was attended by 22 participants.

5.2.5

The unit of certification can show evidence that it has publicly reported the support program for farmers, especially KKPA farmers regarding its development which is carried out regularly. The evidence shown is based on the receipt of the 2022 LKUP Semester 1 submission document to the Department of Agriculture as well as the 2021 CSR Report which is publicly accessible.

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| Status: Comply |
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PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

UoC had a Policy concerning on equal employment opportunity policy stated in the Direction Decree of First Resources Ltd and its subsidiaries validated by the CEO on 15 June 2012. The group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace. In employing all employees, the company committed to the principle of equality and would not discriminating anyone in the recruitment practice or in the performance of company business operation.

UoC also showed the record of the company's socialization for instance the socialization which was conducted on 8 June 2022 attended by 12 foreman's and contractor workers in Sei Lukut Estate. Based on the workers' recruitment document and interviews with the workers, UoC 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.

6.1.2

UoC showed job vacancy announcements and work agreement letters between workers and company which showed that there was

no payment requested during the recruitment process. 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 the interviews with the manpower agency, gender committee, labor unions, and workers (harvesters and mill operators) at POM, Sei Lukut Estate, and Sei Mandau Estate, it is known that workers have never felt that the company 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 the communication between superiors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by the superiors. The company also didn't request for any payment during the recruitment process.

6.1.3

During recruitment process, the company had set the standard of competence that required based on the 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 company regulation including rights of the worker as well. Records on manpower procedure had been documented, as verified randomly, e.g: Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MH (initial) decree No. 02.0.4/SK/016/XII/2021 who had a promotion based on worker's appraisal, from daily worker to permanent worker on 1 January 2022.

6.1.4

Based on the interviews with the management and workers, also documents review, there were no woman worker in any pesticide application and fertilizing activities. All women workers placed in non-agrochemical job such as day care officer and clerk staffs.

There was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. Based on the interview with women workers (daycare officers), there was no pregnancy test during recruitment process. The pregnancy test only carried out for female workers to make sure that they not do any agrochemical works when pregnant.

6.1.5

Gender committees had been formed in Sei Lukut and Sei Mandau Estates which are chaired by the head of gender committee. The structure of the gender committee consists of only female workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of female workers. Based on the interview with the representative of gender committee, they explained that female have more tendency to be the victims in any sexual harassment or violence. But still, UoC has socialized the mechanism and the platform in reporting if there were any gender issues happened in male workers which is worker union. Besides, workers also can explain the procedure if there were sexual harassment happened in male.

Based on the interviews with several workers, they also knew of the existence of the gender committee because it had been routinely socialized by its management.

Based on the description above, UoC shall ensure that the gender committee provide a platform that can handle gender issues for both women and men workers. (OFI)

6.1.6

Equal payment of wages has been made by the unit of certification properly, by considering the ability, performance, expertise, work period and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the UoC already had a wage scale structure for each worker based on position and grade (not based on gender or origins).

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

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2021 to 2023 written in *Bahasa*. This CLA has been signed by the head of manpower agency of Siak District. This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. It's applied to all workers and had been routinely disseminated by the certification unit to all workers in morning brief.

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 the certification unit. Workers' wages in 2022 have been above the minimum wage set by the government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month.

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

6.2.2

UoC has CLA period 2021 to 2023 provided in *Bahasa* that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave, and other provisions. These all stated in each worker's work agreement. Explanations related to the contents of the company regulation, including:

- Article V concerning working time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week in which the total working hours are 40 hours in a week.
- Article VI concerning wages which explains that the lowest wage of worker couldn't be lower than the minimum wage set by the government every year.
- Article IX concerning social and security insurance which explains that the company committed to register all workers in social and security insurance.

In addition, remuneration is generally stated in company regulation, and specifically stated in a decree as follows: Decree of the Governor of Riau No. Kpts.1272/XI/2021 concerning the Minimum Wages of city and district in Riau Province in 2022 stated that the minimum wage for Pekanbaru City is Rp. 3,049,675.79/month and Siak District is Rp. 3,114,237.83/month.

Based on the list of workers for the period of September 2022, it's known that there were 228 workers in Sei Lukut Estate and 153 workers in Sei Mandau Estate. All workers in harvesting and maintenance were male workers with permanent status. Based on the field visit, it's found as follows:

- Sei Lukut Estate Division 2: it's found that there was female worker transferring FFB by wheelbarrow in block E10/E11, and female worker doing fertilizing activity in block F23.
- Sei Lukut Estate Division 4: it's found that there were 3 harvesting workers on behalf of MI, FS and MR as a daily worker but haven't signed any work agreement.

Based on the list of workers in PT SIR specifically in Sei Lukut Estate period of September 2022, there was no worker on behalf of MI, FS, and MR (initial) registered as the worker in Sei Lukut Estate. Based on the interview with the occupants in housing area of Division 1 Sei Lukut Estate, it's known that there were still harvesting workers helped by their family who wasn't registered as the worker due to accelerate the work.

Based on the explanation above, it's known that there was still personnel who worked in the company's operational area without having the work agreement signed before work. This was not in accordance with the existing regulation, so **this indicator become the major non-conformity No. 2022.04.**

6.2.3

UoC showed overtime payment in August and September 2022 that has been in accordance with applicable laws for workers on behalf of SL, JT, and SS (initial) as boiler operator, and ZW (initial) as engine room 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.

A review of payslip document (harvester, maintenance worker, security, and mill operators) for August and September 2022, proved that the wages received were above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, workers' wages on behalf of IW (initial), TH (initial), and AW (initial), have a different wage based on wage scale structure in 2022 and all wages above the minimum wage. Payslip document gives accurate information on compensation consist of basic wage, allowance, premi/ overtime, working days and deduction.

6.2.4

Based on the field visit in housing area, it's found some facts, as follows:

- Housing area in mill: poor maintained drainage and no domestic waste transportation so there were a lot of domestic waste piles.
- Housing area in Division 1 of Sei Lukut Estate: poor maintained drainage, the absence of water taps, leaking septic tank and damaged ceilings.
- Housing area in Division 2 of Sei Lukut Estate: poor maintained drainage.
- Housing area in Division 1 of Sei Mandau Estate: poor maintained drainage, there were a lot of domestic waste piles, and the difficulty in accessing clean water.
- Housing area in Division 3 of Sei Mandau Estate: poor maintained drainage, some houses placed in low/peat areas so got flooded often times.
- The existence of livestock that hasn't been managed properly so it can potentially risk the occupants' health in the housing area.

Based on the interview with the representatives of labor union, it's known that the common grievance delivered from workers was regarding the housing facility and the availability of clean water. Based on the interview with the workers in housing area, it's known that the common grievance of occupants was regarding the availability of electricity since when the electricity was off, the water was also off due to the absence of any generator spare.

Based on the field visit in daycare facility located in Division 1 of Sei Lukut Estate, it's known that the daycare officer found some difficulties in accessing clean water. Moreover, in the daycare facility located in Division 3 of Sei Mandau Estate, it's known that the daycare officer didn't stay in his/her house but stayed in the daycare facility.

UoC then showed the record of managerial meeting held on 19 September 2022. The document explained that one of the decision points for the meeting was related to the program for facilities and infrastructure improvement. The company then showed the daycare guideline which was prepared in September 2022. In the communication record via email on 25 October 2022, it is known that the daycare guideline standard has been approved by the CEO which then be used as SOPs. However, it hasn't been clearly described the realization timeline of the planned program.

Based on the explanation above, it's known that UoC hasn't been able to show enough evidence that they had provided adequate housing, sanitation facilities, and water supplies for all workers so **this indicator become the major non-conformity No. 2022.05.**

6.2.5

UoC has provided accessible food sources by providing small cafeteria in the workers' area for lunch. In addition, there were also workers who open small business stalls to sell daily necessities in each housing. Based on the interviews with workers (harvesters and mill operators), labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the company located near district area where the workers can buy their needs to the markets.

6.2.6

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

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2022 has been included in

the calculation of food costs (rice), housing facility costs, educational cost, daycare facility, health cost, electricity, water costs, and entertainment cost. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage, as follows: basic salary as much as Rp. 3,114,238 per month and the total wage and in-kind benefits are Rp. 4,449,997 per month.

Based on interview with works and document verification, the calculation data of prevailing wages is rational in accordance with the local price (Siak District).

6.2.7

Based on the list of workers for the period of September 2022, it's known that there were 228 workers in Sei Lukut Estate and 153 workers in Sei Mandau Estate. All workers in fields (both estate and mill) were permanent workers.

Based on the interviews with the harvesting workers in Division 4 of Sei Lukut Estate, it's found that there were 3 harvesting workers on behalf of MI, FS and MR as a daily worker (BHL) but haven't signed any work agreement. Based on the list of workers in PT SIR specifically in Sei Lukut Estate period of September 2022, there was no worker on behalf of MI, FS, and MR (initial) registered as the worker in Sei Lukut Estate. This matter has raised as the non-conformity in indicator 6.2.2.

6.2.2 Status: Major non-conformity No. 2022.04.

6.2.4 Status: Major non-conformity No. 2022.05.

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

UoC had a policy concerning on the freedom of association stated in Collective Labor Agreement period of 2021 to 2023 in article 6 to 10 related to the recognition of labor union and the facility provided by the company to support labor union activities. It stated that the group respects workers' rights to freedom of association and association with other individuals and collectively expresses. The policy was published in *Bahasa* which can be understood by all employees.

Based on the interviews with labor union representatives in each unit, it explained that the company had given freedom of association and labor unions have been formed. The establishment of the union was in accordance with the applicable laws and regulations and has been recorded in Manpower Agency of Siak District, for instance the Registration Number. 568/DTK/VI/2008/114 of Sei Mandau Labor Union (SPPP) on 19 June 2008. UoC gave the freedom for worker to express their aspiration democratically and there was no intervention against labor union activity.

Based on the document review, it's known that the UoC also documented the number of labor union operating in UoC operations area and its members' number, for instance: Labor Union of Sei Mandau Labor Union with 144 total members. Almost all workers in mill are the members of labor union. Based on the interviews with labor union members representatives, it's known that there was no force or pressure to be a member of labor union. The membership of labor union was voluntary.

6.3.2

UoC has documented the records of meetings between labor unions and management representatives as well as with internal labor union meetings. The following are examples of records of meetings conducted by labor unions in 2022, here as follows: The meeting between the labor union in all units and management representative in September 2022 to discuss about workers' grievance.

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 the Chairman of the Labor Union in each unit is a worker in 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

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| (staff class and above). UoC also involved the labor union in drafted the collective labor union. | |
| <p>The establishment of the union was in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency. Due to the OFI in previous audit (initial certification) regarding the record of labor union in manpower agency, auditor has verified the record of labor union management's amendment. Labor union in Sei Mandau Estate (SPSI) has recorded their manage'ent's amendment in Manpower Agency of Siak District No. 568/Distransnaker/37 dated on 1 October 2021.</p> <p>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.</p> | |
| | Status: Comply |
| 6.4 | |
| Children are not employed or exploited. | |
| 6.4.1 | |
| <p>UoC had a policy concerning on children/underage worker protection stated in the Direction Decree Number 011.B/SUSTAINABILITY-FR/P/VI/2012 of First Resources Ltd and its subsidiaries validated by the CEO on 15 June 2012. It stated that the group committed to not employ child labor in any operational activities and will be inform contractors and any parties regarding this policy. UoC also showed the Policy of recruitment (No. FR.CHR.R&S.002) validated on 1 November 2012 by the Vice President of Human Resources which stated that they do not employ worker under the age of 18 years old and do administration check to make sure the age of workers candidate.</p> <p>UoC then showed that they had socialized the policy to all parties including smallholders and contractors before the agreement signed. UoC also showed agreement letter signed by the representatives of contractor as a sign that they agreed with UoC's regulation and policies.</p> | |
| 6.4.2 | |
| <p>Based on the document review of workers list in all units, it's known that there were no workers under the age of 18 and there was no child around the work area. UoC always asked for workers candidate's personal ID card. UoC also did not employ young worker and there was no internship program.</p> <p>Based on the interview with contractor workers and village representatives, it's known that they all knew the minimum age of workers.</p> | |
| 6.4.3 | |
| <p>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. UoC also did not employ young worker and there was no internship program.</p> | |
| 6.4.4 | |
| <p>Uoc had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 8 June 2022 attended by workers and contractor workers. 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, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.</p> <p>Based on the interview with the contractor workers (PT Pagar Negri), the villagers of Tebing Tinggi Okura Village and Muara Kelantan Village, and the manpower agency of Siak Regency, it's known that they do know the UoC's policy of no underage worker and there were no underage workers in UoC's operational area.</p> | |
| | Status: Comply |
| 6.5 | |
| There is no harassment or abuse in the workplace, and reproductive rights are protected. | |
| 6.5.1 | |
| <p>UoC had a policy concerning on reproductive rights and the prevention of sexual harassment and violence, as follows:</p> <ul style="list-style-type: none"> Direction Decree No. 011.C/Sustainability_FR/P/VI/2012 regarding the sexual harassment policy validated on 15 June 2012 by the CEO. This policy stated that every worker is entitled to receive protection against sexual harassment in the workplace and if convicted of sexual abuse, there will be penalized in accordance with applicable regulations. | |

- Direction Decree No. 011.D/Sustainability_FR/PVI/2012 regarding the protection of reproductive rights policy validated on 15 June 2012 by the CEO. This policy stated that UoC committed to prevent the discrimination, intimidation, and violence relating to sexual and reproductive issues.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union).

Based on the interview with the harvesting workers, the operators in mill, and the contractor workers, it's known that they do know the UoC's policy regarding the no harassment or abuse in the workplace.

6.5.2

UoC showed the collective labor agreement period of 2021 to 2023 which stated that the UoC had provided paid leave for maternity as three months and for woman in menstruation period as 2 days paid leave. Based on the documents review and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment, violence, and pregnant worker in any agrochemical activities had been routinely socialized by the management in morning brief.

Based on the interviews with the gender committee and daycare officer, the company had given about 30 minutes for breastfeeding woman. There were no grievance or complaint related to sexual harassment during 2021 to 2022.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the UoC has provided a certain place for breastfeeding at daycare with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

UoC then showed the new mothers' need identification in the form of questionnaire. This questionnaire including the breastfeeding matters and the expected facilities towards the company. Based on the document review and the interview with gender committee, there were no female workers in field, so they haven't identified the needs of new mom yet.

6.5.4

UoC showed the procedure to accommodate complaints and grievance from employees including in sexual harassment and violence stated in SOP of communication (No. FR.EMS.CIE Rev. 01) validated on 24 February 2020. In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistle-blower). UoC also provided whistleblowing by email, company website, and letter to complaint reporting unit for any confidentiality grievance.

Based on the interviews with workers it's known that the workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee. In the last year period, there was no complaint related to sexual harassment, violence at work/reproductive rights.

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| Status: Comply |
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6.6

No forms of forced or trafficked labour are used.

6.6.1

UoC had a policy concerning on force-labor ban stated in Direction Decree regarding the human rights validated by the Managing Director on 15 March 2015. The policy stated that the company respecting human rights and respecting employee rights such as the elimination of discrimination, the prohibition of forced and child labor, fair wage provisions, upholding the principle of gender equality in accordance with legal norms, and respecting the freedom of labor union.

UoC also showed the procedure of recruitment No. FR.CHR.R&S.002 validated on 1 November 2012 which informed that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. UoC then showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors.

Based on the interviews with manpower agency, gender committee, labor union, and workers at Mill and Estates, it's known that workers have never felt discriminated and forced to work by the company. There were no significant obstacles related to employment or violations of company regulations. UoC provided output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on pay slip document and foreman notes of harvesters daily output, the harvesters have earned more than daily output target and the wages the harvesters received was above the minimum wage.

There was no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.

6.6.2

Based on documents review and interviews with the manpower agency, gender committee, labor union, and workers at mill and estate, it's known that there was no migrant worker in all units. There were no contract workers in both mill and estate.

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 CH already has an OHS Committee referring to the Decree of the Head of the Riau Province Manpower and Transmigration Office Number KEP.1074/Disnakertrans-PK/SK-P2K3/X/2022 dated 20 October 2022 concerning Ratification of the Occupational Safety and Health Advisory Committee (OHS Committee) PT Surya Intisari Raya-Sei Lukut Estate and KEP.1075/Disnakertrans-PK/SK-P2K3/X/2022 dated 20 October 2022 concerning Ratification of the OHS Committee of PT Surya Intisari Raya Sei Mandau Estate. Both organizations have a secretary with the initials AJHMS. The Secretary is a General OHS Expert who has received certification from the Ministry of Manpower of the Republic of Indonesia Number with the Registration Card number of General OHS Expert Authority 63227/PK3/AJ/14/2022/P1 dated 30 June 2022 and is valid for 3 years.

Companies can show regular meeting activities, including the OHS Committee meeting, on 30 July 2022. Discussions carried out included P2K3 work programs, P2K3 unit team reports (PKS, Sei Mandau, and Sei Lukut) and accident analysis reports.

6.7.2

The CH has an SOP for Handling Emergency Situations with no: FR.OSH.P10, dated 1 September 2011 which explains the meaning and responsibilities as well as procedures for preventing and handling emergencies. SOP for Emergency Response with Document No. FR.EMS.ERS, it is explained that those responsible for emergencies are the OHS Committee team, emergency response team and firefighting team. In the procedure section, it is explained about mechanisms for handling emergency response, handling fires and handling natural disasters.

Emergency response team training activities are also regularly held every month in each unit. There are evacuation routes to direct workers in emergency situations and gathering points in the PKS area. Observations at the Sei Lukut and Sei Mandau estates also show that there are evacuation routes and assembly points.

During the observation, a simulation of firefighting facilities was also carried out. Based on observations at Mill, it is known that the hydrants are functioning properly. Likewise in the simulation in the estate it is known that the water pump is functioning properly. The firefighting team has worked systematically and is equipped with adequate and functioning equipment.

Based on field observations at Estate Sei Lukut and Mandau it is known that every field foreman always brings a first aid kit to the work area. The foreman can inform a list of items totalling 21 items along with how to use them in the event of a work accident. Likewise with observations at the Mill, there are first aid kits at several points in the Mill, and workers have been able to explain their functions. The CH shows a letter from the organizer of the OHS First Aid license training from the Ministry of Manpower for workers with the initials MT, which is planned for 28 - 30 October 2022 to 24 - 26 November 2022.

6.7.3

Use of PPE provided by the company.

The company shows the PPE SOP with the code PR.FR.COP.OPA.APD dated 01 October 2019 which regulates, among other things, the company provides all the PPE needed by employees according to the risk hazard, procures new PPE for PPE damaged by

workers, and the amount of PPE stock in Warehouses should not be less than 10% of the existing needs. This procedure also regulates the replacement of damaged PPE by submitting damaged PPE, so that employees get new PPE.

The company shows the Rinse House Work Instruction document number IK-KBN-9/1-0/13-04-2019 which shows the PPE mask sprayer is a mask with a respirator. For Mill, the company showed operational best practice Palm Oil Mill - OHS with the code MN.FR.COP.OPM.KKK on December 31, 2015, it was found that the foot protectors in the Mill area were safety shoes.

The HIRACD Plantation document has also been shown which regulates, among others:

- FFB transport activities with potential hazards such as being exposed to palm thorns and *gancul* pokes with the risk of injury to the affected part, are controlled using PPE, gloves and boots.
- Spraying activities with a potential hazard of exposure to chemicals during application and mixing with risks of irritation and poisoning, risk control is carried out by using long sleeves and long pants, PPE rubber gloves, masks, aprons, face shields, and long boots.
- Fertilization activities with a potential hazard of exposure to fertilizer materials, with a risk of irritation, risk control is carried out by using PPE aprons, face shields, masks and rubber gloves.
- Harvesting activities with potential thorns/wood punctured feet, by controlling the risk of wearing boots.

Field observation results at Estate Sei Lukut:

- In the harvesting work in Block F8 Division 4, there are 3 harvesting employees with HL status (Release Daily) using PPE for gambier shoes that they bought themselves. The results of the interview revealed that 2 of them had worked for 4 months and 1 person for 1 year. 2 people who have worked for 4 months have never received PPE boots from the company. Meanwhile, for 1 other person while working, they only got boots once.
- Observation of the Sei Lukut Estate Warehouse: the only PPE stock available is safety helmets, and boots are not available.
- A Request for Purchase of Goods for PPE in Sei Lukut has been shown, for example boots on October 20, 2022. However, it is still in the process.

The results of field observations at the Sei Mandau Estate:

- When transporting FFB in Block S29 Division 2, it was discovered that the FFB transport workers were wearing sandals while working.
- During Zn fertilizer work in Block N28 Division 2, it was discovered that 2 fertilizer workers wore boots that were different from the other teams. The results of the interview revealed that the boots had been damaged for 2 weeks and 2 months, which was known to the foreman. Workers also do not use aprons.
- Circle palth spraying Blok P34 Division 2: there was 1 sprayer who wore a different boot from the boots of the other spray teams. The results of the interview revealed that the boots were distributed from the last office in December 2021 and were damaged in July 2022. This damage has been reported, but no replacement has been given.
- Observation of Sei Mandau and Sei Lukut estate warehouses: there is no stock of PPE boots. Available stock is a spray mask.
- A Request for Purchase of Goods for PPE in Sei Mandau has been shown, such as boots on October 11, 2022. However, it is still in process.

The results of field observations at SIR POM are known:

- The driver for the FFB transport Division 2 Lukut with the number DT 05 wears sandals when unloading FFB in the POM sorting area.
- The CPO transport driver uses PPE sandals and without a safety helmet when checking the tank lid after filling CPO in the area within the POM.

Sanitation Facilities/Rinsehouses for Workers who use pesticides.

The company shows the Rinse House Work Instruction with number IK-KBN-9/1-0/13-04-2019 concerning Rinse House. The Work Instruction stipulates that spray workers must clean and store work tools in the rinse house. Also arranges PPE for spray workers, PPE cleaning and spray equipment. The work instructions do not regulate self-cleaning/bathing for workers.

Field observations at Sei Lukut Estates:

- The results of interviews with 3 spray workers in block G19 Division 3 revealed that the workers kept clean clothes in the rinse house, which they would wear after bathing.

- The results of observations of the Division 3 rinse house on the same day and time, it was found that there were no clean clothes stored in the rinse house, there was no water in the rinse house, and the storage area had not been used for a long time
- Based on observations in the Division 1 housing complex, it was found that there were 3 spray heads in the sprayer's employee's house.
- Based on observations at the water intake house, it is known that there is kep spray inside.

Field observations at Sei Mandau Estates:

- Based on interviews with 2 spray workers in block P34 Division 2 revealed that workers wash PPE and work tools and store them in the rinse house. Workers wash their faces, hands and feet at home, rinse, then go home, shower and change into clean clothes at home.
- The results of the rinse home visit revealed that there was no place to store clean clothes.

The CH has not been able to show sufficient evidence that all workers use the appropriate PPE provided by the company and sanitation facilities for workers who apply chemicals are properly available and used consistently. **This becomes a repeated major discrepancy in 2022.06.**

6.7.4

UoC provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided due to medical services for workers are in proper condition. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it's known that total workers in September was 472 total workers (91 workers in mill, 228 workers in Sei Lukut Estate, and 153 workers in Sei Mandau Estate) and it revealed that all workers were registered in the BPJS program. The BPJS has been paid for all workers in accordance with the number of total workers in its payment period, proven as follows:

- BPJS (Health Insurance) payments for 327 workers in Sei Lukut Estate and Mill have been completely fulfilled and the last proof of payment is on 9 September 2022 for period of September 2022.
- BPJS (Health Insurance) payments for 172 workers in Sei Mandau Estate have been completely fulfilled and the last proof of payment is on 9 September 2022 for period of September 2022.
- BPJS (Social Security Insurance) payments for 92 workers in Mill have been completely fulfilled and the last proof of payment is on 14 October 2022 for period of September 2022.
- BPJS (Social Security Insurance) payments for 483 workers in Sei Mandau and Sei Lukut Estate have been completely fulfilled and the last proof of payment is on 14 October 2022 for period of September 2022.

Based on the interviews with workers (harvesters, pesticide applicators, and mill operators) and labor union, they informed that they had the acknowledgement of their involvement in BPJS program, and they also held the BPJS card.

6.7.5

The CH has recorded work accidents using LTA. The record for 2021 has been shown as follows:

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| Number of lost time injuries in SIR POM | : 0 |
| Total hours worked in SIR POM | : 186616 |
| Lost Time Injury Frequency Rate (LTIFR) in SIR POM | : 0 |
| Number of lost time injuries in Sei Lukut | : 4 |
| Total hours worked in Sei Lukut | : 465649 |
| LTIFR in Sei Lukut | : 8.59 |
| Number of lost time injuries in Sei Mandau | : 6 |
| Total hours worked in Sei Mandau | : 312475 |
| LTIFR in Sei Mandau | : 19.20 |

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| 6.7.3 | Status: NCR 2022.06 with major category |
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| PRINCIPLE #7 | PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT |
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7.1

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated

Pest Management (IPM) techniques.
7.1.1, 7.1.2, 7.1.3

The CH has a Pest and Disease Control procedure (MN.FR.COP.OPA.PHT, 1 July 2012), point a & b 6.6.5.2 regarding the frequency of enumeration as follows:

- a. Under normal condition, a census of leaf-eating caterpillars and rats is carried out 4 times a year or every 3 months.
- b. At the time of attack, a census of leaf-eating caterpillars was carried out for 2 weeks until normal conditions were carried out, while for rats it was carried out once a month or according to their life cycle until normal conditions.

Procedures for Detection and Census of Pests and Oil Palm Diseases are also available which aim to ensure that pest and disease control programs can be carried out regularly and sustainably. The procedure describes a description of activities, namely Pest and Disease Detection; Census of Pests and Diseases, planting of beneficial plants, reporting and documentation. The IPM program carried out by the company includes the Pest Detection Program which is carried out regularly every two months and when symptoms of an attack occur it is held every month and useful plant maintenance activities are carried out every month.

The CH is well committed to increasing the use of natural predators of pests as part of the IPM. The results of field observations revealed that there were Barn Owl Boxes in Block G22 Division 3 Sei Lukut and Block P33 Division 2 Sei Mandau in active condition. The CH also cultivates beneficial plants as predatory hosts for leaf-eating caterpillars, such as *Antigonon leptopus* in Block F23 Division 2 Sei Lukut.

The CH has also maintained records of census documents and control of plant pests and diseases for the period January - September 2022. The results of the document review found that rat infestation was below 2%. Meanwhile, the census of leaf-eating caterpillars is still below 4%.

The results of observations at all assessment locations during the audit were carried out, as well as the results of the interviews, it was found that there was no use of invasive species and no use of fire in pest control.

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| Status: Comply |
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7.2
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.
7.2.1, 7.2.2, 7.2.3, 7.2.4, 7.2.5

Based on field observations and interviews at circle path spraying work in Block G19 Division 3 Sei Lukut and Block P34 Division 2 Sei Mandau, it is known that the spray application uses lifeline and garlon materials. From the results of field observations and interviews with management representatives it is also known that there is no prophylactic use of pesticides. The CH shows justification for using lifeline for broadleaf and narrowleaf weeds, while garlon for broadleaf weeds, and both of which are WHO class 2. From the results of document reviews and interviews, it is known that The CH does not use paraquat, WHO classes 1a and 1b, the Stockholm convention, and the Rotterdam convention. This is in accordance with company policy PISP/SE/02/x/2018 dated October 1, 2018 issued by the Group Manager regarding the policy of stopping the use of limited pesticides, including regarding:

- As of January 1, 2019, pest and disease control activities are not allowed to use pesticides with a high level of danger (groups 1a and 1b on the who list), especially the type of rat poison with the active ingredients brodifacum and coumatetralyl as well as pesticides with the active ingredient carbofuran.
- As of January 1, 2019, weed spraying activities are not allowed to use pesticides with the active ingredient Paraquat dichloride.
- As of October 1, 2018, the company will no longer place orders for pesticides with provisions number 1 and 2.
- As of January 1, 2019, the limited stock of pesticides that have not been utilized should be sent to the Temporary Storage of Hazardous and Toxic Waste.

Lifeline is a pesticide that has been registered with the Fertilizer and Pesticide Commission with the RI register number. 01030120175849 with distribution permit until October 6, 2022, while Garlon has been registered with RI number. 0103011984695 with a distribution permit until April 16, 2023. When the audit was carried out, Lifeline's distribution permit had expired, but The CH was able to show that Lifeline's last procurement was on August 19, 2022. The CH has also maintained records of pesticide use. For example, the use of garlon in Sei Mandau until September 2022 is 134 Litres, with an LD 50 of 1.581 mg/kg, with an active ingredient content of 480 g/l triclopyr, with an application area of 2.554 ha, which means 25.18 gr/ha. Meanwhile, in 2021, 145 liters of gallons will be applied, which means 27.25 gr/ha. This means that there is a decrease in the use of garlon per ha, from 2021 to 2022.

7.2.6

The results of the document review revealed that the CH had conducted pesticide training for pesticide handlers, as discussed in indicator 3.7.2. Pesticide application procedure training was conducted on June 8, 2022 and was learned by pesticide handlers.

The results of field observations and interviews with workers in circle path spraying activities in Block G19 Division 3 Sei Lukut and Block P34 Division 2 Sei Mandau, it is known that workers understand and can demonstrate safe work practices when applying pesticides. However, the results of interviews and observations at the supporting facilities revealed that the handling of work tools and sprayer PPE had not been managed properly. This has been discussed in indicator 6.7.3 and becomes a non-conformity in 2022.06.

7.2.7

The CH has a Safe Use of Pesticide procedure with the code FR.CSM. OP.2 dated 01 September 2011 which was approved by the Chief Executive Officer. The pesticide storage activities are regulated as listed in Point 3.2 regarding Safe Storage for Preventive Measures, point 3.4 concerning Pesticide Waste Destruction and Point 3.4.3 regarding Pesticide Packaging which may not be used for any purpose.

Based on observations at the Sei Mandau agrochemical warehouse, it is known that there are no pesticides included in groups 1A and 1B on the WHO list or listed in the Stockholm or Rotterdam Conventions. The preparation of pesticides and pesticide storage areas have been completed with an MSDS and are in accordance with the procedures they have.

7.2.8

Companies can show documents for recording and monitoring used pesticide containers using a logbook. In addition, the company also has SOP Number FR.CSM.OP.1 regarding waste management which has been in effect since December 30, 2018. The SOP describes the pesticide storage mechanism that is carried out according to the recommendations provided in the MSDS, placement of chemicals that have dissimilar characteristics must be separated according to MSDS recommendations, preparation and release of chemicals is carried out first in first out (FIFO), chemical containers must have labels, chemicals are only issued upon request approved by the authorities and records of storage and release of agrochemicals (including pesticides) are recorded. well documented.

However, based on field observations in the residential areas of Sei Lukut and Sei Mandau Estate, it is known that there is still a lot of misuse of used pesticide packaging. Used pesticide packaging which is classified as Hazardous Waste is widely reused for storing clean water. Regarding this matter, it has become a non-conformity in indicator 7.3.1.

7.2.9

Based on field observations and interviews with workers in circle path spraying activities in Block G19 Division 3 Sei Lukut and Block P34 Division 2 Sei Mandau, it is known that there is no application of pesticides by air. This is in line with the interview with management representatives that the pesticide application was sprayed by workers.

7.2.10, 7.2.11

The results of field observations and interviews with spray workers at Circle path spraying in Block G19 Division 3 Sei Lukut and Block P34 Division 2 Sei Mandau show that workers have received periodic health checks in the form of cholinesterase and spirometry tests. In line with this, the results of the MCU document review found that the MCU was held on February 14, 2022, with the results of all workers being in normal condition. From the results of the interviews, it was also known that none of the pesticide applicators were pregnant, and none were breastfeeding, and the workers were over 18 years of age.

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| Status: Comply |
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7.3

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

7.3.1

The company has identified the waste from operational activities contained in the Hazardous and Toxic Waste Source Inventory document. The identification is grouped based on the activity that generates the waste, the name of the waste, the code of the waste, the type of solid or liquid, and its management. The determination and classification of waste codes uses Government Regulation number 101 of 2014. The company also has procedures related to waste management and utilization listed in SOP number FR.CSM.OP.1 regarding waste management which has been in effect since 30 December 2018. The document explains Completely related to the management of Hazardous and Non-Hazardous waste (domestic waste, solid waste and liquid waste) which refers to the applicable regulations. In the realization of waste management, it is divided into several types based on the characteristics of the

waste it produces, including:

Hazardous and Toxic Waste

In the management of hazardous and toxic waste, the company does not re-use it but only does temporary storage located at SIR POM and Sei Mandau Estate. The company also has a hazardous waste storage area that has permits, including:

- **Sei Mandau Estate:** PT SIR's hazardous waste temporary storage permit (Sei Mandau Estate) is located in Muara Kelantan Village, Sungai Mandau District, Siak Regency in accordance with the decision of the Head of the Siak Regency Investment and One Stop Integrated Service Office number 02/DPMPSTSP-IPSLB3/KPTS/ 2019 dated March 18, 2019 is valid for 5 years.
- **SIR POM (Sei Mandau Area):** Recommendation for Fulfilling the Commitment for the Extension of the Operational Permit for Hazardous Waste Management from the Environmental and Hygiene Office of Pekanbaru City on January 29, 2021 for the hazardous waste producer and hazardous waste storage activity of PT Surya Intisari Raya (SIR POM Area). The recommendation has also obtained a statement of fulfilment of the commitment to extend the Hazardous Waste Management Operational Permit from the Pekanbaru City Investment and One Stop Integrated Service Office on February 11, 2021 which is valid for 5 years. The Permit Document has also been registered online Single Submission (OSS) on behalf of PT Surya Intisari Raya with NIB 8120316063413 dated 11 February 2021.

The waste stored in the temporary storage warehouse will then be transported by a licensed party every 6 months. The latest transportation is proven through the Electronic Manifest document and the official report of the transportation carried out on August 8, 2022 by PT Shali Riau Lestari (PT SRL), which is a licensed party. The company can show a cooperation agreement with the carrier, including:

- The MoU between PT SIR Sei Mandau Estate and PT SRL number 81/P-LimbahB3/SIR/LGL-PKU/IV/22 dated April 2, 2022 is valid for 1 year.
- The MoU between PT SIR Sei Lukut Estate and PT SRL number 79/P-LimbahB3/SIR/LGL-PKU/IV/22 dated April 2, 2022 is valid for 1 year.

The company can also show the legality documents of the carrier, such as a valid transportation permit from the Ministry of Environment and Forestry, a valid permit for special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and the licensed processor and/or beneficiary. For example, the Operational Eligibility Letter from the Ministry of Environment and Forestry for PT Shali Riau Lestari Number S-400/PSLB3/PLB3/PLB.3/6/2022 dated June 14, 2022.

Companies can also show documents for storing and handling Hazardous Waste in accordance with their SOPs and Government Regulation Number 101 of 2014. These documents include Manifest, balance sheet, and logbook. Based on the results of the document review by comparing the manifest, the balance sheet and the logbook, it can be seen that the data on waste transported on August 8, 2022 was in accordance with the data recorded in the balance sheet and logbook for the period before the transportation was carried out. Similarly, the comparison between the months after the transportation was carried out (August and September 2022) starting from empty. The company records all waste that enters and leaves the warehouse properly so that waste management data can be tracked easily and there are no recording differences. The company has also reported the results of the hazardous waste management carried out on a quarterly basis as described in indicator 1.1.2.

Liquid, Solid and Air Waste

Solid waste from the FFB processing process in the form of shells and fiber is reused by the company as a substitute for fossil fuels (Solar) for power generation in boilers, while for empty fruit bunches, composting is used to substitute fertilizer for the land. Some of the solid waste in the form of shells is also sent or sold, while for the empty bunch, some is given to the community as plasma plantation management to be used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1.

The company also uses POME to be applied to the Land Application for fertilizer substitution. The regulation and management of Land Application are explained in more detail in indicator 7.8.3. As for air waste, the company has made use of it using Methane Capture (Biogas Plan). In addition, the company also carries out management related to air waste, namely by measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

However, based on the results of field observations and interviews, some evidence is obtained as follows:

Hazardous Waste Management

- Hazardous waste was found that was stored/disposed improperly in all sample locations (Estate and Factory) such as used chemical packaging in the water intake area, used oil filters and jerry cans in the Division 3 Mandau Estate generator house area, used sacks and plastic fertilizers that were scattered in several locations, and others.
- It was found that there was reuse of hazardous waste such as drums and used chemical jerry cans as water containers in the residential areas of Sei Lukut Estate (Division 1, 2, 3) and Mandau Estate (Division 1 and 3).
- There were traces of oil stored in plastic bags in the residential area and oil spills in the Division 3 generator warehouse area, Mandau Estate.

Domestic Waste Management

- There is a lot of garbage/domestic waste in all sample areas of Division housing, and from all the sample areas it was also found that there were waste burning activities at several points.
- The results of interviews with workers and field observations in the Division housing area obtained information that there is no sustainable form of domestic waste management, such as temporary trash bins to separate types of waste, use of landfills as waste dumping sites, and domestic waste transportation activities that are accommodated by the company. .
- The results of interviews in the residential areas of Mandau Estate (Division 3) and Sei Lukut Estate (Division 1 and 3) also show that information related to domestic waste management is still quite low, such as the absence of a ban on burning waste, centralized waste disposal locations, the impact of domestic waste for the environment and health, and others.
- Sanitation and irrigation channels in residential areas are not functioning properly because there are many locations of domestic liquid waste that pool around housing areas.

POME Management

- Based on the results of observations in the WWTP area, it shows that the flowmeter is in a damaged/not installed condition.

At the time of the Stage-2 audit, waste management was recorded as an Opportunity for Improvement (OFI) where companies were encouraged to improve the effectiveness of waste management in accordance with their waste management procedures and plans. However, based on the information above, some evidence is obtained showing that the company has not been able to implement waste management when referring to the applicable procedures and regulations, for example:

- SOP number FR.CSM. OP.1 regarding waste management, such as prohibition of reuse of chemical waste, prohibition of indiscriminate disposal of domestic waste, prohibition of burning waste, and others.
- PP RI Number 101 of 2014 concerning Management of Hazardous and Toxic Waste.
- PP RI Number 81 of 2012 concerning Management of Household Waste and Similar Waste.
- PermenLHK Number 12 of 2020 concerning Storage of Hazardous and Toxic Waste.

Based on the explanation above, it becomes non-conformity because the company has not been able to show sufficient evidence that it has implemented waste management as regulated in its procedures and applicable regulations. **(Non-Conformity Number 2022.07).**

7.3.2

Based on interviews with the Manager and Manager of the Hazardous Waste Warehouse of SIR POM and Sei Mandau Estate, it is known that they have an understanding of the handling of waste disposal, especially hazardous waste and domestic waste and the management of hazardous waste in accordance with the procedures owned by the company. However, based on the results of field observations in residential areas, there is evidence that there is still a lot of use of used chemical packaging waste for water storage, unmanaged domestic waste and the absence of landfills as a final waste disposal site. At the time of the Stage-2 audit, waste management was recorded as an Opportunity for Improvement (OFI) where companies were encouraged to improve the effectiveness of waste management in accordance with their waste management procedures and plans. Regarding this matter, it has become non-Conformity in indicator 7.3.1.

7.3.3

The company does open burning to destroy waste, this can be proven from field observations in the residential areas of Sei Mandau and Sei Lukut Estate where there are still some points of burnt waste. The results of interviews with employees also stated that domestic waste management is carried out by burning waste because there is no landfill in the residential area. Although there are, the location is quite far and there are no waste management facilities such as routine waste transportation. Regarding this matter, it has become non-Conformity in indicator 7.3.1.

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| 7.3.1 | Status: Minor non-conformity No. 2022.07. | |
| 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 | | |
| <p>The CH has a fertilization procedure with the code FR.COP.OPA.PMK which was approved on 1 July 2012 by the Director. The procedure regulates, among other things, the main principles in the application or distribution of fertilizers, important factors in the effectiveness and efficiency of fertilization, fertilization technical instructions, fertilizer preparation, fertilization work organization, mechanical fertilization with Fertilizer Spreader, empty beds and their application. liquid waste/POME.</p> | | |
| <p>The procedure also establishes many strategies to maintain and enhance long-term soil fertility, by incorporating efficient and measurable organic fertilization, taking into account the age of the oil palm and soil nutrients by taking leaf and soil samples. Leaf samples are taken every year, and soil samples are taken every 5 years, but still with consideration from the Department of Agronomy.</p> | | |
| <p>The company demonstrated the program and realization of inorganic and organic fertilization for the period January to August 2021. Based on a review of documents and interviews with staff, the realization of fertilization at Sei Lukut and Mandau Estates was in accordance with the program.</p> | | |
| <p>The results of field observations and interviews with Fertilizer Applicators in Block F23 Division 2 Sei Lukut and Block N28 Division 2 Sei Mandau, it is known that the applicator is able to explain and demonstrate several implementation techniques such as application time, placement of macro and micro nutrient fertilizers, areas that are prohibited for fertilizer application (i.e., conservation areas and riverbanks).</p> | | |
| 7.4.2 | | |
| <p>The company has presented the results of leaf and soil analysis as the basis for 2022 fertilization recommendations. Interviews with management representatives revealed that the soil analysis for the Sei Mandau and Sei Lukut plantations still uses the semi-detailed soil survey report of PT Surya Intisari Raya (Sei Lukut) which was carried out in June – July 2014 and soil sampling conducted by the Soil Survey & Land Evaluation Research & Development Team on 19-24 July 2017 for Sei Mandau. Tests were carried out including N, Organic C, P, K, Ca, Na, and Mg. Regarding the OFI from previous audit, a letter of assignment from the Research Direction was shown to the Soil Survey Research Division dated 17 October 2022 regarding the semi-second land survey of PT SIR Mandau and PT SIR Lukut which is planned for November - December 2022.</p> | | |
| <p>For leaf analysis as the basis for 2022 fertilization recommendations, it will be carried out in 2021. For Sei Mandau it will be carried out on 23 February 2021 and Sei Lukut on 12 March 2021. The tests carried out include elements of N, P, K, Mg, Ca, and Fe.</p> | | |
| 7.4.3 | | |
| <p>There is a nutrient recycling strategy available, which can include recycling empty fruit bunches and POM liquid waste. The results of field observations revealed that empty fruit bunch applications had been carried out in Block D19 Division 2 Sei Lukut. The land application has also been carried out well, such as the results of field observations in Block G22 Division 3 Sei Lukut.</p> | | |
| 7.4.4 | | |
| <p>Based on interviews with company representatives found that the company has maintained records of fertilization applications. As an example, records of fertilization for Sei Lukut have been shown, including planned Urea fertilization ± 737 tons, and up to September 2022 ± 605 tons have been applied. For MOP it is planned to be $\pm 1,023$ tons and ± 637 tons have been applied. According to the management representative's explanation, currently the 2022 fertilization is in progress.</p> | | |
| Status: Comply | | |
| 7.5 | | |
| Practices minimize and control erosion and degradation of soils. | | |
| 7.5.1 | | |
| <p>The CH has soil survey semi-detailed study conducted Center for Soil Survey &, land evaluation section research and development on 2014. The result of study a land suitable map, soil map, slope map and topography map. Based on the semi-detailed soil map of Sei Lukut Estate, it is known that the soil types include: Hemic Haplosaprist, Fluvaquentic Haplosaprist, Aeris Endoaquent, and Typic</p> | | |

Hapludult with a slope of 0 - 25% while the soil types in Mandau Estate are Typic Haplosaprist and Typic Dystrudepts with a slope of 0 - 8%.

7.5.2, 7.5.3

Based on verification document of the long-term plan and the latest area statement as well as interviews with the management revealed that the company is not currently carrying out replantings or has plans to carry out new plantings.

Status: Comply

7.6

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

7.6.1

The company has soil survey semi-detailed study conducted Center for Soil Survey &, land evaluation section research and development on 2014. The result of study a land suitable map, soil map, slope map and topography map. Based on the semi-detailed soil map of Sei Lukut Estate, it is known that the soil types include Hemic Haplosaprist, Fluvaquentic Haplosaprist, Aeric Endoaquent, and Typic Hapludult with a slope of 0 - 25% while the soil types in Mandau Estate are Typic Haplosaprist and Typic Dystrudepts with a slope of 0 - 8%.

Based on of field observations in Block G22 Division 3 Sei Lukut note that there are terraces and erosion monitoring for undulating areas. This is the application of land surveys and long-term land suitability in the application of oil palm cultivation.

7.6.1, 7.6.2

Based on verification document of the long-term plan and the latest area statement as well as interviews with the management revealed that the company is not currently carrying out new plantings or has plans to carry out new plantings.

Status: Comply

7.7

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

7.7.1

Based on verification of PT SIR's 2021 area statement document revealed that the oldest planting year was 1995 planting year while the youngest planting year was 2007 planting year, so there were no new plantings or replanting after 15 November 2018 in the company's operational areas. The results of field observations at all assessment locations at the time of the audit were carried out, no new plantings were found either.

7.7.2

The peat inventory reporting process has started since 15 November 2019 which was verified via email from the RSPO GHG Unit (ghg@rspo.org) as a representative of the RSPO Secretariat on 18 November 2019. An email from the representative of the RSPO GHG Unit dated 6 April 2020 stated that the RSPO is waiting for documents peat map and shapefile submission where the company responded on June 1, 2020 by sending a peat map and shapefile submission. Email response by RSPO GHG Unit on 1 June 2020 stating that the peat map and shapefile submission have been received. The company can show the peat map document, shapefile submission and proof of company communication with the RSPO since the beginning of sending the document.

7.7.3

The CH has been monitoring peat subsidence for the Sei Lukut and Sei Mandau estates. From the peat inventory document, it is known that the peat area of the Sei Lukut plantation is 1,696.88 ha and that of Sei Mandau is 1,964.45 ha. Referring to the RSPO Peat Audit Guidance (PnC 2018), at least 1 pole subsidence is required for an area of 240 ha, so the need for Sei Lukut Estate is \pm 7 pole subsidence and \pm 8 pole subsidence for Sei Mandau. Currently, there are 9 subsidence poles for Sei Lukut and 6 subsidence poles for Sei Mandau. Based on this, companies are encouraged to meet the need for subsidence pole peat in accordance with the RSPO Peat Audit Guidance (PnC 2018). This is an opportunity for improvement (OFI) for the company.

7.7.4

Monitoring the water level in the piezometer is carried out every 2 weeks and recorded as monitoring for each block, for example the results of monitoring the water level for the September 2022 period in Block R29 Division 1 Sei Lukut Estate in the second week with a value of 53 cm and in the fourth week with a value of 52 cm. The results of field observations in Block G9 Division 4 Sei Lukut and Block P33 Division 2 Sei Mandau also note that the company has been monitoring the water level in the Piezometer. Field observations

also show that the company monitors surface water levels in ditches, such as in Block N28 Division 2 Sei Mandau and the water gate in Block T31 Sei Mandau.

7.7.5

Based on a basic info document study found that the oldest planting year of the Sei Lukut estate was in 1995 and Sei Mandau was in 1998. Based on the RSPO Procedure for the 2021 Drainability Assessment, it is stated that the DA Report needs to be prepared prior to land clearing/replanting of oil palm on peat. Replanting cannot take place until the DA report has been submitted for review, and RSPO approval. It stated that given the difficulty for the company/auditor to determine the exact date of Replanting in the future – the reference date for the initial DAP to be prepared is 15 years after the previous planting on peat which should be recorded in company records. Based on this, companies are encouraged to carry out DA in accordance with the RSPO Drainability Assessment Procedure 2021. This is an opportunity for improvement (OFI) for the company. Based on interviews with the head of the PT SIR unit revealed that there was no plan for replanting yet until the audit was carried out.

7.7.6

The CH has conducted piezometer monitoring for Sei Lukut and Sei Mandau Estate. From the peat inventory document, it is known that the peat area of the Sei Lukut plantation is 1,696.88 ha and that of Sei Mandau is 1,964.45 ha. Referring to the RSPO Peat Audit Guidance (PnC 2018), at least 1 piezometer is required for an area of 120 ha, so the need for Sei Lukut Estate is ± 14 piezometers and ± 16 piezometers for Sei Mandau. Currently, there are 9 piezometers for Sei Lukut and 12 piezometers for Sei Mandau. Based on this, companies are encouraged to meet the need for subsidence pole peat in accordance with the RSPO Peat Audit Guidance (PnC 2018). This is an opportunity for improvement (OFI) for the company.

7.7.7

Based on document verification of PT SIR areal statement 2021 known that all peat and mineral areas have been planted.

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| Status: Comply |
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7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Based on the three environmental documents and the results of the 2013 HCV identification as well as river flow maps and water sources, it can be seen that there are several water sources points in the operational area, namely the Lukut River, Pulau River and Ukai River located in Sei Lukut Estate and Jering River located in Sei Mandau Estates. Based on the document, it is also known that the water source management plan is to test the quality of surface water in all the rivers every 6 months, monitoring wells every 6 months and drill wells every 1 year. All tests were carried out by a KAN accredited laboratory (LP-412-IDN). Related to this, the company shows the results of testing the quality of surface water for the first semester of 2022 which was carried out on 19-20 May 2022. Based on the analysis of the test results for all of these locations, it shows that there are test results parameters that are not in accordance with the applicable quality standards, namely PermenLHK Number 22 of 2021 class 2. Parameters that are not in accordance with the average quality standard are COD and DO. This is because the value originating from the upstream of the river is not in accordance with the quality standard. Based on the analysis of the Landsat map, it can be seen that the upstream part of the river has been dominated by oil palm plantations and community settlements. In addition, the type of river that flows in the company's area is a river originating from peat swamps, so the water quality is already low. The company's location is also in a coastal area which is heavily affected by the tidal activity of a large river (Siak River), making it difficult to control water quality.

The unit of certification also does not limit access to clean water, and all workers also have access to adequate clean water which has also been tested to see the quality of drinking water taken from drilled wells carried out by a KAN accredited laboratory (LP-412-IDN) on 19 – May 20, 2022. The results of testing the quality of drinking water also show that all parameters of the test results are still in accordance with the applicable quality standards, namely the Regulation of the Minister of Health Number 32 of 2017. However, based on field observations, not all employee housing areas have adequate clean water facilities, for example, for the provision of clean water to the housing Division 1 Sei Lukut Estate or Division 3 Sei Mandau Estate. This has become a non-Conformity in indicator 6.2.4.

The company also has a river border management plan which is described in the SOP for Identification, Management and Monitoring of High Conservation Values number FR.EAC.IMM dated January 12, 2015. For those with river and tributary status, follow the rules, namely the width of the river border is 50 meters for each side of the river. Based on the results of document verification and field

observations to several sampling locations, it shows that the company has carried out activities in an effort to improve water quality, including:

- Management of river borders and water sources in the form of reservoirs and canals.
- Waste water management using WWTP and its utilization in licensed application areas as well as monitoring the quality of wastewater and monitoring wells. POME applications are also not carried out in areas close to watercourses.
- Monitoring the use of water for oil palm processing and evaluating its use.
- Designate all riverbanks in the scope of certification to become HCV areas.
- Implementing a spray limit of 50 meters from water bodies and others.

7.8.2

The company has procedures related to identification, management and maintenance of water sources and quality which are listed in the SOP for Identification, Management and Monitoring of High Conservation Values number FR.EAC.IMM dated January 12, 2015. The SOP describes several matters related to the management of river borders and water sources. For example, in the context of protecting water resources, determining the width of river borders following Presidential Decree Number 32 of 1990, carrying out border protection, conducting socialization to all parties involved in plantation operational activities to participate in carrying out water protection activities, making boundary markings, and monitoring sources. water power. The company also has an identification of a surface water flow map in the form of a map with a scale of 1:55,000 which includes the scope of certification, namely Sei Lukut and Sei Mandau Estate. All river boundaries within the company's scope are designated as conservation areas.

In addition, the company also explained the efforts to manage river borders and other water sources such as periodic monitoring of river border conditions from potential pollution and fires every month, testing surface water quality standards to ensure river water quality is still within normal limits every semester, as well as marking the boundary of the chemical application area in red. In addition, the company also conducts socialization to employees and the surrounding community in conservation efforts which can be proven based on the minutes of socialization to workers on 8 June 2022 and to the community on 19 October 2022. The results of interviews with spraying and fertilizing workers in all sample locations also stated that they are aware of the rules regarding chemical application limits, prohibition of washing chemically contaminated goods in rivers and other activities that have a negative impact on water sources. However, based on the results of field observations in the Lukut River area Block H22/H23 Division 3, there are traces of activity of applying chemicals (herbicides) in the river border area even though of the entire river border HCV area visited, only the Lukut River (Block H22/H23) and Jering River (Block F14) with a spray limit sign and a signboard about the location of the HCV. Regarding this, it becomes non-Conformity on indicator 7.12.4.

7.8.3

The certification unit has facilities for the management of POME produced from the results of the FFB processing at SIR POM using WWTP. POME that has been managed at WWTP will then be used as a fertilizer substitution in Land Application (LA). Before being sent to the Land Application, all POME is put into the Biogas Pond for collecting gas methane and then flowed to the WWTP with a single-feeding system which is then processed to reduce pollutant elements so that it is suitable for application to land. Waste treatment facilities owned are 4 reserve ponds which are currently rainfed ponds, 1 Deoling Pond, 1 Biogas Pond, 4 Anaerobic ponds and 1 final pond, the outlet is in the final pond. However, when field observations were made, the flowmeter at the outlet was not installed because it was under repair. Regarding this matter, it has become non-conformity in indicator 7.3.1.

All liquid waste produced by the factory is reused to produce electrical energy through methane capture (biogas plan), after going through the methane capture process, the waste is reused for the EFB composting process so that it does not require many ponds to achieve the ideal value applied to the land. The company also has a POME Utilization Permit as evidenced by the Permit Document for Utilization of Palm Oil Industrial Wastewater on Soil at the KS plantation of PT Surya Intisari Raya in Tebing Tinggi Okura Village, Rumbai Pesisir District according to the decision of the Mayor of Pekanbaru with number 881 / 2017 valid for 5 years from December 29, 2017.

In the permit there is also an obligation to monitor groundwater quality using monitoring wells at 3 locations and application locations that have been determined, namely Division 3 Blocks E21, E22, E23, F21, F22, F23, G21, G22 with a total application area an area of 223 hectares. There is an obligation in the permit document, namely to monitor potential environmental impacts at any time and ensure the quality of POME that will be applied to the land is in accordance with applicable quality standards. The company can show the results of the recapitulation of the POME application to the Land Application, for example at the SIR POM, which is a total of 115,922 m³ for the period October 2021 – September 2022, or equivalent to 386.41 m³/day.

To determine the feasibility of POME quality, the company conducts monthly testing using quality standards that refer to the Ministry of Environment Decree No. 28 of 2003 concerning Technical Guidelines for Assessment of Wastewater Utilization in Palm Oil Plantations. The company can show evidence regarding the results of POME quality measurements in the form of documents of test results carried out by a laboratory accredited by KAN (LP-894-IDN). Based on the results of the analysis of the test results for the period January – September 2022, it shows that all parameters are in accordance with the applicable quality standards. This shows that the POME generated from FFB management activities is feasible to be applied to Land Applications. The company can also show the results of testing on monitoring wells for the period of semester 1 of 2022 carried out by a KAN accredited laboratory (LP-412-IDN) on 19-20 May 2022. The applicable regulation is the Minister of Health Regulation no. 32 years 2017.

In addition, the company also has procedures related to liquid waste management based on SOP number FR.CSM.OP.1 regarding waste management which has been in effect since December 30, 2018, which explains all Palm Oil Effluent (POME) application activities and their management related to environmental, social, safety aspects. work and in accordance with technical instructions. The company has also reported the results of liquid waste management which is incorporated in the Land Application Management Report every 3 months as described in indicator 1.1.2. The results of interviews with the Village Head and Customary Head from Tebing Tinggi Okura Village stated that they had never felt the impact of environmental pollution, especially from the water flow around the company.

7.8.4

The company already has a Surface Water Utilization Permit in the form of a Technical Recommendation for a Water Resources Concession Permit for the Palm Oil Mill Industry PT SIR based on the Decree of the Minister of Public Works and Public Housing Number HK.05.03/13/REKOMTEK/BWSS-III/2022 dated April 8, 2022 which is valid for 5 years with an evaluation after 3 years since the permit was granted. The water intake point is located on the Lukut River with a maximum discharge of 36,391 m³/month.

The company can also show documents for recording daily water use, as well as the results of the recapitulation of water use for palm oil processing units every month, for example for the period October 2021 – September 2022. Based on surface water utilization data in SIR POM, if the average water usage is taken for FFB processing, which is 9,326.56 m³/month or equivalent to 0.65 m³/ton FFB. However, when calculating the overall water use, the total water use is 15,761.43 m³/month. This shows that the company is still using water in accordance with the permitted quota.

The company can also show proof of payment of water levies to the Pekanbaru City Revenue Service Technical Implementation Unit for the period January – August 2022 with the payment period being made every month. An example of proof of payment of the latest water levy is based on proof of payment made on September 13, 2022 for the total water use in August 2022 of 13,118 m³, the water tax paid is the total use of water for FFB processing and housing.

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

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| Status: Comply |
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7.9

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

7.9.1

The Certification Unit has made efforts to improve the efficiency of the use of fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of a recapitulation document on the use of Biogas and Biofuels at SIR POM for the period 2021 - 2022. Biogas is energy produced from the methane capture process in WWTP, while Biofuel is solid waste in the form of shells and fiber which is used to substitute fossil fuels (diesel) as a producer of electrical energy using a boiler. The recapitulation of solid waste utilization at SIR POM for the period October 2021 – September 2022 shows that of the 169,982 tons of FFB processed, it can produce biofuel in the form of 9,282 tons of shells and 22,098 tons of fiber, most of which are sold. The sale of biofuel is due to the need for electricity supply for factory operations which has been fulfilled by the Biogas Plan. Based on shell sales data, it shows that the company has sold 6,033 tons of shells in that period.

Based on the data analysis on the use of diesel fuel for FFB processing, information on the estimation of diesel fuel needed to

generate electricity in the factory area is 1.296,866 liters/year or 7.63 liters/ton FFB. However, due to the efficient use of diesel fuel which is substituted with Biogas and Biofuel, it can reduce the use of diesel to only 89,101 liters/year or equivalent to 0.52 liters/ton of FFB. This shows that the use of Biofuel can reduce the use of diesel fuel by 98% for 2021 - 2022. The low use of diesel is because almost all of the electricity needed for processing FFB has used electricity supply from the Biofuel and Biogas Plan.

The results of interviews with the company stated that this efficiency is very beneficial because it can reduce diesel consumption. Currently it is needed only to turn on the generator as the initial power plant. Energy efficiency is also applied to all operational activities of the company by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total utilization of diesel for Semester 1 of 2022 is 253,297 liters where there is a decrease in the use of diesel from 2020 of 264.735 liters. This shows that the company has been able to significantly reduce the use of diesel. Based on this, the company has made efficient use of fossil fuels very significantly and can optimize all waste generated from the FFB processing process into renewable energy sources.

Status: Comply

7.10

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

7.10.1

The Certification Unit has carried out an inventory of GHGs contained in the Greenhouse Gas Emissions Mitigation Program document for the period 2021, based on document analysis, it can be concluded that the company has identified the source of GHG produced by the SIR POM unit and all of its supplier sources. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation and machine maintenance, as well as periodic air quality tests. The company has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

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

General Information

| Association | No. of Estates/Plantations | FFB Processed (t) | Planted Area (ha) |
|------------------|----------------------------|-------------------|-------------------|
| Own Plantation | 2 | 138,548.71 | 6,911.61 |
| Group Plantation | 0 | 0 | 0 |
| 3rd Party | 12 | 32,232.34 | 0 |
| Total | 14 | 170,781.05 | 6,911.61 |

Summary Emissions

| Description | Value | Unit | Description | Value | Unit |
|-------------|-------|----------------|----------------------------------|----------|------|
| CPO | 6.12 | tCOe2/tProduct | Oil palm planted on mineral soil | 3,250.28 | Ha |
| PK | 6.12 | tCOe2/tProduct | Oil palm planted area on peat | 3,661.33 | Ha |
| PKO | 0.00 | tCOe2/tProduct | Total oil palm planted area | 6,911.61 | Ha |
| PKE | 0.00 | tCOe2/tProduct | Conservation area (Forested) | 0.00 | Ha |
| OER | 21.93 | % | Conservation area (non-Forested) | 0.25 | Ha |
| KER | 5.64 | % | FFB Production per hectare | 24.71 | t/ha |

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits

Emissions from Palm Kernel Crusher

| Emission Source and Credits | tCO2e | tCO2e/ t FFB | Emission Source | tCO2e |
|--|-----------|-----------------|-------------------------|-------|
| POME | 6,802.07 | 0.04 | PK from own mill | 0.00 |
| Fuel Consumption | 351.22 | 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 | -9,502.24 | -0.06 | | |
| Sale of EFB | 0.00 | 0.00 | | |
| Total | -2,348.95 | -0.02 | | |

| Estate / Plantation Field Emissions and Sinks | | | | |
|---|------------------|-------|-----------|------------|
| Description | Emission (tCO2e) | | | TOTAL |
| | Own | Group | 3rd Party | |
| Emission Source | | | | |
| Land Conversion | 66,147.92 | 0.00 | 0.00 | 66,147.92 |
| CO2 Emissions from Fertilizer | 4,194.77 | 0.00 | 0.00 | 4,194.77 |
| N2O Emissions from Peat | 27,496.17 | 0.00 | 0.00 | 27,496.17 |
| N2O Emissions from Fertilizer | 4,394.99 | 0.00 | 0.00 | 4,394.99 |
| Fuel Consumption | 886.93 | 0.00 | 0.00 | 886.93 |
| Peat Oxidation | 200,552.91 | 0.00 | 0.00 | 200,552.91 |
| Sinks | | | | |
| Crop Sequestration | -57,143.01 | 0.00 | 0.00 | -57,143.01 |
| Sequestration in Conservation Area | 0 | 0.00 | 0.00 | 0 |
| Total | 246,530.69 | 0.00 | 43,835.98 | 290,366.67 |

| FFB Supplier | | | |
|--------------------------|--|--|--|
| Supplier Name | FFB Production by Estate/Plantation (t) | FFB Supplied by Estate/Plantation (t) | Percentage of FFB supplied by Estate/Plantation (%) |
| SIR - Lukut Estate | 88,363.01 | 88,363.01 | 100 |
| SIR - Mandau Estate | 50,185.7 | 50,185.7 | 100 |
| KKPA Kelantan Jaya | 1,368.12 | 1,368.12 | 100 |
| Kerinci Kanan | 92.03 | 92.03 | 100 |
| Panca Surya Garden | 8,796.73 | 8,796.73 | 100 |
| Ratiman | 1,132.52 | 1,132.52 | 100 |
| Sutrisno | 1,606.08 | 1,606.08 | 100 |
| Saifullah | 1,480.15 | 1,480.15 | 100 |
| Perkebunan Palmax Sejati | 10,058.11 | 10,058.11 | 100 |
| Herman | 1,338.75 | 1,338.75 | 100 |
| Jamsari | 2188 | 2,188 | 100 |
| Mahligai | 1,769.58 | 1,769.58 | 100 |
| Narwan | 1,211.01 | 1,211.01 | 100 |
| Tohir | 1,191.26 | 1,191.26 | 100 |

| Palm Oli Mill Effluent Treatment | | |
|--|------|------------|
| Description | Unit | Value |
| POME Produced | t/yr | 114,850.26 |
| Diverted to Compost | % | 0 |
| Diverted to anaerobic digestion | % | 100 |
| POME to anaerobic pond | % | 1.75 |
| POME to methane capture (flaring) | % | 98.25 |
| POME to methane capture (electricity generation) | % | 0 |
| COD value before anaerobic digestion | mg/l | 0 |
| COD value after anaerobic digestion | mg/l | 0 |

| | | |
|------------------------------|------------|------------|
| COD removed during digestion | tCOD/tPOME | 0,00 |
| POME Produce | t/yr | 114,850.26 |
| CH4 (Total) | t/yr | 305,71 |
| Applied N in POME | t/yr | 51.68 |
| Total N2O emission from POME | tCO2e/yr | 0.34 |

**POME is processed in WWTP and Methane Capture*

Based on the results of the above data analysis, it can be seen that the emission value from CPO and PK production for SIR POM is quite high, namely 6.12 tCO₂e/tProduct. However, when compared to the emission values of the previous period, there was a decrease in CPO and PK emissions from 6.78 tCO₂e/tProduct to 6.12 tCO₂e/tProduct. The results of the interview with the management stated that the emission reduction was due to the maximization of the use of the biogas plan. The high emission value is due to the large area of peat.

7.10.2

The Certification Unit did not carry out new developments after 2014, but the company continues to manage GHG as stated in the GHG Mitigation SOP Number FR.CSM.GRK dated September 12, 2012 where the components carried out are by conducting an inventory of emission sources and mitigating the risk of increasing GHG emissions. Companies can show identification documents of activities that generate emissions for the period 2022 for Mills and Plantations. This is done to estimate the carbon stock in the management area along with potential sources of emissions that can occur directly as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

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

7.10.3

The certification unit has identified the source of pollution and the mitigation plan contained in the Greenhouse Gas Emission Management document for the 2022 period. The company has also carried out management and monitoring related to the results of the identification and mitigation plan as evidenced by the RKL-RPL document for semester 2 of 2021 and Semester 2 of 2021. 1 year 2022 and has reported it to the Environment Agency as described in indicator 1.1.2.

Based on the verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test was carried out by a KAN accredited laboratory (LP-412-IDN) on 12 – 13 May 2022. Based on the analysis of the test results, it can be concluded that there is no value above the applicable quality standard, namely PermenLH Number 07 of 2007 for Boilers, PermenLH Number 13 of 2009 for Gensets and PPRI Number 22 of 2021 for ambient air.

In addition, the company has also carried out management for interference from immovable sources. The tests were carried out by a KAN accredited laboratory (LP-412-IDN) on 12 – 13 May 2022. The tests carried out by the company included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation, namely KepmenLH Number 48 of 1996 for noise, KepmenLH number 49 of 1996 for vibration, and KepmenLH Number 50 of 1996 for odors.

However, the company still manages to reduce the potential for harm to hearing by compiling several control actions plans to reduce the impact on the health factors of operators working in the workplace. Efforts that have been made by the company include:

- Regular maintenance program for tools/machines to keep them awake.
- Arrangement of working time by means of job rotation so that the amount of noise exposure to workers can be controlled (should not be >8 hours/day for a noise level of 85 dBA).
- Preparation of HIRAC (Hazard Identification Risk Assessment & Control) documents for all activities in the Factory and socializing it to all related employees

- Conduct periodic socialization and training of SOPs to related operators.
- Installation of "Noise Zone" warning boards and mandatory use of PPE.
- Inspection and evaluation of the health of the workforce and the routine work environment at stations with a potential level of noise hazard.
- Examination of the use of PPE by safety officers related to the discipline of using PPE.
- Provide PPE in the form of earplugs and earmuffs and conduct audiometric health checks for factory employees.

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

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| Status: Comply |
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7.11

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

7.11.1

UoC showed the procedure in land clearing stated in SOP NO FR.CSOP.DKI.B.014 validated on 2 October 2019. This procedure stated that the company committed to carry out land clearing without burning. Based on the field observation in the area of last planting (2007), it's known that there was no indication of the burnt land or any signs of fire usage in the replanting activities. Based on the interviews with the surrounding village, it's known that there were no issues related to land fires.

Based on the interviews with the management and the Environmental Agency of Siak District, they also stated that the company is committed not to burn for land clearing activity and there was no case of land fires for the last 5 years.

7.11.2

In determining land fire prevention and control measures, the company has carried out several activities, as follows:

- The company has an emergency response team to handle fire emergencies. The company already has an emergency response team for each estate.
- Fire emergency response simulation training for employees.
- Fire-prone locations are marked on the map and assigned different grades and colors according to the hazard based on the level of fire hazard and limiting factors in fire control.
- Establish land clear procedures in the context of land fire control.
- Conduct socialization by involving related parties in efforts to prevent, estate control and land fires.
- Conduct training by involving competent parties and create applications to monitor hotspots in the Company's area and its surroundings.
- Establish good communication and actively collect data on lands in the concession and surrounding villages that will and have the potential to clear land by burning.
- Socializing the dangers of forest and land fires directly and indirectly for instance through the warning boards.

Based on the document review of prevention, management, and fire hazard control period of 2022, it's known that there was no fire incident in 2021 and 2022. Based on the interview with the workers and field observation, it's known that the socialization regarding the prohibition of land burning has been delivered in every morning brief and warning board posted in strategic places which are accessible to read. Based on the field observations in fire emergency response warehouse and housing area, the fire emergency tools and the fire extinguisher locations are quite complete and in good condition, discovered through the simulation of water pumps and hydrants.

7.11.3

UoC has involved stakeholders in adjoining locations for fire prevention and control measures by conducting socialization of land fire control to the community. Based on the interviews with the village representatives around the company, it's known that the company had socialized fire control to the community. In addition, there were also some warning boards prohibiting land burning activities and the dangers of land fires.

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| Status: Comply |
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7.12

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

7.12.1 and 7.12.8

Based on management information and a review of the area statement, information was obtained that the Company had carried out land clearing above November 2005, namely in 2005 – 2007, but the land clearing activity was carried out before environmental assessment. The planting activities for the period 2005 – 2007 are new planting activities carried out in areas that are still within the scope of the company's Location Permit and HGU, which are also included in the scope of the 2013 HCV assessment with a total area of 392.29 Ha.

Based on this information, the company has an obligation to identify that the land clearing activity does not damage primary forest or HCV areas. Related to this, the company has carried out several activities that can be proven through several documents, including:

- Proof of Filing Disclosure of Liability to the RSPO on 12 August 2014 for all palm oil companies under the First Resources Group. The Disclosure of Liability document also explains that PT SIR did not clear new land after November 2005 without an HCV assessment being initiated.
- Showed the Area Statement Document and obtained information that the planting/clearing of land carried out in November 2005 was located in Mandau Estate with a total area of 392.29 Ha.
- Showing the results of the HCV Assessment Study document that it is known that the company has conducted an HCV assessment for all operational areas with details and time division as follows:

| Assessment Date | Location | Scope of Study (Ha) | Area HCV (Ha) |
|-----------------|-------------------|---------------------|---------------|
| July 2005 | Mandau Estate | 2,344 | 4.92 |
| March 2006 | Mandau Estate | 500 | 0 |
| November 2008 | Sei Lukut Estate | 5,038.60 | 222.24 |
| April 2013 | PT SIR (all area) | 7,714.72 | 223.17 |

**223.17 Ha from the 2013 HCV assessment, consisting of 0.25 HCV area in the form of cemetery and 222.92 Ha HCV area with river border type.*

- However, due to several obstacles in the process of verifying the Disclosure of Liability document, the company can only continue the communication process with the RSPO in 2021.
- Shows a land cover map of Sei Mandau Estate in 2005 covering an area of 392.29 Ha with land cover in the form of shrubs. This is in accordance with the results of the auditor's verification on the GIS application.
- Show evidence of communication between PT SIR and RSPO via Email from the RSPO Biodiversity Unit on 11 November 2021 regarding the request for review and approval of PT SIR's HCV identification report. In the email it states that all review checklist requirements for PT SIR's HCV report submitted on 14 October 2021 have been met and the review has been completed and is acceptable. As a supporting statement, the RSPO also sent a document regarding the Attachment to the HCV Assessment Report Review Checklist. All the necessary information in the HCV report is available with the conclusion that the total area of HCV is 222.92 Ha.
- The company stated that of the 222.92 Ha it was a river border area, while in terms of management, the company determined that the HCV area it owned was 223.17 Ha, of which 0.25 Ha the difference was HCV 6 area which is the ancestral graves of local villagers.

Referring to all the documents above, it is concluded that the company did not clear any new land in HCV areas or primary forest areas after November 2005 in accordance with the disclosures submitted to the RSPO. Based on this, it can be concluded that the LUCA and RaCP procedures do not apply to PT SIR.

7.12.2

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. All managed areas have been assessed for HCV in several stages, including:

| Assessment Date | Location | Scope of Study (Ha) | Area HCV (Ha) |
|-----------------|---------------|---------------------|---------------|
| July 2005 | Mandau Estate | 2,344 | 4.92 |
| March 2006 | Mandau Estate | 500 | 0 |

| | | | |
|---------------|-------------------|----------|--------|
| November 2008 | Sei Lukut Estate | 5,038.60 | 222.24 |
| April 2013 | PT SIR (all area) | 7,714.72 | 223.17 |

Currently, the HCV assessment document that is used as a reference for the management of the HCV area for PT SIR is the result of a study conducted in 2013. The study was carried out by the Internal Team, namely the Department of Environment, Conservation and Sustainability First Resources Ltd. As a parent of PT SIR conducted in April 2013 with the final document in April 2013 using the 2008 HCV toolkit. The HCV assessment was carried out thoroughly for the scope of PT SIR which includes Sei Mandau and Sei Lukut Estate with a total study area of 7,714.72 Ha. Based on the results of the study, information was obtained that PT SIR has an area with High Conservation Value with a total area of 223.17 Ha where for an area of 0.25 Ha it is HCV 6 type in the form of ancestral graves and 222.92 Ha is categorized as HCV 4 type, namely the riparian of Lukut, Pulai river and Ukai River are located at Sei Lukut Estate and Jering River is located at Sei Mandau Estate.

Regarding the discrepancy in stage-2 which states that the HCV document has not received approval from the RSPO (RSPO Pass Review) according to the indicator interpretation guide 7.12.2 (Annex 5), the company can show evidence that the document has been approved by the RSPO via Email from the Unit RSPO Biodiversity 11 November 2021 which states that all review checklist requirements for PT SIR's HCV report submitted on 14 October have been met and the review is now completed or approved (pass RSPO review). The RSPO also sent a document on the Attachment to the HCV Assessment Report Review Checklist. All the necessary information in the HCV report is available with the conclusion that the total area of HCV is 222.92 Ha. The company stated that out of the 222.92 Ha it was a river border area, while in management, the company determined that the HCV area it owned was 223.17 Ha, of which 0.25 Ha the difference was HCV 6 area in the form of ancestral graves of local villagers which will still be managed as an area HCV.

Regarding the difference in HCV area in the Basic Info, area statement and GHG calculator, this is because an area of 222.92 hectares which is a river border has been identified as an oil palm planted area, so the HCV area is not shown in the data so as not to double counting.

7.12.3

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

7.12.4

Based on the results of HCV identification, it is known that there is an HCV area within the scope of the certification unit covering an area of 223.17 Ha with several types of RTE species consisting of flora, mammals, aves and herpetofauna. The company has compiled and determined the management program contained in the HCV Management Plan document of PT SIR for the Sei Lukut Estate and Sei Mandau Estate units for the 2022 period with the scope of management and targets every month. The management plan was developed in consultation with relevant stakeholders and covers areas that are directly managed and takes into account the relevant wider landscape level which refers to the results of the HCV assessment conducted by the Company's Internal. Some of its programs include:

- Conduct a periodic inventory of flora and fauna in the river border area which is realized at least once every year
- Installation of boundary markers and HCV signboards
- Perform maintenance/replacement of HCV signboards at least once a year/when damaged.
- Perform boundary maintenance (boundary stakes and/or boundary markings) at least once every year.
- Socialization of the importance of the area to employees and or the surrounding community at least once every year.
- If oil palm has been planted in the river border area and has produced (> 4 years), then a rehabilitation program is carried out at the time of replanting with tree species favored by wildlife, both as a shelter/nesting area, feeding area, breeding ground, as well as a channel for movement.
- Avoid chemical spraying activities on river borders by making riparian boundaries in the form of signboards or paint marks on oil palm trees at least once a year or when they fade/damage.
- Make a signboard prohibiting throwing garbage into the river and capturing river biota by poisoning, electrocuting or using explosives.

The implementation of HCV management and monitoring for 2021 is carried out in accordance with the 2021 HCV Management Plan where the timing and intensity of the implementation are also appropriate, which can be shown based on the minutes of the Socialization of the HCV area to employees at PT SIR in July 2022 with a total of 87 participants and the socialization of the area

HCV to the surrounding village community in October 2022 with a total of 22 community representatives participating. The company can also show evidence of the realization of the Animal Monitoring and Vegetation Analysis program in all HCV areas which was carried out on 29-30 August 2022

The company also has a map of the HCV area, water flow and topography with a scale of 1:55,000, the map is also equipped with information on: map title, cardinal directions, map legend, map update date, and map source. The company also conducts a semester review related to HCV management and monitoring activities as evidenced in the PT Surya Intisari Raya HCV Area Management, Monitoring and Socialization Report document for Semester 1 of 2022 which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in the following semester. .

However, based on the results of field observations, some evidence is obtained as follows:

- In the Sungai Lukut HCV area Block H22/H23 Division 3, there are traces of chemical application (herbicide) activity in the river border area.
- Of all the river border HCV areas visited, only Sungai Lukut (Block H22/H23) and Sungai Jering (Block F14) had spray boundary markings and signboards regarding HCV locations. Meanwhile, several other easily accessible river border HCV areas such as the Lukut River (Block E24/E25) and the Ukai River (Block C19/C20) have not found any signboards or markers indicating that these areas are HCVs.
- Field observations in HCV 6 Area in the form of an old tomb in Division 3 Block B5/B6 Mandau Estate showed no routine maintenance activities because the condition of the wire fence had collapsed and could endanger workers and there was no signboard marking the HCV area.

Based on the observation evidence, it shows that the company has not been able to implement the management of the HCV area as regulated in the procedures it has, for example the prohibition of applying chemicals to the HCV area, making clear boundary signs in the HCV area, installing notice boards, and so on. This is a non-conformity because the company has not been able to show sufficient evidence that it has implemented the management and protection of the HCV area as regulated in the existing procedures and applicable regulations. **Non-conformity Number 2022.08.**

7.12.5

The company has identified the needs of the community as well as the areas needed by the affected community to meet their basic needs, taking into account the potential for positive and negative changes in their livelihoods as a result of the company's operational activities. This can be proven by the existence of an HCV area which aims to preserve the ancestral heritage of the surrounding community in the form of an old cemetery area of 0.25 Ha. In addition, the company has identified and carried out activities to minimize risks and impacts both for the community and for the environment, for example by providing regular socialization to the community not to apply chemicals to river border areas to avoid pollution, not to clear land by burning, and so on.

The company has also considered various land tenure and management options to protect HCV areas in a way that also protects the rights and livelihoods of local communities. Because the area managed by the company is directly adjacent to the settlement, the level of potential conflict between the HCV area and the community is quite high. However, the company can overcome this with outreach activities and approaches with communities based on KKPA development.

The results of field observations in the HCV areas in both Estates, obtained information that there is an HCV 6 area. This shows that the rights to cultural and important places for the surrounding community identified in the company area are also being managed properly. The company has also approached relevant stakeholders, including:

- Submit a list of protected species found in the BKSDA area.
- Provide executive summary to relevant parties such as local government and surrounding communities.
- Socialization regarding HCV is carried out periodically to find out the extent of community understanding of the existence of HCVs in the PT SIR area.
- Make an agreement with the surrounding village to maintain the HCV area in the company area.

7.12.6

The Certification Unit has a policy as stated in the SOP number FR.EAC.IMM concerning Identification, Management and Monitoring of High Conservation Values which has been in effect since January 12, 2015. The document states that in accordance with the company's sustainability principles, all employees are advised not to perform hunting, catching, killing, and selling protected rare

animals and plants and reporting if any such activity is found. Maintain and not disturb the area designated as HCV area and report any illegal acts. The company can also show the circular letter No. SIR-L/SE/02/VIII/2021 dated August 9, 2021 regarding the provisions on HCV protection including the prohibition of keeping, hunting, and/or trading protected wildlife and plants. If there is a violation of the prohibition, the company will provide strict sanctions and criminal provisions and become the personal responsibility of the perpetrator.

Information related to the application of sanctions for employees in the form of disciplinary action in accordance with the provisions of national law is also listed on the HCV signboard. The sanction is imposed by the company by giving the first warning letter to employees who violate work rules. Based on the results of interviews with company employees regarding animal protection, the company has committed to protecting animals that are within the scope of the company's management area, such as implementing a ban on hunting, killing and keeping protected animals within the company's environment.

In addition, the company has also carried out socialization about the existence of endangered plants and animals to employees and the surrounding community which is shown in the document of socialization minutes as evidenced by the official report which is accompanied by photos and attendance list. The latest activity carried out was socialization to employees of Sei Lukut and Sei Mandau Estate in the period of July 2022 and to the surrounding community which was carried out in the period of October 2022. Indirect socialization was also carried out by installing information boards and brochures warning signs related to conservation areas and the existence of protected rare plants and animals. Routine monitoring of HCV areas is also carried out every month by several personnel appointed by the company.

However, based on the results of field observations in the employee housing area of Sei Lukut Estate (Division 1 and 3) and Mandau Estate (Division 3), information was obtained that there are workers who keep turtles, buffalo starlings and Punai which are indicated to be obtained from catches in the area around the company. Even though in terms of protection status, the three bird species are not included in the RTE and protection list according to PermenLH Number 106 of 2018, there is potential for hunting/catching activities for protected species. Based on this, the company has an opportunity for improvement to ensure that there is no storage and/or hunting of protected flora and fauna within the scope of its management area. (OFI).

7.12.7

Monitoring of the HCV area in the period of 2022 is carried out regularly every month to ensure the security of the area. Monitoring activities are carried out in all areas of the company's management. This monitoring is carried out to see the progress of HCV management results from the initial stage to the current condition. The company also monitors the diversity of flora and fauna which is routinely carried out every semester by showing the results of HCV monitoring carried out in Semester 1 of 2022. The results of observations of fauna in the plantation area are still found to be several types of protected animals that are included in the protection status according to IUCN, CITES and PermenLHK Number 106 of 2018 Leopard Cat (*Prionailurus bengalensis*). The results of field observations can also be found in fauna species such as the Brahminy Kite Eagle (*Haliastur indus*), Macaque Monkey (*Macaca fascicularis*) and Monitor Lizard (*Varanus salvator*).

The company also conducts semi-annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. This activity is proven in the PT SIR HCV Management Report and Review of the Sei Lukut and Sei Mandau Estate units (2 reports) for the Semester 1 period of 2022 which contains evaluation and management and monitoring recommendations as an improvement effort for HCV management activities for the next semester. Based on the results of the review, several management recommendations were obtained, including:

- Training / socialization on HCV and the environment to be carried out continuously to remind residents/employees of the importance of protecting the environment.
- Continue to maintain the existing HCV areas in the company's operational areas.
- Cooperate with employees and local communities in protecting HCV areas.
- Continue to monitor the HCV management plan in conservation areas.

All evaluation results will be reviewed and will be adjusted to the HCV management program in the next period. In addition, the management and monitoring of HCVs has been carried out in a participatory manner by involving the communities around the plantations, one of which is the agreement with the community and plasma managers to jointly protect the HCV area. In general, the management and monitoring of HCV areas at PT SIR is carried out by keeping the river border areas designated as HCVs in good condition. In this case, the HCV management and monitoring activities that have been carried out in 2022 include making boundary

| | | |
|---|--|--|
| signs/nameplates, not spraying on river borders, socializing the importance of HCV areas as well as flora and fauna inventory/monitoring activities. However, based on field observations, there are still traces of spraying along the riverbank and the lack of signboards marking HCV areas in locations that are easily accessible by the community or workers. | | |
| 7.12.4 | Status: Minor non-conformity No. 2022.08. | |

3.2 Conformity Checklist of Certificate and Trademark Use

| | | |
|--------------|--|---------------|
| 1. | Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client | X or √ |
| ASA-1 | PT Surya Intisari Raya do not use RSPO trademark and CB Logo. | √ |
| | Status: Comply | |
| 2. | Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use | X or √ |
| ASA-1 | PT Surya Intisari Raya do not use RSPO trademark and CB Logo. | √ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Trademark is not used on product | X or √ |
| ASA-1 | PT Surya Intisari Raya do not use RSPO trademark and CB Logo. | √ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Trademark, including withdrawing inappropriate trademark. | X or √ |
| ASA-1 | PT Surya Intisari Raya do not use RSPO trademark and CB Logo. | √ |
| | Status: Comply | |

3.3 Summary of RSPO Partial Certification.

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

First Resources Limited Time Bound Plan (TBP) is explained in point 1.10. First Resources Limited has informed the TBP progress, MUTU has considered that First Resources Ltd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by First Resources Limited on December 2021.

MUTU has verified partial certification for un-certified unit's subsidiary of First Resources Limited based on their Time Bound Plan. There are 33 subsidiaries of First Resources Limited. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

| 2.1 Un-Certified Units or Holdings | | |
|------------------------------------|---|--|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p>Yes, positive assurance is produced for these units.</p> <p>Auditor verification</p> <p>There is internal audit produced for</p> <ul style="list-style-type: none"> - PT Limpa Sejahtera - PT Swadaya Mukti Prakarsa - PT Citra Agro Kencana - PT Borneo Ketapang Permai - PT Persada Instisawit Perkasa - PT Meridan Sejatisurya Plantation - PT Panca Surya Agrindo - PT Surya Intisari Raya - PT Swadaya Mukti Perkasa - PT Mitra Karya Sentosa <p>And positive assurance is produced for these units.</p> |
| 2.1.2 | No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <ul style="list-style-type: none"> • PT Limpa Sejahtera has identified HCV, with total HCV area 650.74 Ha. This company follow RaCP process. • PT Swadaya Mukti Prakarsa has identified HCV in 2014. This company follow RaCP process. • PT Mitra Karya Sentosa has identified HCV in 2010 and 2012. • PT Citra Agro Kencana has identified HCV in 2012. • PT Borneo Ketapang Permai has identified HCV in 2010, with total HCV area 303.64 Ha • PT Panca Surya Agrindo has identified the HCV area with total areal of 105.15 Ha • PT Meridan Sejatisurya Plantation has identified the HCV area with total areal of 167.13 Ha • PT Persada Instisawit Perkasa has identified the HCV area with total areal of 33.15 Ha |

| 2.1 Un-Certified Units or Holdings | | |
|---|---|---|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>The company has shown proof of delivery of disclosure to RSPO secretariat on August 12, 2014 and there has been a response on 23 June 2015 which explains that in PT SMP there is conservation liability with total area 27.3 Ha and PT GSI with total area 8 Ha.</p> <p>Auditor verification Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <ul style="list-style-type: none"> Planting years in PT Borneo Ketapang Permai consist of 2008 up to 2017. PT Citra Agro Kencana has follow NPP RSPO. PT Panca Surya Agrindo was built in 1990-2006 and there is no development after January 1, 2010 PT Meridan Sejatissurya Plantation was built in 1994-2005 and there is no development after January 1, 2010 PT Persada Intisawit Perkasa was built in 1993-2004 and there is no development after January 1, 2010 <p>Auditor verification Not all uncertified unit conduct new clearing after January 2010, detail information of uncertified unit is:</p> <ol style="list-style-type: none"> PT Borneo Ketapang Permai: there is new land clearing after January 2010 in and company not conduct NPP. This is become subject of sanction. PT Swadaya Mukti Prakarsa has follow NPP and publish in 18 October 2014. PT Mitra Karya Sentosa has follow NPP and publish in 16 July 2014. PT Ketapang Agro Lestari has follow NPP and publish in 16 January 2013. PT Maha Karya Bersama has follow NPP and publish in 18 September 2012. PT Borneo Surya Mining Jaya has follow NPP and publish in 18 September 2012. PT Citra Agro Kencana has follow NPP and publish in 6 July 2012. PT Borneo Persada Energy Jaya has follow NPP and publish in 6 July 2012. |
| 2.1.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>There are no land conflicts. Company has had SOP about FPIC (FR.EAC.FPC) on 17 June 2013 for identified customary rights, communication and consultation during land acquisition. Beside that company also have SOP about conflict resolution (FR.CSPO.PL.008) on 2 August 2016.</p> <p>Auditor verification There is information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries, consist of PT Mitra Karya Sentosa: complaint submit to RSPO in 2021 and still on investigation process.</p> |

| 2.1 Un-Certified Units or Holdings | | |
|---|--|---|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>There is no labor disputes. Company has developed Bipartite cooperation in each unit as a forum to find resolution if there is any workers issue. Beside that company also has had SOP of Communication (FR.EMS.CIE) on 24 February 2020 which explain about system to resolve complaint and grievance.</p> <p>Auditor verification</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p> |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>The subsidiaries of First Resources Limited has have register of SPO regulation and evaluated routinely.</p> <p>Auditor verification</p> <ul style="list-style-type: none"> • PT Limpa Sejahtera has had HGU since 2009. • PT Swadaya Mukti Prakarsa has had HGU since 2005. • PT Mitra Karya Sentosa has had HGU since 2010. • PT Borneo Ketapang Permai has have HGU since 2014. • PT Perdana Intisawit Perkasa has have land use right in the document of HGU number 60/HGU/BPN/1995 on 1995 with total area is 2,467 Ha • PT Meridan Sejatisurya Plantation has have land use right in the document of HGU Certificate number 01 on 1995, Number 02 on 1995, Number 2 on 1996 and number 6 on 1999 with total area is 10,826.05 Ha • PT Panca Surya Agrindo has have land use right in the document of HGU number 42-VIII-1995 on 1995 and number 09/HGU/BPN.RI/2010 on 2010 with total area is 11,078.52 Ha |

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

3.4.1. Identification of Findings, Corrective Actions and Observations at Initial Certification Assessment

| | | | | | |
|---|---|---|-----------------|---|-------------------|
| NCR No. | : | 2021.01 | Issued by | : | Mohamad Amarullah |
| Date Issued | : | 01 October 2021 | Time Limit | : | 30 September 2022 |
| NC Grade | : | Major | Date of Closing | : | 16 December 2021 |
| Standard Ref. & Requirement | : | 2.1.1 (Critical) The unit of certification complies to relevant regulations. | | | |
| Evidence observed (filled by auditor): Processing Capacity of Surya Intisari Raya Mill | | | | | |
| <ul style="list-style-type: none">Approval of PT SIR's Palm Oil Plantation Business Principle based on the Decree of the Minister of Agriculture No. HK.350/E.5.461/06.96 dated June 28, 1996 explains that the permit for processing capacity of Surya Intisari Raya Mill is 30 tons of FFB/hour.The installed capacity of Surya Intisari Raya Mill is 45 tons of FFB/hour. | | | | | |
| OHS Licence Operator | | | | | |
| <ul style="list-style-type: none">Based on field observations in POM, it is known that:<ul style="list-style-type: none">There is 1 unit of boiler with a capacity of 30 tons/hour.There is 1 unit of sterilizer with a capacity of 45 tons/hour.There is 1 unit of turbine with a capacity of 1,200 KW and 2 units of generator with a capacity of 400 kVA.Based on Permenaker No. 38 of 2016 concerning Occupational Health and Safety of Power and Production Device in Appendix Table E, it is known that the qualification requirements of prime mover (power plant) operators with a capacity of > 214.47 HP require 1 class I operator and 1 class II operator for each shift.Permenaker No. 02 of 1982 concerning the Qualification of Welders in the Workplace.Decree of the Director General of Industrial Relations and Labour Supervision No. KEEP. 311/BW/2002 concerning Electrical Technician Occupational Health and Safety Competency Certification.Based on the verification's result of the SIR POM's Operator Name List, it is known that there are 6 Class I Steam Device Operator Permits for 6 workers. | | | | | |
| Non-Conformance Description (filled by auditor): Surya Intisari Raya Mill | | | | | |
| The installed capacity of Surya Intisari Raya Mill is not in accordance with the business license it has. | | | | | |
| License of Operators with OSH competency | | | | | |
| The company has not been able to show sufficient evidence of fulfilling the operator's license in accordance with the relevant regulations. | | | | | |
| Root Cause Analysis (filled by organization audited): 06 October 2021 | | | | | |
| <ul style="list-style-type: none">Lack of communication between Sustainability Department and General Departement regarding update on regulations required, included legal data regarding business permit.Identification of operators with OSH qualification for PT SIR is not conducted yet by OSH Expert and OSH Committee. | | | | | |
| Correction (filled by organization audited): 06 October 2021 | | | | | |
| Processing Capacity of Surya Intisari Raya Mill | | | | | |
| To shows evidence on business permit license of PT SIR which mentioning new processing capacity on 45 ton FFB/hour, that had | | | | | |

issued on 2018 through Decree of No. 06/14/IU/I/PMDN/2013.

License of Operators with OSH competency

- To shows license certificates for power plant or engine room operators of PT SIR Mill.
- To conduct identification on operators with OSH competency license and to provide a program on trainings and/or extension license, as required by relevant regulations.

Corrective Action (filled by organization audited):

06 October 2021

- To strengthen coordination between Department of Sustainability and Department of General regarding legal documents or other documents related implementation of sustainability system.
- Monitoring of operators with OSH competency will be discussed during monthly OSH Committee meeting.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 16 December 2021

Unit of certification shows several correction evidence, as follows:

Processing Capacity License

Decree of One-Stop Integrated Licensing Service Agency Head (or *Badan Pelayanan Perizinan Terpadu*) of Riau Province No. 06/14/IU/I/PMDN/2013 that signed in 10 April 2018 about Business Permit of PT SIR has mentioned that production capacity of PT SIR Mill is presented in the following Table:

| Product | Capacity (mt) |
|-----------------|---------------|
| FFB Processed | 270,000 |
| CPO produced | 54,000 |
| Kernel Produced | 10,000 |

Conversion of processing capacity is explained as follows:

- Annual mandays (1 year) = 25 days x 12 months = 300 mandays/year; 1 day = 20 hours;
- 270,000 ton FFB/year : 300 mandays/year = 900 ton TBS/days;
- 900 ton FFB/days : 20 hours = 45 ton FFB/hour.

Furthermore, based on actual production data on 12 months period before audit assessment (or September 2020 to August 2021), it was known that FFB processed, CPO produced and kernel produced were 171,620 mt; 38,052 mt; and 9,559 mt, respectively. Those values are below capacity permitted on the license. Moreover, average of throughput were 46.68 ton FFB/hours, which ranged from 46.50 to 46.82 ton FFB/hour, and not over than 30 % from 45 ton FFB/hour. Thus, it could be concluded that processing capacity of PT SIR is **comply** with business permit.

License of Operators with OSH competency

- Minutes of meeting on evaluation program dated 30 October 2021 that attended by 17 participants, included Estate Manager, Mill Manager, Head or Senior Assistant, Assistant, Administration Head, OSH Committee Secretary and sustainability team from HO Jakarta. Among point to be discussed was about program of training for operator licenses, such as for welder, OSH Expert on Electricity and power plant operators that expected to be carried out in 2022.
- Identification of training program that presented in document Form No. FR.HRD.PDP-02/1-0/18-11-2014, which followed up through program of training that presented in document Form No. FR.OSH.P07-01/1-0/01-09-2011 dated 06 October 2021 for two (2) power plant operators, one (1) OSH Expert on Electricity, one (1) First Aider and one (1) Welder, that expected to be fulfilled from October 2021 to May 2022. Cost allocated for those trainings is totaling about IDR 31,500,000.-.
- Socialization of OSH policy, OSH basics, OSH devices, troubleshooting and basic knowledge of relevant regulations which conducted on 25 October 2021, attended by 15 related operators.
- Tentative Certificates of training that conducted on 25 to 28 October 2021 issued by PT Arpindo Multi Utama (KAN Reg. No. LSSM-056-IDN) dated 28 October 2021 for two (2) power plant operators (Motor Diesel).
- Letter of PT Arpindo Multi Utama as safety training organizer No. 942/AMU/K3/XII/2021 dated 13 December 2021 which informed that training for one (1) electrical technician and one (1) welder class-3 had been registered. Furthermore, training for Electricity-OSH Expert is expected to be carried out in 2022.

Based on explanation above, it could be concluded that some positive progress regarding fulfilment towards operator license with OSH qualification has been satisfactory conducted by the unit of certification, with some program are still continued in 2022. Thus, NCR No. 2021.01 is considered **closed**. However, consistency on this matter will be observed on the next surveillance assessment as a main concerned.

Verified by : **Mohamad Amarullah**

| | | | | | |
|--|---|--|-----------------|---|-------------------|
| NCR No. | : | 2021.02 | Issued by | : | Mohamad Amarullah |
| Date Issued | : | 01 October 2021 | Time Limit | : | ASA-1 |
| NC Grade | : | Minor | Date of Closing | : | 27 October 2022 |
| Standard Ref. & Requirement | : | 2.1.3 (non-Critical) Legal or authorized boundaries are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries. | | | |
| Evidence observed (filled by auditor): | | | | | |
| <ul style="list-style-type: none">Based on observations to the BPN Pole No. 195 and No. 200 in Block B24, as well as Pole No. 205 in Block C24 Sei Lukut Estate, it is known that there is a planting area outside the HGU carried out by the company, with an estimated area of ± 75 ha.The management unit informs that the area is already under the control of another party and is not managed by the management of Sei Lukut Estate. | | | | | |
| Non-Conformance Description (filled by auditor): | | | | | |
| The unit of certification has not been able to show sufficient evidence that the planting area outside the HGU is not controlled and managed by the management of Sei Lukut Estate. | | | | | |
| Root Cause Analysis (filled by organization audited): | | | | | |
| It was not conveyed clearly and in detail about the owner of the land because the boundary markings were unclear | | | | | |
| Correction (filled by organization audited): | | | | | |
| <ul style="list-style-type: none">Carry out field visits and ensure the boundaries of the company area with the areaCreate a portal on the main road so that it can be distinguished between the company area and the community area | | | | | |
| Show a statement letter from the land owner | | | | | |
| Corrective Action (filled by organization audited): | | | | | |
| Carry out regular maintenance and monitoring of HGU boundaries | | | | | |
| Assessor Evaluation and Conclusion (filled by auditor): | | | | | |
| Verification on October 27, 2022 | | | | | |
| The company showed a statement letter from the land owner on behalf of Sarbaini with an area of ±70 Ha. The statement letter is signed by the land owner and accompanied by a location map and land boundary map. Based on the results of interviews with the landowners, it is known that it is true that the land adjacent to the company's property in block B24 belongs to him and has been inherited from generation to generation. | | | | | |
| With regard to plant figures and maintenance conditions which were uniform to the nucleus estates, it was stated that at the time of land clearing, it was indeed the company that provided the seeds, including planting the plants and also carrying out maintenance, including road access. This is part of the compensation for achieving a land acquisition agreement in the company's operational area. The land owner is a former village head and also the traditional head (Batin) of Tebing Tinggi Okura and currently the one who serves as Batin is the son of the previous village head | | | | | |
| Auditors' Conclusion: | | | | | |
| Based on root cause analysis, correction, and corrective action as well as the results of interviews, the discrepancies were declared | | | | | |

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| fulfilled | | |
| Verified by | : | Haikal Ramadhan Kharismansyah |

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| NCR No. | : | 2021.03 | Issued by | : | Yudhi Yuniarto Tallutondok |
| Date Issued | : | 01 October 2021 | Time Limit | : | 30 September 2022 |
| NC Grade | : | Major | Date of Closing | : | 11 January 2022 |
| Standard Ref. & Requirement | : | 2.3.1 (Critical) For all directly sourced FFB, Palm Oil Mill (POM) requires: <ul style="list-style-type: none">Information regarding the geolocation of FFB origins;Proof of ownership status, right/claim of the land by grower/smallholder;If relevant, valid planting/operational/trading license , or is part of a cooperative which allows the buying and selling of FFB. | | | |
| Evidence observed (filled by auditor): Unit of certification show documents which informed FFB suppliers, summarized as follows: <ul style="list-style-type: none">PT Perkebunan Palmax Sejati<ul style="list-style-type: none">Coordinate of supplier geolocation is latitude 0.67333 and longitude 101.65694.Plantation Business Permit (IUP-B) of respective company for oil palm cultivation as shows through Decree of Integrated Investment Board Head of Siak Regency No. 02/DPMPTSP-IUP.B/KPTS/2017 dated 24 November 2017. The company located on Village of Pinang Sebatang, District of Tualang, Regency of Siak, Province of Riau.PT Panca Surya Garden<ul style="list-style-type: none">Coordinate of supplier geolocation is latitude 0.41722 latitude and longitude 101.39361.IUP-B as shows through Decree of Kampar Regency No. 525/DISBUN/891/2009 dated 17 December 2009.Cooperative (KUD) of Kelantan Jaya<ul style="list-style-type: none">Coordinate of supplier geolocation is latitude 0.81471 and longitude 101.76852.Recapitulation of SKGR of KUD Kelantan Jaya with total area covers 256 ha. | | | | | |
| Non-Conformance Description (filled by auditor): Unit of certification is not be able to shows land ownership evidence for every FFB suppliers. | | | | | |
| Root Cause Analysis (filled by organization audited): Marketing Department has not yet adding legal requirement regarding land ownership on the FFB supply agreement of PT SIR POM. | | | | | |
| Correction (filled by organization audited): <ul style="list-style-type: none">Making commitment letter on the agreement that signed by top management of FFB suppliers. The agreement also required evidence of land ownership of FFB source.Collection of land ownership evidence (certificate or Letter of Statement that signed by the respective authority. | | | | | |
| Corrective Action (filled by organization audited): Marketing Department will update the legal requirement towards land ownership legality, to support sustainability certification of PT SIR | | | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification 11 January 2022 Unit of certification shows several evidence, as follows: <ul style="list-style-type: none">Form of commitment for FFB suppliers which required data of geolocation, evidence of land title and operational business permit. The form shall be signed by top management of supplier. Furthermore, the form also informed address, PIC and email/contact of supplier. Sighted form signed by Director of PT Perkebunan Palmax Sejati dated 29 December 2021.Three Certificates of Land Title (HGU) of PT Panca Surya Garden dated 14 August 1996 and 18 March 2014 | | | | | |

- Cooperative of Kelantan Jaya members period 2018 which consist of 151 members, signed by Camat of Sungai Mandau and Penghulu (or Customary Elder) of Muara Kelantan in 05 February 2018. Furthermore, shows Statement Letter of Land Ownership that signed by Head of RT, RW, Dusun, Village (Desa). The letter also informed area (in m²), adjacent parties on the north, south, west and east side of property object and identity of land owner. Sighted Ownership Letter of some Cooperative members from Dusun of Tanah Lambuk, Village of Muara Kelantan, as follows:

- Land under Trisno Edi Hartono for area \pm 17,700 m² dated 13 December 2006.
- Land under Kasimun for area covers \pm 13,900 m² dated 13 December 2006.
- Land under Usman for area covers \pm 20,000 m² dated 13 December 2006.
- Land under Heri Purwanto for area covers \pm 12,100 m² dated 13 December 2006.
- Land under Azmil Falah for area covers \pm 20,000 m² dated 13 December 2006.

Based on root cause and corrective action analysis, as well as correction evidence given, NCR No. 2021.03 is stated **closed**.

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| Verified by | : | Mohamad Amarullah | | |
| NCR No. | : | 2021.04 | Issued by | : Mohamad Amarullah |
| Date Issued | : | 01 October 2021 | Time Limit | : ASA-1 |
| NC Grade | : | Minor | Date of Closing | : October 28, 2022 |
| Standard Ref. & Requirement | : | 6.7.2 (non-critical) Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed | | |
| Evidence observed (filled by auditor): - | | | | |
| Non-Conformance Description (filled by auditor): Unit certification cannot show the license of workers who have received First Aid training. | | | | |
| Root Cause Analysis (filled by organization audited): Lack of monitoring on first aider by OSH Committee Secretary. | | | | |
| Correction (filled by organization audited): To appoint first aider and giving them a proper first aid training. | | | | |
| Corrective Action (filled by organization audited): To conduct annual first aid and safe working practices training to all employee. | | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Auditor verification, 28 October 2022 The CH shows a letter from the organizer of the OHS First Aid license training from the Ministry of Manpower for workers with the initials MT, which is planned for 28 - 30 October 2022 to 24 - 26 November 2022. Based on this, it is stated that it has been fulfilled, and will be observed again in the next audit. | | | | |
| Verified by | : | Sentot Adi Subandono | | |

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|--------------------|---|------------------------|-------------------|---|--------------------------|
| NCR No. | : | 2021.05 | Issued by | : | Mohamad Amarullah |
| Date Issued | : | 01 October 2021 | Time Limit | : | 30 September 2022 |

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|---|---|---|------------------------|---|-------------------------|
| NC Grade | : | Major | Date of Closing | : | 29 December 2021 |
| Standard Ref. & Requirement | : | 6.7.3 (Critical) Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. | | | |
| Evidence observed (filled by auditor): <ul style="list-style-type: none"> SOP for Personal Protective Equipment contained in the document No. PR.FR.COP.OPA.APD-01 dated October 01, 2019 at point 3.3 of the PPE Management Guidelines section c.6 explains that the amount of stock/reserve of PPE in the warehouse should not be less than 10 % of the existing needs, previously an order had to be made to ensure that no work was done without using PPE. Based on the verification of the worker list document for the period of August 2021, it is known that the total number of POM's worker is 83 workers and Sei Lukut Estate is 244 workers. Based on the results of field observations at the Central Warehouse, it is known that the stock of safety shoes available at the Central Warehouse is 3 pairs. | | | | | |
| Non-Conformance Description (filled by auditor): Unit certification cannot show the implementation of the PPE stock requirement in accordance with the procedure. | | | | | |
| Root Cause Analysis (filled by organization audited): Administration Head (KTU) and Warehouse/Store Head are not periodically monitor stock of PPE availability, at least 10 % from total requirement. | | | | | |
| Correction (filled by organization audited): To purchase relevant PPE as identified and 10 % of PPE reserve should be available on the Warehouse. | | | | | |
| Corrective Action (filled by organization audited): KTU and Warehouse/Store Head will periodically monitor stock opname of PPE availability every semester. Total stock to be available is at least 10 % from total requirement. | | | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification 29 December 2021 Unit of certification shows several evidence, as follows: <ul style="list-style-type: none"> PPE Purchasing Request No. 124/PPB/SLK/2021/SIR-21 dated 04 September 2021 that approved by Group Estate Manager, Plantation Director, Finance Region and Purchasing/Procurement Region. Among PPE requested were 51 safety helmets, 40 pairs of AP Boot, 11 pairs of safety boot, 4 set of welder aprons, 20 pairs of rubber glove and 26 respirators type NP 305. Purchasing Request No. 526/PBPB/SLK.IX/2021/SIR-21 dated 11 September 2021 that approved by Group Estate Manager, Plantation Director, Finance Region and Purchasing/Procurement Region. PPE requested was 20 set of aprons. Several Purchase Orders (PO's) dated 14 to 17 September 2021 on PPE transaction for about IDR 11,567,100; IDR 3.890,700; IDR 3,050,740; IDR 1,210,000; IDR 5,778,300; IDR 3,074,500; IDR 5,775,000; IDR 18,700,000; IDR 2,750,000; and IDR 2,595,000. All document signed by Logistic Staff, Warehouse Keeper, Driver, Supervisor, Purchasing Staff, and Procurement Senior Manager. Distribution of purchasing also delivered to Finance and Accounting Department. PO dated 15 November 2021 on PPE transaction for about IDR 7,069,700. Purchasing request dated 08 October 2021 for several spare parts and PPE's that proved by General manager, Deputy Head Mill and Engineering and Purchasing/Procurement Region. Realization of purchasing was IDR 194,393,335.97.-. among PPE requested were 10 pairs of safety shoes, 25 safety helmets and 34 pairs of prawn gloves. <p>Based on root cause and corrective action analysis, as well as correction evidence given, NCR No. 2021.05 is stated closed.</p> | | | | | |
| Verified by | : | Mohamad Amarullah | | | |

| NCR No. | : | 2021.06 | Issued by | : | Bayu Yogatama | | | | | | | | | | | | | | | | | | | | |
|--|-----------|--|------------------------|----------|--------------------------|--------------------|----------|------------|---------------------|-----------|--------|-------|------|------------|--------|--------|---|---------------|-----------|----------|--------|------------|--------|----------|--------|
| Date Issued | : | 01 October 2021 | Time Limit | : | 30 September 2022 | | | | | | | | | | | | | | | | | | | | |
| NC Grade | : | Major | Date of Closing | : | 29 December 2021 | | | | | | | | | | | | | | | | | | | | |
| Standard Ref. & Requirement | : | 7.12.1 (Critical) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCV or HCS forests. Historical analysis of Land Use Change Analysis (LUCA) is carried out before any new land clearing, in accordance with the RSPO LUCA Guidance document (see indicator 7.12.2). | | | | | | | | | | | | | | | | | | | | | | | |
| Evidence observed (filled by auditor): Based on document verification, it was known several facts, as follows: <ul style="list-style-type: none"> Unit of certification has delivered disclosure to RSPO on 12 August 2014, subjected together for all First Resources unit's subsidiary. The disclosure stated that there is no land clearing for new planting after November 2005 without HCV assessment. HCV assessment for operational areas is summarized in the following Table <table border="1"> <thead> <tr> <th>Date of Assessment</th><th>Location</th><th>Scope (ha)</th><th>Hectare of HCV (ha)</th></tr> </thead> <tbody> <tr> <td>July 2005</td><td>Mandau</td><td>2.344</td><td>4.92</td></tr> <tr> <td>March 2006</td><td>Mandau</td><td>500.00</td><td>-</td></tr> <tr> <td>November 2008</td><td>Sei Lukut</td><td>5,038.60</td><td>222.24</td></tr> <tr> <td>April 2013</td><td>PT SIR</td><td>7,714.72</td><td>223.17</td></tr> </tbody> </table> According to hectare statement, it was known that there were planting after November 2005 in Mandau Estate for about 392.29 ha. Based on respective document review and interview with management unit, it was known that HCV report was still under reviewed by RSPO. | | | | | | Date of Assessment | Location | Scope (ha) | Hectare of HCV (ha) | July 2005 | Mandau | 2.344 | 4.92 | March 2006 | Mandau | 500.00 | - | November 2008 | Sei Lukut | 5,038.60 | 222.24 | April 2013 | PT SIR | 7,714.72 | 223.17 |
| Date of Assessment | Location | Scope (ha) | Hectare of HCV (ha) | | | | | | | | | | | | | | | | | | | | | | |
| July 2005 | Mandau | 2.344 | 4.92 | | | | | | | | | | | | | | | | | | | | | | |
| March 2006 | Mandau | 500.00 | - | | | | | | | | | | | | | | | | | | | | | | |
| November 2008 | Sei Lukut | 5,038.60 | 222.24 | | | | | | | | | | | | | | | | | | | | | | |
| April 2013 | PT SIR | 7,714.72 | 223.17 | | | | | | | | | | | | | | | | | | | | | | |
| Non-Conformance Description (filled by auditor): Unit of certification is not be able to shows that land clearing after November 2005 for about 392.29 ha do not diminish or damaged primary forest or HCV area (HCV report is still under review by RSPO). | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root Cause Analysis (filled by organization audited): Land Cover Map of PT SIR period 2005 is still under reviewed by RSPO Secretariate | | | | | | | | | | | | | | | | | | | | | | | | | |
| Correction (filled by organization audited): To shows Land Cover Map Period 2005 and 2008 of PT SIR that approved by RSPO Secretariate. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corrective Action (filled by organization audited): Team of Sustainability will update HCV document requirement as required by RSPO criteria. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification 17 December 2021 Unit of certification shows several evidence of correction as follows: <ul style="list-style-type: none"> HCV Assessment Report dated May 2013 which conducted by Department Environment, Conservation and Sustainability First Resources. The report concluded that total potential HCV of PT SIR was 223.17 ha that consist of 22.92 ha and 0.25 ha for HCV 4 and HCV 6, respectively. The former HCV were situated in riparian zone of Jering, Ukai, Lukut and Pulai River, while the later HCV were local cemeteries. Email from Biodiversity Unit of RSPO dated 11 November 2021 about request for review and approval of PT SIR's HCV identification report has mentioned that all requirement of the review checklist for HCS report of PT SIR that submitted on 14 October 2021, have been meet and the review is now completed. As supporting statement, file of Appendix 2 about Attachment | | | | | | | | | | | | | | | | | | | | | | | | | |

RSPO HCV Assessment Report Review Checklist is attached. All information's required on HCV report are provided. However, total HCV areas was 222.92 ha.

Please provide additional evidence in the form of an Overlay Map of the planted area of 392.29 Ha in the Mandau Estate with a Land Cover Map prior to November 2005. And fill in the Cause Analysis and Correction fields. based on the evidence of improvement submitted, the non-conformity has not been closed.

Verification 29 December 2021

The company showed proof of improvement in the form of a land cover map of Mandau Estate in 2005 for an area of 392.29 ha, based on the results of a document review, it was found that the land cover in the area was a scrub area. this is the same as the results of the auditor's verification in the GIS Tool application. Referring to the documents shown, it is known that the company did not clear any new land in HCV or primary forest areas after November 2005 in accordance with the Disclosure submitted to the RSPO. Based on the evidence shown, nonconformity is stated **closed**.

Verified by : **Mohamad Amarullah and Bayu Yogatama**

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|-----------------------------|---|---|-----------------|---|-------------------------------------|
| NCR No. | : | 2021.07 | Issued by | : | Bayu Yogatama |
| Date Issued | : | 01 October 2021 | Time Limit | : | 12 Months (Recommendation 9 months) |
| NC Grade | : | Major | Date of Closing | : | 29 December 2021 |
| Standard Ref. & Requirement | : | 7.12.2 (Critical) HCV and HCS forests, and other conservation areas are identified as follows: a) For existing plantations, with an HCV assessment conducted by RSPO-approved assessors and have no new land clearing after 15 November 2018, the existing HCV assessments remains valid. b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the latest HCSA Toolkit and HCV-HCSA Assessment Manual that is applicable at the time of the assessment. This includes stakeholder consultation and take into account wider landscape- level consideration. | | | |

Evidence observed (filled by auditor):
Based of document verification, known several facts, as follows:

- HCV assessment for operational areas is summarized in the following Table

| Date of Assessment | Location | Scope (ha) | Hectare of HCV (ha) |
|--------------------|-----------|------------|---------------------|
| July 2005 | Mandau | 2.344 | 4.92 |
| March 2006 | Mandau | 500.00 | - |
| November 2008 | Sei Lukut | 5,038.60 | 222.24 |
| April 2013 | PT SIR | 7,714.72 | 223.17 |
- According to RSPO Interpretation on Indicator 7.12.2 & Annex 5, it was known that PT SIR is included on Scenario Point 4.2 about **Existing Uncertified Plantations (No New Land Clearing)**, mentioned as follows:

| | |
|---|--|
| <ul style="list-style-type: none"> Existing uncertified plantation No new land clearing Non-ALS HCV assessment | <p>The Non-ALS HCV assessment is accepted with the condition that the HCV assessment is no older than Jan 2009 (Refer below scenario for cases delayed by RaCP & HGU) and passes the RSPO HCV review. For HCV assessments older than Jan 2009, a <u>new HCV assessment (ALS or Non-ALS)</u> is required.</p> <p>HCV assessments dated Jan 2009 – date of circulation of this document are required to undergo the RSPO HCV Assessment review (refer 3.2). Results of the RSPO HCV assessment review will determine the requirements as follows:</p> <p>a) Pass RSPO review – Existing HCV assessment is acceptable. No additional assessments required.</p> <p>b) Fail RSPO review – New HCV (ALS or Non-ALS) is required.</p> <p><i>It is highly advisable for companies to opt for an ALS HCV or HCV-HCSA assessment for existing uncertified plantations that may have future new land clearing within 3 years of the initial certification.</i></p> |
| <ul style="list-style-type: none"> Based on document review and interview with management unit, it was known that HCV report was still under reviewed by RSPO, which last updated on 06 August 2021 on results of review by RSPO. | |
| <p>Non-Conformance Description (filled by auditor):</p> <p>Unit of certification is not be able to shows that HCV report had been approved by RSPO (Passed RSPO Review) as required in Interpretation Guidance Indicator 7.12.2.</p> | |
| <p>Root Cause Analysis (filled by organization audited):</p> <p>Lack of understanding it interpreting Annex 5Indicator 7.12.2, though PT SIR has HCV assessment which conduct internally in 2005, 2006, 2008and 2013, but still not approved by RSPO.</p> | |
| <p>Correction (filled by organization audited):</p> <p>To shows Land Cover Map Period 2005 and 2008 of PT SIR that approved by RSPO Secretariate.</p> | |
| <p>Corrective Action (filled by organization audited):</p> <p>Team of Sustainability will update HCV document requirement as required by RSPO criteria.</p> | |
| <p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification 17 December 2021</p> <p>Unit of certification shows several evidence of correction as follows:</p> <ul style="list-style-type: none"> HCV Assessment Report dated May 2013 which conducted by Department Environment, Conservation and Sustainability First Resources. The report concluded that total potential HCV of PT SIR was 223.17 ha that consist of 22.92 ha and 0.25 ha for HCV 4 and HCV 6, respectively. The former HCV were situated in riparian zone of Jering, Ukai, Lukut and Pulai River, while the later HCV were local cemeteries. Email from Biodiversity Unit of RSPO dated 11 November 2021 about request for review and approval of PT SIR's HCV identification report has mentioned that all requirement of the review checklist for HCS report of PT SIR that submitted on 14 October 2021, have been meet and the review is now completed. As supporting statement, file of Appendix 2 about Attachment RSPO HCV Assessment Report Review Checklist is attached. All information's required on HCV report are provided. However, total HCV areas was 222.92 ha. <p>Verification 29 December 2021</p> <p>The company showed proof of improvement in the form of a land cover map of Mandau Estate in 2005 for an area of 392.29 Ha, based on the results of a document review, it was found that the land cover in the area was a scrub area. this is the same as the results of the auditor's verification in the GRASS Tool application. Referring to the documents shown, it is known that the company did not clear any new land in HCV or primary forest areas after November 2005 in accordance with the Disclosure submitted to the RSPO. Based on the evidence shown, nonconformity is stated closed.</p> | |
| Verified by | : Bayu Yogatama |

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|---|----------|---|------------------------|----------|--------------------------|
| NCR No. | : | 2021.08 | Issued by | : | Mohamad Amarullah |
| Date Issued | : | 01 October 2021 | Time Limit | : | 30 September 2022 |
| NC Grade | : | Major | Date of Closing | : | 16 December 2021 |
| Standard Ref. & Requirement | : | RSPO System Certification 5.5.2 Time-bound plan: A time-bound plan for certifying all its management units and/or entities, including the units where the organisation has management control and/or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills. | | | |
| Evidence observed (filled by auditor): | | | | | |
| <ul style="list-style-type: none"> • Email from Senior Sustainable Executive of First Resources, Ltd (FR) to the RSPO Director of Assurance and Acting Head of Indonesia Operation on 18 August 2021, which asking on PIC for RSPO TBP approval revision. The email also attaches proposed TBP revision, together with its justification that presented in rows 40-44. RSPO has responded the email on 19 August 2021 by informing the PIC (Shazaley.abdullah@rspo.org). • Email from Senior Sustainable Executive of FR to RSPO PIC on TBP on 02 September 2021 which asking the next step to finalizing RSPO TBP. This email is responded in 07 September which informed that the RSPO will overlooked and review the TBP revision. • In 09 September 2021, RSPO PIC deliver email to FR about TBP review exercise with some questions to be clarified. FR representative has responded those questions on 14 September 2021, with question and answer (QA) is presented as follows: <ol style="list-style-type: none"> 1. Q: Why FR need to extend period more than 5 years after membership? Justification is required. <ul style="list-style-type: none"> - A: it was due to prolonged period of suspensions, with chronology as follows: <ul style="list-style-type: none"> ○ FR join RSPO on March 2008. ○ 1st suspension <ul style="list-style-type: none"> ▪ Certification process for FR was first suspended in May 2010. ▪ In April 2018, the CP lifted suspension on FR's certification process. ○ 2nd suspension. <ul style="list-style-type: none"> ▪ In March 2019, CP suspended FR's certification process. ▪ Only in February 2020, the suspension is lifted. 2. Q: What are the challenges for FR on getting the remaining uncertified management unit going for certification by 2023? <ul style="list-style-type: none"> - A: current condition and challenges: <ul style="list-style-type: none"> ○ Only three management units has been certified out of 18 management units. ○ Covid-19 pandemic started in early 2020: <ul style="list-style-type: none"> ▪ Travel restriction has hampered certification process. ▪ Traveling now required quarantines which making schedule even more challenging. ○ Land title (HGU) not yet obtained for seven companies (PT) 3. Q: Is there any new acquisition within the listed management unit? Please identify the year of acquisition. <ul style="list-style-type: none"> - A: since declaration of the last TBP in August 2019, there is no new acquisition 4. Q: Is there any new land clearance without prior HCV assessment after Nov 2005? If yes, what is the status of RaCP? Please state in TBP accordingly. <ul style="list-style-type: none"> - A: asking for RSPO format on TBP which also includes column to fill RaCP information. 5. Q: Are there any scheme smallholders/out growers included as part of management unit? Please specify for every unit (if any). <ul style="list-style-type: none"> - A: currently no scheme smallholders/out grower certified under FR management unit. 6. Q: Please list in detail the POM name and supplying estates in the TBP (e.g., location address, hectareage, etc.). <ul style="list-style-type: none"> - A: FR had share list of POM and its supply base to RSPO membership unit in November 2020. However, the respective files are attached. 7. Q: Please provide justification for each unit that was change. <ul style="list-style-type: none"> - A: reason to extend RSPO TBP: <ul style="list-style-type: none"> ○ General: <ul style="list-style-type: none"> ▪ Only three management units have been certified out of 18 management units. ▪ Suspension of FR's certification process from March 2019 to February 2020 due to an RSPO complaint. ▪ Covid-19 pandemic starting from early 2020. | | | | | |

- Increased number of mills from 15 mills in 2018 to 18 mills in 2020. The new mills are PT Citra Ago Kencana POM, PT Mitra Karya Sentosa 1 POM and PT Setia Agrindo Mandiri POM.
- There are seven (7) units that still ongoing to obtain the and title (HGU):
 - PT Setia Agrindo Mandiri
 - PT Indogreen Jaya Abadi
 - PT Setia Agrindo Lestari
 - PT Citra Palma Kencana
 - PT Karya Tama Bakti Mulia
 - PT Bumi Sawit Perkasa
 - PT Maha Karya Bersama

RSPO informed that official approval will come from the Deputy Director of Compliance.

Non-Conformance Description (filled by auditor):

Unit of certification is not be able to shows that Time Bound Plan has been approved by the RSPO Secretariate through Deputy Director of Compliance.

Root Cause Analysis (filled by organization audited):

Condition of Time Bound Plan for First Resources (FR) is not in line with original plan, due to several situations, as follows:

- Two times of postponement of RSPO certification process. FR is re-joined with RSPO in 2021. First suspension is happened on May 2010 to April 2018 and the second suspension is happen on March 2019 to February 2020.
- Covid-19 pandemic that starting from early 2020.
- Additional number of mills to be certified, from 15 mills in 2018 to become 18 mills in 2020.

Correction (filled by organization audited):

To provide TBS revision that approval evidence from RSPO Secretariat.

Corrective Action (filled by organization audited):

To conduct periodic review towards TBP progress annually and provide justification if there is any revision on the schedule.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 16 December 2021

Unit of certification shows correction evidence, as follows:

- Email from RSPO dated 07 October 2021 which mentioned that based on internal discussion and agreement, RSPO agreed to approve the revised Time Bound Plan for First Recourses to certify all of its management units beyond the period of five years after membership, and based on the new planned year of certification as per attached. This approval is based on the justification that FR provided in the earlier email, and the CB will verify and monitor the status accordingly.
- Document of Time Bound Plan (TBP) To Implement the RSPO P&C which informed 33 units to be certified within period 2021 to 2026, and several reasons of time extension which consist of suspension of FR's certification process from march 2019 to February 2020 due to an RSPO complaint, Covid-19 pandemic that starting from early 2020, increase number of mills from 15 mills in 2018 to 18 mills in 2020 and Land Title (HGU) of several units has not yet obtained for 7 companies.

Based on explanation above, NCR No. 2021.08 is considered **closed**.

Verified by : **Mohamad Amarullah**

3.4.2. Identification of Non-conformity at ASA-1 Assessment

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|--|---|---|------------------------|---|--------------------------------------|
| <i>NCR No.</i> | : | 2022.01 | <i>Issued by</i> | : | Haikal Ramadhan Kharismansyah |
| <i>Date Issued</i> | : | October 28, 2022 | <i>Time Limit</i> | : | ASA - 2 |
| <i>NC Grade</i> | : | Minor | <i>Date of Closing</i> | : | |
| <i>Standard Ref. & Requirement</i> | : | 2.1.2 A documented system for ensuring legal compliance is in place. This system has means to track changes to the law and also includes listing and evidence on evaluation of legal compliance of all contracted third parties, such as: recruitment agencies, service provider and labour contractor | | | |
| Evidence observed (filled by auditor): <ul style="list-style-type: none"> Based on a review of payslips and overtime documents for contractors PT Rajawali Perkasa Jaya and PT Pagar Negri, some field information was found as follows: <ul style="list-style-type: none"> a) Security pays slips for PT Pagar Negri for the September 2022 period, workers with the initials NF, FS, IY, and DA receive wages in the amount of IDR 3,040,000. b) Salary slips for security workers at PT Rajawali Perkasa Jaya for the period August 2022, it is known that the wages of AS employees (initials) with 104 hours of overtime earn a total basic salary and overtime received, namely Rp. 3,528,330. c) Salary slips for security workers at PT Rajawali Perkasa Jaya for the period of August 2022, it is known that the wages of workers an.n JEL (initials) with 98.5 hours of overtime earn a total basic salary and overtime received, namely Rp. 3,681,375. Decree of the Governor of Riau No. Kpts.1272/XI/2021 concerning District/City Minimum Wage in Riau Province in 2022. The document explains that the minimum wage for Pekanbaru City is Rp. 3,049,675.79/month. Meanwhile, the Siak District wage is Rp. 3,114,237.83/month. Results of interviews with outsourced security workers at PKS (PT. Pagar Negri), obtained information that these contractor workers receive a wage of Rp. 3,040,000/month with a total daily working hours of 12 working hours with a setting of 20 working days, 5 standby days, and 5 holidays. Meanwhile, in the pay slip, there is no information on overtime payments for outsourced security workers. Based on the results of the review of the agreement letter between PT Surya Intisari Raya and PT Rajawali Perkasa Jaya No. 41/Security Unit Personnel/SIR/LGL-PKU/VI/22 with a term of agreement April 1, 2022 to December 31, 2022, it is known that the agreed wage for security personnel stationed at Sei Mandau Estate is Rp. 3,050,000 per month. In the SPK it has also been explained in article 6 paragraph 1 it is explained that the second party (the contractor) is obliged to pay overtime premiums if the workers stationed at the plantation site do overtime. Letter of Agreement for Provision of Security Unit Personnel between PT Surya Intisari Raya and PT Pagar Negri No. 02/Security Unit Personnel/SIR/LGL-PKU/IV/22 with a term of agreement April 1, 2022 to December 31, 2022, it is known that the agreed wage price for member positions is Rp. 4,500,000/month. The document also explains that the set working hours are morning (07.00-15.00 WIB), afternoon (15.00-23.00 WIB), and evening (23.00-07.00 WIB). The company shows the supplier/vendor/contractor evaluation formular for PT Rajawali Perkasa Jaya and PT Pagar Negri which was carried out on June 3, 2022. In this document, it is known that the criteria for evaluating are: quality of service, timely completion of services, handling of complaints, cases bribery, gratuity, and others. In this policy, there are no contractor assessment criteria for compliance with the law. | | | | | |
| Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that it has a documented system in place to ensure legal compliance of all contracted third parties. | | | | | |
| Root Cause Analysis (filled by organization audited): | | | | | |
| Correction (filled by organization audited): | | | | | |
| Corrective Action (filled by organization audited): | | | | | |

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| <i>Assessor Evaluation and Conclusion (filled by auditor):</i> | |
| <i>Follow up on next audit (filled by auditor):</i> | |
| <i>Verified by</i> Diverifikasi oleh | : |

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|--|---|--|------------------------|---|-----------------------------|
| <i>NCR No.</i> | : | 2022.02 | <i>Issued by</i> | : | Sentot Adi Subandono |
| <i>Date Issued</i> | : | October 28, 2022 | <i>Time Limit</i> | : | January 26, 2023 |
| <i>NC Grade</i> | : | Major | <i>Date of Closing</i> | : | December 21, 2022 |
| <i>Standard Ref. & Requirement</i> | : | 3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented. | | | |

Evidence observed (filled by auditor):
Activities do not yet have Hazard Source Identification, Assessment, and Risk Control (HIRACD)

The CH shows the HIRACD procedure with code FR.OSH.P03 dated 01 September 2011, it is known that the purpose of the procedure is to identify all existing sources of danger arising from all company activities, both goods and services, production processes, and their supports

Based on field observations, interviews and Mill document review, it is known that there is no ISBPPR which is not limited to:

- Unsafe condition – there is no height safety limit at the Press station.
- Unsafe action – there are passengers on the wheel loader during activities
- Transfer of diesel fuel from the truck to the diesel tank in the sorting area
- Receiving fuel and calibrating diesel fuel using baby tanks in the sorting area
- Inspection of PKS machines
- Tests carried out at the mill, such as stationary emissions, noise, etc.

Based on field observations, interviews, and estate document studies, it is known that there is no ISBPPR but is not limited to the following activities:

- Piezometer, subsidence pole and water level monitoring
- Monitoring tower fires
- Harvest along the regency highway
- Maintenance of plants along the main roads of the Regency
- Transportation of FFB by Trucks transporting FFB across Regency roads
- Fuel tank transfers

Non-Conformance Description (filled by auditor):

The CH has not been able to show enough evidence that all activities in the company have identified hazards, assessed and controlled risks.

Root Cause Analysis (filled by organization audited):

PIC OHS is not thorough in updating identification and risk assessment in the company.

Correction *(filled by organization audited):*

The company shows the results of the most recent risk assessment identification.

Corrective Action *(filled by organization audited):*

PIC OHS conducts identification and evaluation of risk assessments together with OHS Committee management, Plantation and Factory Managers every year.

Assessor Evaluation and Conclusion *(filled by auditor):*
Auditor Verification December 14, 2022

The company shows evidence of improvement:

1. Minutes of socialization of HIRAC, PPE Compliance, and Circular of Plantation Leaders to employees of POM and division 1-4 of PT SIR-Lukut dated 24 November 2022. The intended Circular includes PPE for Estates and Factories, storage of chemist work tools, and instructions homework rinse.
2. Minutes of socialization of HIRAC, PPE Compliance, and Circular of Plantation Leaders to employees of POM and division 1-3 of PT SIR-Mandau on 25 November 2022. The Circulars referred to include PPE for Estates and Factories, storage of chemist work tools, and instructions homework rinse.
3. The Lukut and Mandau SIR Plantation HIRAC which was ratified on November 15, 2022, but has not regulated monitoring activities for peat soil subsidence.
4. HIRAC POM SIR which was ratified on November 15, 2022, but has not regulated repair activities such as in the press area, etc. as an effort to mitigate hazards and risks in that area. Regarding unsafe conditions when operating a Loader, it is necessary to show the IK that regulates this, as stated in the HIRAC.

Based on the Auditor's verification it was stated that the discrepancies **had not been fulfilled**.

Auditor Verification December 21, 2022

The company shows additional evidence of improvement as follows:

1. Revision to the HIRAC of the Lukut and Mandau SIR Estates which was ratified on December 15, 2022 which has been supplemented with peat soil subsidence monitoring activities.
2. Revision of the SIR factory HIRAC, which has identified improvements at the Press station and mitigation of unsafe conditions in loader operations.
3. IK Wheel loader with code IK-OPM-25/1-0/01-12-2013 which has regulated, among other things, the prohibition of riding on wheel loaders.

Auditors' Conclusion:

Based on the Auditor's verification, it was stated that the discrepancies **had been fulfilled** and would be observed again in the next audit.

Follow up on next audit *(filled by auditor):*

Verified by : **Sentot Adi Subandono**

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| NCR No. | : 2022.03 | Issued by | : Sentot Adi Subandono/Mia Rahmah Qadryani |
| Date Issued | : October 28, 2022 | Time Limit | : January 26, 2023 |
| NC Grade | : Major | Date of Closing | : December 21, 2022 |
| Standard Ref. & Requirement | : 3.7.1 A documented programme that provides training is in place, which is accessible to all staff, | | |

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| | workers, scheme smallholders, and out growers taking into account gender-specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training. |
| Evidence observed (filled by auditor): Steamship Operator <ul style="list-style-type: none"> Minister of manpower regulation number 1 of 1988, in 1st appendix stated that for boiler machine which has more than 20 ton per hour and less than 40 ton per hour capacity, need an operator class 1 and an operator class 2 each shift. Based on the field observation in mill, it's known that UoC had boiler machine which has 30 ton per hours capacity with the 2 shifts working hour. Based on the license operator list, it's known that there were 2 boiler operator which already has steamship license which is valid until 23 November 2023. However, UoC has not been able yet to show the rest 2 boiler operator license (since UoC had 4 boiler operators). Power and Production Mechanics Operator <ul style="list-style-type: none"> Minister of manpower regulation number 38 of 2016, in article number 110, 111, and table section E, stated that prime mover engines which has power more than 214.47 HP shall have an operator class I and class II (1 per each). Based on the field observation in mill, it's known that UoC had turbine machine which has 1.200 kW/1.609 HP capacity with the 3 shifts of working hour. Based on the license operator lists, it's known that there were 2 engine room operator which already has power and production mechanics license which is valid until 23 November 2023 and 18 November 2026. However, UoC has not been able yet to show the rest 1 engine room operator license. Non-Conformance Description (filled by auditor): UoC has not been able to show the enough evidence that adequate training has been provided for all boiler and power and production operators | |
| Root Cause Analysis (filled by organization audited): The PIC of OHS does not understand the regulations regarding standard license requirements for operators within PT SIR's operational scope. | |
| Correction (filled by organization audited): The company shows proof of registration and actual training for engine room operators and boiler operators for PKS SIR. | |
| Corrective Action (filled by organization audited): <ol style="list-style-type: none"> The PIC of OHS monitors the need for a OHS Operator license in the company on a regular basis The regional sustainability team disseminated OHS Operator regulatory standards to those in charge of K3 and the team in the field. | |
| Assessor Evaluation and Conclusion (filled by auditor): Auditor Verification December 14, 2022 The company provides root cause analysis, correction, and corrective action, as well as proof of improvement as follows: <ol style="list-style-type: none"> Root cause analysis: Why doesn't the person in charge of OHS carry out monitoring and identification regarding the license requirements for operators within PT SIR's operational scope? Does the PIC understand this? Correction is acceptable Corrective action: Corrective action taken based on root cause analysis, so that it is hoped that further discrepancies will not recur. Please identify again, if there is a change Root cause analysis. The company shows evidence of improvement as follows: <ul style="list-style-type: none"> Certificate of Occupational Safety and Health for Class 1 Diesel Motor Operators with the initials AP, which was carried out by PJK3 PT AMU in collaboration with the Indonesian Ministry of Manpower. Certificate of PJK3 PT SR related to passing the Steam Aircraft Operator training from PT SIR with the initials SL and Ss on 21 – 26 November 2022. Currently obtaining Certificates and Licenses in the process of managing the Director General of Labor Development and Inspection of the Ministry of Manpower. Monitoring of OHS POM and Estate License Operators PT SIR update in 2022 | |

Based on this, there are still auditors' comments on root cause analysis and corrective action so that the non-conformities are **declared unfulfilled**.

Auditor Verification December 21, 2022

The company has sent back improvements in the form of a root cause analysis and corrective actions have been accepted. The company also added evidence of improvement in the form of a recording of the socialization of the OHS operator license according to regulations carried out on November 9, 2022, with KTU participants, Assistants, Askeps, and Managers.

Auditors' Conclusion:

Based on this, the discrepancy is declared to have been fulfilled and will be observed again in the next audit.

Follow up on next audit (filled by auditor):

Verified by : Sentot Adi Subandono

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|--|---|--|------------------------|---|---|
| <i>NCR No.</i> | : | 2022.04 | <i>Issued by</i> | : | Mia Rahmah Qadryani/Haikal Ramadhan Kharismansyah |
| <i>Date Issued</i> | : | 28 October 2022 | <i>Time Limit</i> | : | 26 January 2023 |
| <i>NC Grade</i> | : | Major | <i>Date of Closing</i> | : | 23 January 2023 |
| <i>Standard Ref. & Requirement</i> | : | 6.2.2 Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. | | | |

Evidence observed (filled by auditor):

- List of workers in PT SIR period of September 2022, informed that there were 228 workers in Sei Lukut Estate and 153 workers in Sei Mandau Estate. All workers in fields (both estate and mill) were male workers with permanent status (KHT or PBT).
- Based on the list of workers for the period of September 2022, it's known that there were 228 workers in Sei Lukut Estate and 153 workers in Sei Mandau Estate. All workers in harvesting and maintenance were male workers with permanent status. Based on the field visit, it's found as follows:
 - a) Sei Lukut Estate Division 2: it's found that there was female worker transferring FFB by wheelbarrow in block E10/E11, and female worker doing fertilizing activity in block F23.
 - b) Sei Lukut Estate Division 4: it's found that there were 3 harvesting workers on behalf of MI, FS and MR as a daily worker but haven't signed any work agreement.
- Based on the list of workers in PT SIR specifically in Sei Lukut Estate period of September 2022, there was no worker on behalf of MI, FS, and MR (initial) registered as the worker in Sei Lukut Estate.
- Based on the interview with the occupants in housing area of Division 1 Sei Lukut Estate, it's known that there were still harvesting workers helped by their family who wasn't registered as the worker due to accelerate the work.

Referensi

- Law number 13 of 2003 concerning manpower in article number 50, stated that the employment relationship occurs because of the employment agreement between the company and the worker.
- Government Law number 35 of 2021 concerning PKWT, outsourcing, working and rest hour, and termination, stated that:
 - In article number 2 verse 1, stated that the employment relationship occurs because of the employment agreement between the company and the worker.

- In article number 2 verse 4, stated that work agreement made for temporary period or permanent.

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

UoC hasn't been able to show enough evidence that all workers have work agreement which determine the wages and workers' work requirements.

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

1. Lack of monitoring of field assistants and personnel regarding the list of employees within PT SIR.
2. Lack of accuracy in administration (KTU) and personnel so that the employee's Identity Number (NIK) data is not recorded at the Population and Civil Registry Service (Disdukcapil) thereby hindering the employee appointment process (employee SPK)

Correction *(filled by organization audited):*

1. Employee Appointment Letter on behalf of Fresman Bago
2. Employee appointment letter on behalf of M Ridwan and M Idris
3. Monitoring in the field to ensure that the employees working are indeed PT SIR employees

Corrective Action *(filled by organization audited):*

1. The unit manager makes a decree regarding workers in the SIR company environment and socializes it.
2. Riau Internal Managing Director decree regarding the employee work contract system in the company.

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

Auditor Verification on 20 December 2022

The company shows evidence of improvement in the form of:

- Minutes of division socialization on 24 November 2022 for Sei Lukut Estate and 25 November 2022 for Mandau Estate including the prohibition against bringing families to work and the obligation to use PPE.
- Decree No. 02.04/SE/MD/17/XII/2022 concerning the revision of Decree No. 02.04/SE/MD/14/XI/2022 dated 11 November 2022 concerning the appointment of KHT to "for direct KHT recruitment, a 3-month probationary period is imposed with an age limit of 45 years, recruited kindergartens must check the validity of their identity through the BPJS Edabu system so that they can be registered with BPJS, for existing KHL to be appointed as KHT if they meet the specified requirements.
- Management decree No. 06/XI/2022 from GM for Sei Lukut Estate and Mandau Estate concerning Employee Work Activities which among other things states a prohibition to work if you do not have a work agreement and a prohibition on bringing family/friends to help with work
- Permanent worker agreement for workers with the initials FP
- Letter of resignation for MI and MR workers.

However, UoC hasn't showed the following documents:

- Employee list updated as of November 2022 (KHT and KHL) with complete information including name, ID number, gender, field of work, etc.
- Monitoring field assistants and personnel regarding the list of employees within PT SIR.

Auditor's Conclusion:

Based on root cause analysis, correction and corrective action, the non-conformity is declared not fulfilled.

Auditor Verification on 23 January 2023

The company shows additional evidence of improvement in the form of:

- List of employees for Sei Lukut Estate and Mandau Estate updated for November 2022. From this list it is known that the number of employees for Sei Lukut Estate is 250 people and that for Mandau Estate is 173 people while the PKS workforce is 91 people. All employee statuses are permanent employees (PBT and KHT)
- Monitoring of PT SIR employee turn over which is made every month to find out the actual composition of employees. Based on management's explanation, it is also known that every morning each foreman will ensure which members are working and ensure that there are no unregistered workers/workers who bring assistance when working (both during morning assembly or during work execution).

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| Auditors' Conclusion Based on root cause analysis, corrections and corrective actions for non-conformances are declared fulfilled. <i>Follow up on next audit (filled by auditor):</i> | |
| Verified by | : Haikal Ramadhan Kharismansyah |

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| <i>NCR No.</i> | : 2022.05 | <i>Issued by</i> | : Mia Rahmah Qadryani/Haikal Ramadhan Kharismansyah |
| <i>Date Issued</i> | : 28 October 2022 | <i>Time Limit</i> | : 26 January 2023 |
| <i>NC Grade</i> | : Major | <i>Date of Closing</i> | : 20 December 2022 |
| <i>Standard Ref. & Requirement</i> | : 6.2.4 The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure. | | |

Evidence observed (filled by auditor):

- Based on the field visit in housing area, it's found some facts, as follows:
 - Housing area in mill: poor maintained drainage and no domestic waste transportation so there were a lot of domestic waste piles.
 - Housing area in Division 1 of Sei Lukut Estate: poor maintained drainage, the absence of water taps, leaking septic tank and damaged ceilings.
 - Housing area in Division 2 of Sei Lukut Estate: poor maintained drainage.
 - Housing area in Division 1 of Sei Mandau Estate: poor maintained drainage, there were a lot of domestic waste piles, and the difficulty in accessing clean water
 - Housing area in Division 3 of Sei Mandau Estate: poor maintained drainage, some houses placed in low/peat areas so got flooded often times.
 - The existence of livestock that hasn't been managed properly so it can potentially risk the occupants' health in the housing area.
- Based on the interview with the representatives of labor union, it's known that the common grievance delivered from workers was regarding the housing facility and the availability of clean water.
- Based on the interview with the workers in housing area, it's known that the common grievance of occupants was regarding the availability of electricity since when the electricity was off, the water was also off due to the absence of any generator spare.
- Based on the field visit in daycare facility located in Division 1 of Sei Lukut Estate, it's known that the daycare officer found some difficulties in accessing clean water.
- Based on the field visit in daycare facility located in Division 3 of Sei Mandau Estate, it's known that the daycare officer didn't stay in his/her house but stayed in the daycare facility.
- UoC then showed the record of managerial meeting held on 19 September 2022. The document explained that one of the decision points for the meeting was related to the program for facilities and infrastructure improvement. The company then showed the daycare guideline which was prepared in September 2022. In the communication record via email on 25 October 2022, it is known that the daycare guideline standard has been approved by the CEO which then be used as SOPs. However, it hasn't been clearly described the realization timeline of the planned program.

Non-Conformance Description (filled by auditor):

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| UoC hasn't been able to show enough evidence that they had provided adequate housing, sanitation facilities, and water supplies for all workers. | |
| Root Cause Analysis <i>(filled by organization audited):</i> | |
| <ul style="list-style-type: none"> The unit manager and the civilian team have not yet identified improvements in the condition of employee housing facilities Lack of workers' awareness regarding the cleanliness of the housing environment. | |
| Correction <i>(filled by organization audited):</i> | |
| <ul style="list-style-type: none"> Identification of damage to housing facilities in SIR Budget and timing for housing improvements Documentation of housing area improvement progress | |
| Corrective Action <i>(filled by organization audited):</i> | |
| <ul style="list-style-type: none"> The unit manager issued the decree regarding environmental health and socializes it to residents of the housing. The Civil Team monitors the condition of housing facilities and reports them to management every 6 months. | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> | |
| Auditor Verification on 20 December 2022 | |
| The company shows evidence of improvement in the form of: | |
| <ol style="list-style-type: none"> Minutes of moving the house of the civil servant who previously lived in child care to the employee's housing Minutes of afdeling socialization on November 24, 2022 for Sei Lukut Estate and November 25, 2022 for Mandau Estate, including regarding Environmental Cleanliness and Procedures for raising livestock Documentation of PKS housing repairs Identification (budget) of housing improvement for Sei Lukut Estate and Mandau Estate SIR\ housing repair documentation Road map for housing improvement in Sei Lukut Estate and Mandau Estate for the 2022 – 2023 period SEI on environmental hygiene No. 02/XI/2022 dated 09 November 2022 for Sei Lukut and No. 10/SE-1/XI/2022 for Mandau and SE Livestock regulation No. 05 | |
| Auditors' Conclusion | |
| Based on the root cause analysis, correction and corrective action, the nonconformity is declared fulfilled. | |
| Follow up on next audit <i>(filled by auditor):</i> | |
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| Verified by | Haikal Ramadhan Kharismansyah |

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| <i>NCR No.</i> | : | 2022.06 | <i>Issued by</i> | : | Sentot Adi Subandono |
| <i>Date Issued</i> | : | October 28, 2022 | <i>Time Limit</i> | : | January 26, 2023 |
| <i>NC Grade</i> | : | Major (recurring) | <i>Date of Closing</i> | : | January 2, 2023 |
| <i>Standard Ref. & Requirement</i> | : | 6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. . | | | |
| Evidence observed (filled by auditor): Use of PPE provided by the company | | | | | |

The company shows the PPE SOP with the code PR.FR.COP.OPA.APD dated 01 October 2019 which regulates, among other things, the company provides all the PPE needed by employees according to the risk hazard, procures new PPE for PPE damaged by workers, and the amount of PPE stock in Warehouses should not be less than 10% of the existing needs. This procedure also regulates the replacement of damaged PPE by submitting damaged PPE, so that employees get new PPE.

The company shows the Rinse House Work Instruction document number IK-KBN-9/1-0/13-04-2019 which shows the PPE mask sprayer is a mask with a respirator. For PKS, the company showed operational best practice Palm Oil Mill - OHS with the code MN.FR.COP.OPM.KKK on December 31 2015, it was found that the foot protectors in the PKS area were safety shoes.

The HIRACD Plantation document has also been shown which regulates, among others:

- FFB transport activities with potential hazards such as being exposed to palm thorns and *gancul* pokes with the risk of injury to the affected part, are controlled using PPE, gloves and boots.
- Spraying activities with a potential hazard of exposure to chemicals during application and mixing with risks of irritation and poisoning, risk control is carried out by using long sleeves and long pants, PPE rubber gloves, masks, aprons, face shields, and long boots.
- Fertilization activities with a potential hazard of exposure to fertilizer materials, with a risk of irritation, risk control is carried out by using PPE aprons, face shields, masks and rubber gloves.
- Harvesting activities with potential thorns/wood punctured feet, by controlling the risk of wearing boots.

Field observation results at Estate Sei Lukut:

- In the harvesting work in Block F8 Division 4, there are 3 harvesting employees with HL status (Release Daily) using PPE for gambier shoes that they bought themselves. The results of the interview revealed that 2 of them had worked for 4 months and 1 person for 1 year. 2 people who have worked for 4 months have never received PPE boots from the company. Meanwhile, for 1 other person while working, they only got boots once.
- Observation of the Sei Lukut Estate Warehouse: the only PPE stock available is safety helmets, and boots are not available.
- An Request for Purchase of Goods for PPE in Sei Lukut has been shown, for example boots on October 20, 2022. However, it is still in the process.

The results of field observations at the Sei Mandau Estate:

- When transporting FFB in Block S29 Division 2, it was discovered that the FFB transport workers were wearing sandals while working.
- During Zn fertilizer work in Block N28 Division 2, it was discovered that 2 fertilizer workers wore boots that were different from the other teams. The results of the interview revealed that the boots had been damaged for 2 weeks and 2 months, which was known to the foreman. Workers also do not use aprons.
- Circle path spraying Blok P34 Division 2: there was 1 sprayer who wore a different boot from the boots of the other spray teams. The results of the interview revealed that the boots were distributed from the last office in December 2021 and were damaged in July 2022. This damage has been reported, but no replacement has been given.
- Observation of Sei Mandau and Sei Lukut estate warehouses: there is no stock of PPE boots. Available stock is a spray mask.
- An Request for Purchase of Goods for PPE in Sei Mandau has been shown, such as boots on October 11, 2022. However, it is still in process.

The results of field observations at SIR POM are known:

- The driver for the FFB transport Division 2 Lukut with the number DT 05 wears sandals when unloading FFB in the POM sorting area.
- The CPO transport driver uses PPE sandals and without a safety helmet when checking the tank lid after filling CPO in the area within the POM.

Sanitation Facilities/Rinse houses for Workers who use pesticides

The company shows the Rinse House Work Instruction with number IK-KBN-9/1-0/13-04-2019 concerning Rinse House. The Work Instruction stipulates that spray workers must clean and store work tools in the rinse house. Also arranges PPE for spray workers, PPE cleaning and spray equipment. The work instructions do not regulate self-cleaning/bathing for workers.

Field observations at Sei Lukut Estates:

- The results of interviews with 3 spray workers in block G19 Division 3 revealed that the workers kept clean clothes in the rinse house, which they would wear after bathing.
- The results of observations of the Division 3 rinse house on the same day and time, it was found that there were no clean clothes stored in the rinse house, there was no water in the rinse house, and the storage area had not been used for a long time
- Based on observations in the Division 1 housing complex, it was found that there were 3 spray heads in the sprayer's employee's house.
- Based on observations at the water intake house, it is known that there is kep spray inside.

Field observations at Sei Mandau Estates:

- Based on interviews with 2 spray workers in block P34 Division 2 revealed that workers wash PPE and work tools and store them in the rinse house. Workers wash their faces, hands and feet at home, rinse, then go home, shower and change into clean clothes at home.
- The results of the rinse home visit revealed that there was no place to store clean clothes.

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

The CH has not been able to show sufficient evidence that all workers use the appropriate PPE provided by the company and sanitation facilities for workers who apply chemicals are properly available and used consistently.

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

1. The plantation management has not provided PPE for all field workers.
2. KTU as the PIC of procurement and monitoring of PPE stocks does not understand the PPE SOP that has been set.
3. There are no clear work instructions regarding self-cleaning and activities in the rinse house after spraying activities in the field

Correction *(filled by organization audited):*

1. The company shows the delivery of PPE to all employees in accordance with the risk identification that has been made.
2. The company shows 10% PPE stock in the estate warehouse
3. The company shows a place to store clean clothes in the rinse house.
4. Company shows rinse house work instructions.
5. The company shows proof of PPE arrival at the estate warehouse office

Corrective Action *(filled by organization audited):*

1. The Plantation GM makes a circular regarding the procurement and application of PPE at the company's location
2. The Direction Office Sustain Team conducts outreach regarding PPE SOPs
3. The estate team conducts socialization regarding activities after spraying in the field.
4. Monitoring the use of PPE and the condition of PPE.

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

Auditor Verification December 10, 2022

Auditor's Comment for Root cause analysis - December 10, 2022

1. For root cause analysis number 1: from field observations and interviews during the audit it is known that most of the backgrounds use PPE that is inappropriate/bought it themselves because the PPE provided was damaged/had not received PPE from the company. Please review again whether root cause analysis number 1 is the main root cause.
2. For root cause analysis number 2: please review whether it was due to a lack of supervision or due to the availability of PPE stock. Regarding spray, is it a spray system or is it specifically for post-spray handling?
3. For root cause analysis number 2: why was there a delay in PPE orders? Is there a minimum PPE stock monitoring mechanism? Is there a PIC regarding this

Corrective action Auditor Comment - December 10, 2022

Please corrective action in accordance with the revision of the root cause analysis, if there is a revision. Please also show proof of corrective action.

The company also shows evidence of improvement:

1. Minutes of handover of 3-unit kep spray from housing afdeling 1 to the rinse house on October 26, 2022.
2. Minutes of delivery of 1-unit kep spray from the POM water intake to the rinse house on October 26, 2022.

3. Minutes of handover of PPE as needed to 53 harvest and maintenance workers Afdeling 1 SIR Lukut on December 7, 2022.
4. Minutes of the handover of PPE as needed to 66 harvest workers and load workers Afdeling 2 SIR Lukut on December 6, 2022.
5. Minutes of the handover of PPE as needed to 55 harvest workers and load workers Afdeling 3 SIR Lukut on December 6, 2022.
6. Minutes of the handover of PPE as needed to 41 harvest workers and load workers Afdeling 4 SIR Lukut on December 6, 2022.
7. Minutes of handover of PPE as needed to 20 Lukut SIR Engineering workers on December 6, 2022.
8. Minutes of handover of PPE as needed to 49 Mandau SIR Engineering workers in November 2022.
9. Minutes of handover of PPE as needed to 10 workers of the Mandau SIR Workshop in November 2022.
10. Minutes of handover of PPE as needed to 53 Afdeling 2 workers of SIR Mandau in November 2022.
11. Minutes of handover of PPE as needed to 3 workers of the SIR Mandau warehouse in November 2022.
12. Minutes of handover of PPE as needed to 16 Afdeling 1 SIR Mandau harvesters in November 2022.
13. Minutes of handover of PPE as needed to 40 harvesters and loaders of Afdeling 3 SIR Mandau in November 2022.
14. Minutes of handover of PPE as needed to 10 Mandau SIR sprayers in November 2022.
15. Minutes of socialization of HIRAC, PPE compliance, and circular letter from plantation management to POM and Afdeling 1 – 4 SIR Lukut employees on 24 November 2022.
16. Minutes of socialization of HIRAC, PPE compliance, and circular letter from plantation management to Afdeling 1 – 3 employees of SIR Mandau dated 25 November 2022.
17. GM-approved Rinse House Work Instruction number IK-KBN-9/1-0/13-04-2019/Rev_01_2022 regulates preparations before spraying such as storing a change of clothes in the rinse house and changing into clothes and trousers. Post-spray activities are also regulated, namely cleaning PPE and work tools and washing limbs at the rinse house, changing into clean clothes and returning home in a clean condition from pesticides.
18. PPE procurement process at SIR Lukut and SIR Mandau for the period of October 2022
19. Documentation of TUS SIR Mandau house repairs by making a place for workers' clean clothes. (Applicable home use rinse)
20. Email confirmation of the use of third-party PPE transporters PT SIR – Thanks to Karimar Mandiri November 17, 2022.
21. Plantation Group Manager Circular Letter dated 10 November 2022 to Sei Lukut Staff and Employees regarding the obligation to distribute PPE to new employees, wear PPE when working, store chemist PPE in rinse houses, and sanctions for violations.
22. Plantation Group Manager Circular Letter dated 10 November 2022 to Sei Lukut Staff and Employees regarding storage of spray *kep* in rinse houses and storage of used B3 containers at TPS LB3.

Conclusion:

Evidence of improvement is acceptable. There are still Auditor's comments on the root cause analysis and corrective action, so that the non-conformity is declared unfulfilled.

Auditor Verification December 22, 2022

The company shows additional evidence of improvement, in the form of:

1. Analysis of the root of the problem, for the rinse house it is more directed to work instructions regarding the revision of the additional discussion of self-cleaning
2. Evidence of corrective action has not:
 - Demonstrate a mechanism for evaluating the understanding and application of the training provided (this is related to the root of the problem recurring because the PIC ensures sufficient stock of PPE according to company procedures and repeats). To show proof of evaluation/program evaluation of understanding and application of training related to procurement/stock of PPE.
 - The rinse house has not shown the implementation of work instructions in the rinse house
3. Dissemination of PPE needs, procurement of PPE, delivery of PPE, replacement of damaged/lost PPE, and PT SIR K3 Operator license on 9 November 2022 which was attended by managers, KTU, Assistants, and sustainability.
4. Minutes of socialization of HIRAC, PPE compliance, storage of chemist work tools, rinse house work instructions, and a circular letter from the Estate leadership dated 24 November 2022 at SIR Lukut which was attended by managers, assistants, assistants, foremen, and workers.
5. Minutes of socialization of HIRAC, PPE compliance, storage of chemist work tools, rinse house work instructions, and a circular letter from Estate leaders dated 25 November 2022 at SIR Mandau which was attended by managers, assistants, assistants, foremen, and workers.
6. Warehouse card/bin card showing PPE stock in the SIR PPE Warehouse, such as 160 harvester goggles (November 03, 2022), 20 safety helmets (December 08, 2022), 12 aprons (December 8, 2022), 190 cloth gloves (November 10 2022), 10 face shields (08 December 2022), 20 egrek gloves (13 December 2022), 10 rubber gloves (08 December 2022), 200 AP shoes (08 November

- 2022), 18 safety shoes (08 December 2022), and 12 single respirator masks (08 December 2022).
7. Monitoring the use and condition of PPE in Afdeling 1,2,3 and 4 SIR Lukut during December 2022.
 8. Monitoring the use and condition of PPE in Afdeling 1,2 and 3 SIR Mandau during December 2022.

Auditors' Conclusion:

Based on the evidence of improvement shown, the non-conformity is declared **not fulfilled**.

Auditor Verification 02 January 2023:

The company shows additional evidence of improvement, in the form of:

1. Improved root cause analysis and acceptable corrective action.
2. Effectiveness after the socialization of PPE procedures, including to the Kasie, Head Foreman, Assistant, Mill Manager, etc. on November 22, 2022 which was carried out by the Sustainability Office of the Directors. Some of the things that were evaluated included understanding PPE procurement procedures, understanding the types of PPE, and the need for PPE. It was concluded that the participants had understood this matter.
3. Documentation of the utilization of the rinse house in Afdeling 1 PT SIR – Mandau for the period December 2022.

Auditor's Conclusion 02 January 2023:

Based on the evidence of improvement shown, the discrepancy is declared to have been fulfilled and will be observed again at the next audit.

Follow up on next audit (filled by auditor):

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| Verified by Diverifikasi oleh | : | Sentot Adi Subandono |
|--|----------|-----------------------------|

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|---|---|--|------------------------|---|--------------------------|
| <i>NCR No.</i> | : | 2022.07 | <i>Issued by</i> | : | Arief Tajalli |
| <i>Date Issued</i> | : | 28 October 2022 | <i>Time Limit</i> | : | Next Surveillance |
| <i>NC Grade</i> | : | Minor | <i>Date of Closing</i> | : | |
| <i>Standard Ref. & Requirement</i> | : | 7.3.1 There is a waste management plan that is documented and implemented in accordance with applicable laws and regulations, including reduction, recycling, reuse and disposal, based on the characteristics of poisons (toxicity) and other hazards. | | | |
| <i>Evidence observed (filled by auditor):</i> | | | | | |
| <p>The SIR POM certification unit has procedures related to waste management, namely SOP number FR.CSM.OP.1 regarding waste management which has been in effect since December 30, 2018. The document explains in full regarding the management of B3 and Non-B3 waste (domestic waste, solid waste). and liquid waste) which refers to the applicable regulations. However, based on the results of field observations and interviews, some evidence is obtained as follows:</p> | | | | | |
| Hazardous Waste Management | | | | | |
| <ul style="list-style-type: none">It was found that B3 waste was stored/disposed improperly in all sample locations (Estate and Factory) for example used chemical packaging in the water intake area, used oil filters and jerry cans in the Division 3 Mandau Estate generator house area, used sacks and plastic fertilizers that scattered in several locations, and others.It was found that B3 waste was reused such as drums and used chemical jerry cans as water containers in the residential areas of Sei Lukut Estate (Division 1, 2, 3) and Mandau Estate (Division 1 and 3).There were traces of oil stored in plastic bags in the residential area and oil spills in the Division 3 generator warehouse area, Mandau Estate. | | | | | |

Domestic Waste Management

- There is a lot of garbage/domestic waste in all sample areas of Division housing, and from all the sample areas it was also found that there were waste burning activities at several points.
- The results of interviews with workers and field observations in the Division housing area obtained information that there is no sustainable form of domestic waste management, such as temporary trash bins to separate types of waste, use of landfills as waste dumping sites, and domestic waste transportation activities that are accommodated by the company.
- The results of interviews in the residential areas of Mandau Estate (Division 3) and Sei Lukut Estate (Division 1 and 3) also show that information related to domestic waste management is still quite low, such as the absence of a ban on burning waste, centralized waste disposal locations, the impact of domestic waste for the environment and health, and others.
- Sanitation and irrigation channels in residential areas are not functioning properly because there are many locations of domestic liquid waste that pool around housing areas.

Liquid Waste Management (POME)

- Based on the results of observations in the WWTP area, it shows that the flowmeter is in a damaged/not installed condition.

At the time of the Stage-2 audit, waste management was recorded as an Opportunity for Improvement (OFI) where companies were encouraged to improve the effectiveness of waste management in accordance with their waste management procedures and plans. However, based on the information above, some evidence is obtained showing that the company has not been able to implement waste management when referring to the applicable procedures and regulations, for example:

- SOP number FR.CSM.OP.1 regarding waste management, such as prohibition of reuse of chemical waste, prohibition of indiscriminate disposal of domestic waste, prohibition of burning waste, and others.
- PP RI Number 101 of 2014 concerning Management of Hazardous and Toxic Waste.
- PP RI Number 81 of 2012 concerning Management of Household Waste and Similar Waste.
- PermenLHK Number 12 of 2020 concerning Storage of Hazardous and Toxic Waste.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that it has implemented waste management as regulated in its procedures and applicable regulations.

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):
Follow up on next audit (filled by auditor):
Verified by
:

| | | | | | |
|--|----------|--|------------------------|----------|--------------------------|
| NCR No. | : | 2022.08 | Issued by | : | Arief Tajalli |
| Date Issued | : | 28 October 2022 | Time Limit | : | Next Surveillance |
| NC Grade | : | Minor | Date of Closing | : | |
| Standard Ref. & Requirement | : | 7.12.4 Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plans | | | |

| | |
|---|--|
| | <p>to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> |
| <p>Evidence observed (filled by auditor):</p> <p>The SIR POM certification unit has procedures related to the management of HCV areas, namely SOP number FR.EAC.IMM concerning Identification, Management and Monitoring of High Conservation Values which has been in effect since January 12, 2015. The document describes in full the management and protection of HCV areas which refers to applicable regulation. However, based on the results of field observations, some evidence is obtained as follows:</p> <ul style="list-style-type: none"> • In the Sungai Lukut HCV area Block H22/H23 Division 3, there are traces of chemical application (herbicide) activity in the river border area. In this regard, no evidence of socialization or training in chemical application has been shown. • Of all the river border HCV areas visited, only Sungai Lukut (Block H22/H23) and Sungai Jering (Block F14) had spray boundary markings and signboards regarding HCV locations. Meanwhile, several other easily accessible river border HCV areas such as the Lukut River (Block E24/E25) and the Ukai River (Block C19/C20) have not found any signboards or markers indicating that these areas are HCVs. • Field observations in HCV 6 Area in the form of an old tomb in Division 3 Block B5/B6 Mandau Estate showed no routine maintenance activities because the condition of the wire fence had collapsed and could endanger workers and there was no signboard marking the HCV area. <p>Based on the observation evidence, it shows that the company has not been able to implement the management of the HCV area as regulated in the procedures it has, for example the prohibition of applying chemicals to the HCV area, making clear boundary signs in the HCV area, installing notice boards, and so on.</p> <p>Non-Conformance Description (filled by auditor):</p> <p>The company has not been able to show sufficient evidence that it has implemented the management and protection of the HCV area as stipulated in the existing procedures and applicable regulations.</p> | |
| <p>Root Cause Analysis (filled by organization audited):</p> | |
| <p>Correction (filled by organization audited):</p> | |
| <p>Corrective Action (filled by organization audited):</p> | |
| <p>Assessor Evaluation and Conclusion (filled by auditor):</p> | |
| <p>Follow up on next audit (filled by auditor):</p> | |
| <p>Verified by</p> | <p>:</p> |

3.4.3. Opportunity for Improvement (OFI)

| No | Ref. Std. | Description |
|----|-----------|---|
| 1 | 6.1.5 | <p>A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>Gender committees had been formed in Sei Lukut and Sei Mandau Estates which are chaired by the head of gender committee. The structure of the gender committee consists of only female workers. Based on the interview with the representative of gender committee, they explained that female have more tendency to be the victims in any sexual harassment or violence. But still, UoC has socialized the mechanism and the platform in reporting if there were any gender issues happened in male workers which is worker union. Besides, workers also can explain the procedure if there were sexual harassment happened in male.</p> <p>Based on the description above, UoC shall ensure that the gender committee provide a platform that can handle gender issues for both women and men workers.</p> |
| 2 | 7.7.3 | <p>Peat subsidence is monitored, documented, and minimized.</p> <p>The company has been monitoring peat subsidence for the Sei Lukut and Sei Mandau plantations. From the peat inventory document, it is known that the peat area of the Sei Lukut plantation is 1,696.88 ha and Sei Mandau is 1,964.45 ha. Referring to the RSPO Peat Audit Guidance (PnC 2018), at least 1 subsidence pole is required for an area of 240 ha, so the need for Sei Lukut Plantation is ± 7 subsidence poles and ± 8 subsidence poles for Sei Mandau. Currently there are 9 subsidence poles for Sei Lukut and 6 subsidence poles for Sei Mandau. Based on this, companies are encouraged to meet the needs of peat subsidence poles in accordance with the RSPO Peat Audit Guidance (PnC 2018).</p> |
| 3 | 7.7.5 | <p>Drainability assessments are conducted for plantations planted on peat following the RSPO Drainability Assessment Procedure, or other method recognized by RSPO, (at least five years or in accordance with the provisions of the RSPO Drainability Assessment Procedure) before replanting. The results of the assessment are used to determine the period of replanting to be carried out, as well as to gradually replace oil palm cultivation for at least 40 years or two cycles, (whichever is longer), before reaching the natural gravitational drainage limit for peat. If oil palm is gradually replaced, it is replaced by other commodity crops that are better suited for higher groundwater levels (paludiculture) or rehabilitated with natural vegetation.</p> <p>The results of the basic info document study revealed that the oldest planting years were Sei Lukut plantations in 1995 and Sei Mandau in 1998. Based on the RSPO Drainability Assessment Procedure 2021, it is stated that the DA Report needs to be prepared prior to land clearing/replanting of oil palm on peat. Replanting cannot take place until the DA report has been submitted, reviewed, and approved by the RSPO. It was mentioned that given the difficulty for the company/auditor to determine the exact date of future replanting – the reference date for the initial DAP to be prepared is 15 years after the previous planting on peat which must be recorded in the company records. Based on this, companies are encouraged to undertake DA in accordance with the RSPO Drainability Assessment Procedure 2021.</p> |
| 4 | 7.7.6 | <p>All existing plantations on peat are managed according to applicable laws and/or "RSPO Guidelines for Best Management Practices (BMP) for Oil Palm Cultivation that are already on Peatlands", version 3 (June 2019) along with related audit guidelines (May 2019).</p> <p>The company has carried out piezometer monitoring for Sei Lukut and Sei Mandau Estates. From the peat inventory document, it is known that the peat area of the Sei Lukut plantation is 1,696.88 ha and Sei Mandau is 1,964.45 ha. Referring to the RSPO Peat Audit Guidance (PnC 2018), at least 1 piezometer is required for an area of 120 ha, so the need for Sei Lukut Plantation is ± 14 piezometers and ± 16 piezometers for Sei Mandau. Currently available 9 piezometers for Sei Lukut and 12 piezometers for Sei Mandau. Based on</p> |

| No | Ref. Std. | Description |
|----|-----------|---|
| | | this, companies are encouraged to meet the needs of peat subsidence poles in accordance with the RSPO Peat Audit Guidance (PnC 2018). |
| 5 | 7.12.6 | <p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>Based on the results of field observations in the employee housing area of Sei Lukut Estate (Division 1 and 3) and Mandau Estate (Division 3), information was obtained that there were workers who kept <i>Jalak Kerbau</i> and <i>Punai</i> which were indicated to be obtained from catches in the area around the company. Even though in terms of protection status, the three bird species are not included in the RTE and protection list according to PermenLH Number 106 of 2018, there is potential for hunting/catching activities for protected species. Based on this, the company has an opportunity for improvement to ensure that there is no storage and/or hunting of protected flora and fauna within the scope of its management area.</p> |

3.4.4. Noteworthy Positive Components

| No | Description |
|----|---|
| 1 | UoC's commitment in implementing the principles of sustainable palm oil management. |
| 2 | Good cooperation from the staffs and the personnel in charge during audit process. |
| 3 | Has obtained Proper "Biru" in 2021 |
| 4 | Has obtained ISPO and ISCC certificate |

3.5 Summary of Arising Issues from Public and Auditor Verification

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| Manpower Agency of Riau Interviewee: Manpower supervisor Date: 25 October 2022 <ul style="list-style-type: none"> • <i>The Occupational Health and Safety Committee (P2K3) of PT SIR has been extended for a year.</i> • <i>The Occupational Health and Safety Committee (P2K3) activity has been reported to the manpower agency of Riau in accordance with its period. Last report was submitted in September 2022.</i> • <i>The minimum wage of Riau Province is Rp. 3,020,000/month.</i> • <i>Operator licenses (SIO) was still on planning for training.</i> • <i>Boiler, genset and any electrical installation licenses has been extended in July 2022.</i> | <p>There was no negative issue that need further verification.</p> |
| Manpower Agency of Siak District Interviewee: Mediator of Industrial Relation, Date: 25 October 2022 <ul style="list-style-type: none"> • <i>PT. SIR has been registered their CLA for the period of 2021 to 2023 and signed by the head of the Manpower Agency.</i> • <i>There was no mediation request from PT SIR.</i> • <i>The minimum wage referred to the Siak District Minimum Wage. The minimum wage of Siak District is Rp. 3,144,148/month.</i> • <i>The company has provided wages to workers as stipulated in the Province Minimum Wage.</i> • <i>All workers have been registered in the Social security insurance and health insurance.</i> • <i>There was no daily worker and contract worker reported to the Manpower Agency.</i> | <p>There was no negative issue that need further verification.</p> |
| Environmental Agency of Riau Interviewee: The coordinator of environmental pollution control. Date: 25 October 2022 <ul style="list-style-type: none"> • <i>All reports regarding environmental aspects has been reported online in SIMPEL (<i>Sistem Informasi Pelaporan Elektronik Lingkungan Hidup</i>).</i> • <i>Environmental reports have been routinely reported by the company. The report was reported every semester or in accordance with UoC's procedure put in the RKL-RPL matrix.</i> • <i>UoC got PROPER "Biru" for the period of 2021. While the Proper in 2022 is still on process.</i> • <i>There was no environmental pollution issues or any potential environmental issues happened in UoC's area.</i> | <p>There was no negative issue that need further verification.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| Environmental Agency of Siak District Interviewee: Environmental Supervisor Date: 25 October 2022 <ul style="list-style-type: none"> • UoC has environmental documents which are in accordance with the provisions. • Environmental reports and monitoring plans have been routinely reported by the company. The report was reported every semester. • UoC's permit for temporary storage of hazardous and toxic waste has complied with the provisions and still valid until 2024. • Reports on the management of hazardous waste on a regular basis have been reported by the company. • UoC has reported routine liquid waste monitoring reports. • There was no environmental pollution issues or any potential environmental issues happened in UoC's area. | <p>There was no negative issue that need further verification.</p> |
| Agriculture Agency of Siak District Date: 25 October 2022 <ul style="list-style-type: none"> • There was no issues, complaints or complaints from the surrounding community or other parties regarding the negative impact of the company's operational activities. • UoC has plasma plantation partnership. • UoC's plantation grade in Mandau Estate was grade II. | <p>There was no negative issue that need further verification.</p> |
| Labor Union (SPPP) Interviewees: <ul style="list-style-type: none"> • Head of labor union (SPPP) in Sei Lukut Estate and SIR POM. • Head of labor union (SPPP) in Sei Mandau Estate. Date: 25 and 26 October 2022 <ul style="list-style-type: none"> • The company acknowledges the existence of a labor union and there was no intervention in the implementation of any operational activities. • Member of the labor union is 213 workers. The membership of labor union is voluntary. • Job vacancies were announced by UoC wall-boards and social media. • Internal meetings of labor union were held every month, while the bipartite meetings held whenever its needed. • There was a termination case for security workers in 2022. | <p>There was no negative issue that need further verification.</p> |
| Labor Union (KSBSI) Interviewees: Head of labor union (KSBSI) in Sei Lukut Estate and SIR POM. Date: 27 October 2022 <ul style="list-style-type: none"> • The company acknowledges the existence of a labor union and there was no intervention in the implementation of any operational activities. | <p>There was no negative issue that need further verification.</p> |

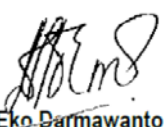

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|--|
| <ul style="list-style-type: none"> Member of the labor union is 145 workers. The membership of labor union is voluntary. Internal meetings of labor union were held whenever its needed. KSBSI established on 1 March 2022. | |
| Gender Committee Interviewees: <ul style="list-style-type: none"> Head of gender committee in Sei Lukut Estate and SIR POM. Head of gender committee in Sei Mandau Estate. Date: 25 October 2022 <ul style="list-style-type: none"> There was two complaints regarding issues related to sexual harassment and violence against women which has been solved by the gender committee. The gender committee had socialized some policies related to gender, sexual harassment, and domestic violence. Female workers who placed as pesticide application workers if they reported pregnant will be transferred to the non-agrochemical works, such as manual upkeep. UoC had given the right of maternity paid leave and period paid leave. | <p>There were no negative issues related to gender committee that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p> |
| FFB Supplier Interviewees: Sri Sudarminingsih and Kusyanto Date: 26 October 2022 <p>Based on the results of the interview, it was stated that all sources of FFB obtained came from legal and guaranteed fruit because the collector would ask for legality documents and coordinates for FFB collection as evidence that the FFB obtained came from a legal location. The company as a FFB buyer also collects data and conducts direct field verification on a regular basis to update FFB supplier data.</p> <p>The informant stated that during the 3 months of working together, the company has implemented all the agreements contained in the work contract, there has never been a delay in payment or other matters related to the cooperative relationship. The selling price of FFB is determined based on changes in CPO and PK prices which are informed directly via email and forwarded with physical documents. The company also routinely conducts socialization related to obligations, code of ethics and RSPO principles that apply within the company.</p> | <p>There are no issues that need to be verified further, all information obtained from the results of the interviews has been submitted to the relevant indicators.</p> |
| PT Pagar Negri (Contractor collaborated in labor supply of security officers) Date: 25 October 2022 <ul style="list-style-type: none"> The cooperation with PT SIR was started in April 2022. The work agreement between PT SIR and PT Pagar Negri was valid until 31 December 2022. | <p>There was no negative issue that need further verification.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---|
| <ul style="list-style-type: none"> The workers in PT SIR are 51 workers. There were no complaints related to payments or agreements. All contractor workers have been provided with PPE as well as social security facilities for BPJS Health and BPJS Employment (for workers started work in April 2022). But along the cooperation from April to October 2022, some workers were resigned. New workers who replaced the resigned, was still in registration process of health insurance and social security insurance. There were no trainings provided for contractor workers. | |
| <p>KKPA Cooperative Interviewee: Kelantan Jaya Cooperative Date: 26 October 2022</p> <p>Based on the results of the interview, it was stated that the company had carried out its obligations as stated in the MoU and had cooperated very well. The determination of a valid price referring to the determination of the Plantation Service is also applied. The company can also show the entire use of the budget used in plantation maintenance. so that all members of the cooperative can believe that the cooperation carried out takes place honestly and without injustice. The company also very regularly to informs the latest prices and makes payments.</p> <p>The informant stated that for approximately 9 years of working together, the company has carried out all the agreements contained in the work contract, there has never been a delay in payment or other matters related to the cooperative relationship. They also stated that the price distribution was quite clear and there were no complaints regarding payments, the value paid was 90% for the cooperative, and 10% for tax payments with a monthly payment system. This is in accordance with the agreement letter agreed by both parties. Currently, the Kelantan Jaya KKPA Cooperative has managed its oil palm plantations independently without any intervention from the company so that the payment for the sale of FFB is made in full without any deductions from the company. Payment discounts are made directly by the Bank as the lenders.</p> | <p>There are no issues that need to be verified further, all information obtained from the results of the interviews has been submitted to the relevant indicators.</p> |
| <p>Environmental issues from the Majelis Pimpinan Cabang Pemuda Pancasila, Pekanbaru by letter No. 004/LP/MPC-PP/PKU/VII/2022 related to "Allegations of environmental damage to watersheds by PT Surya Intisari Raya (PT SIR)"</p> <p>The auditor has carried out in-depth verification of all issues found on the grievance by letter Number 004/LP/MPC-PP/PKU/VII/2022. Based on the analysis of the outstanding issues, it can be concluded that all of these issues are related to river border management in the PT Surya Intisari Raya, especially</p> | <p>Based on the analysis of all the evidence obtained in verifying the issues, it can be concluded that the grievance is not relevant to the conditions in the field. Indeed, in actual conditions, the river border area which is an HCV area has partly been planted with oil palm, but the company continues to manage the area by</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|--|
| <p>for the riparian conservation area. The circulating issue states that the company is still planting oil palm in the river border area where this is not in accordance with applicable laws and regulations in Indonesia. Responding to this issue, direct verification was carried out to the location to obtain relevant evidence. The results from field observations, company interviews, community interviews and interviews with the Pekanbaru City Environmental Service are as follows:</p> <ul style="list-style-type: none"> • The results of the field visit to HCV Area Riparian of Pulau River (Block I22/I23, Afd 3), Ukai River (Block C19/C20, Afd 1 and Block D08/D09 Afd 2), and Lukut River (Block H22/H23, Afd 3 and Block E24/E25 afd 1). Shows that the location is indeed part of the HCV area that has already planted oil palm and is adjacent to community plantations. However, it is certain that there is no replanting activity in this area. The condition of the river border which is still forested is also maintained with a relatively tight cover with native plant vegetation which is intentionally left as a river buffer during the initial planting activities. For areas that have been planted with oil palm also show the age of the plant between 15 - 20 years. The company also carries out manual harvesting and maintenance activities in the area. The boundary markings for chemical application with red paint on the outermost trees are also clearly visible and the HCV area signboards and prohibitions on the destruction of the HCV area are also clearly visible and well maintained although they are only found in Lukut River (Block H22/H23, Afd 3) and Pulau River (Block H22/H23, Afd 3) and Pulau River (Block I22/I23, Afd 3). • The results of the field visit to Ukai River (Block C19/C20, Afd 1 and Block D08/D09 Afd 2) also show that the HCV location is still a secondary river border forest. There is no oil palm planting activity at this location. Most of the HCV area of the Ukai River border is a secondary forest area and only a small portion is an area that has already been planted with oil palm. • The location of Siak River as stated in the grievance letter is not located at the HGU of PT SIR. The results of the analysis of the company's operational map do not show any blocks in that riparian area. • An interview related to Kelabau River which is also a border area with the community showed the same results. Some areas are already areas where oil palm continues to be planted, but the management carried out is also the same, namely no application of chemicals and no replanting activities at these locations even that area is not identified as an HCV area. • Interviews with the Head of Tebing Tinggi Okura Village also stated that they knew that the river border in the company's area was a protected area and socialization had also been carried out to avoid logging, burning and hunting in this area. | <p>following the rules as stipulated in the RSPO Best Management Practice for Riparian guidelines and recommendations from the results of the HCV assessment that has been carried out. Several explanations have been described in the report Indicator 7.12.4 related to Conservation Management.</p> <p>Unit certification also has a regulation to Unit certification also has regulations to follow up on the continuation of the oil palm planting, as stated in SOP Number FR.EAC.IMM which states that oil palm replanting will not be carried out on riverbanks, and for those who have experienced late planting, maintenance will be carried out manually at a distance of 50 meters from a waterbody.</p> <p>The regulation used as a complaint material is also irrelevant, because the opening and planting of oil palm was carried out in the period 2002 - 2007, with the previous land cover condition being rubber plantations, all of which had also undergone land clearing, so that at the time the land clearing took place, the regulation had not yet been enforced.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|---|
| <ul style="list-style-type: none"> The results of an interview with the Environmental Service of Pekanbaru City also explained that no issues from NGO or community around PT SIR related to contamination to the river. The results of the interview with the company also stated that they had carried out the management of the HCV area, especially on the river border to the maximum. The company is also committed not to carry out any replanting activities in the area. The statement is contained in SOP for Identification, Management and Monitoring of High Conservation Values number FR.EAC.IMM that stated <i>"For HCV areas that are already planted with oil palm, no replanting activities will be carried out in that area. The opening activities will be carried out in the river border area and local plants will be planted, leaving 1 palm tree every 200 meters to indicate the area is the company's area."</i> The company can also show the HCV Management and Monitoring which clearly states that <i>"The left and right river areas are protected at a distance of 50 meters from water bodies by marking red at palm trees as limits for chemical application"</i> Based on field visit to Ukai and Pulai River also shows that there is no spraying of Herbicides and Pesticides at 50 m from the river bank, only manual maintenance activities are allowed. And about field visit to Lukut River that shows some area has been sprayed, that evidence already become a non-conformity in the assessment ASA-1. | |
| PT Berkat Karimar Mandiri <ul style="list-style-type: none"> Engaged in the transportation of CPO PT SIR The current contract period is January - December 2022 Never give gifts and gratuities to the company Number of employees ± 124 drivers, with a salary of ± 6 million / month, with an age range of 25 - 55 years BPJS health and health insurance are borne by PT BKM, and workers' PPE is provided by PT BKM There were no complaints while working with the company | <p>There are no negative issues related to the company.</p> |
| Tebing Tinggi Okura Village and Muara Kelantan Village <p>Communication and coordination with the community has been quite good, for example shown by the realization of social responsibility programs to the community. The nature of the program is social assistance and community empowerment. The community hopes that the presence of the company can provide job opportunities for the surrounding community, especially the Tebing Tinggi Okura Village</p> <p>So far, there have never been any issues regarding land disputes, environmental pollution or the issue of land fires.</p> | <p>There are no negative issues related to the company.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---|
| <p>Previous Land Owner (Tebing Tinggi Okura) → 2 person</p> <p>The land compensation process carried out by the company has been based on the principle of openness and the agreement of both parties. There has never been coercion during the land compensation process. The company respects the community right to want or not to give the rights they have.</p> | <p>There are no negative issues related to the company.</p> |

| | |
|------------|---|
| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY |
| 4.1 | Formal Sign-off of Assessment Findings |
| | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Surya Intisari Raya Management Representative</p>  <p><u>Eko Darmawanto</u> Monday, 23 January 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Haikal Ramadhan Kharismansyah</u> Monday, 23 January 2023</p> </div> </div> |

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

| No | Institution/ NGO/ Community | Address | Phone/ Email | Form of Communication | Date of Contact | Response | |
|----|---|---------------|--------------|-----------------------|-----------------------|----------|----|
| | | | | | | Yes | No |
| 1 | Manpower Agency of Siak District | Siak District | - | Via phone | 25 October 2022 | ✓ | |
| 2 | Manpower Agency of Riau Province | Riau Province | - | Via phone | 25 October 2022 | ✓ | |
| 3 | Environmental Agency of Siak District | Siak District | - | Via phone | 25 October 2022 | ✓ | |
| 4 | Environmental Agency of Riau Province | Riau Province | - | Via phone | 25 October 2022 | ✓ | |
| 5 | Land Agency of Siak District | Siak District | - | Via phone | 25 October 2022 | | ✓ |
| 6 | Land Agency of Riau Province | Riau Province | - | Via phone | 25 October 2022 | | ✓ |
| 7 | Agriculture Agency of Riau Province | Riau Province | - | Via phone | 25 October 2022 | | ✓ |
| 8 | Agriculture Agency of Siak District | Siak District | - | Via phone | 25 October 2022 | ✓ | |
| 9 | Gender Committee | PT SIR | - | Direct Interview | 25 to 26 October 2022 | ✓ | |
| 10 | SPPP- Labor union Sei Lukut | PT SIR | - | Direct Interview | 25 October 2022 | ✓ | |
| 11 | SPPP- Labor union Sei Mandau | PT SIR | - | Direct Interview | 26 October 2022 | ✓ | |
| 12 | KSBSI - Labor union Sei Lukut | PT SIR | - | Direct Interview | 27 October 2022 | ✓ | |
| 13 | PT Pagar Negri | Siak District | - | Via phone | 25 October 2022 | ✓ | |
| 14 | FFB Supplier | Siak District | - | Via phone | 26 October 2022 | ✓ | |
| 15 | KKPA Cooperative | Siak District | - | Via phone | 26 October 2022 | ✓ | |
| 16 | SIR POM • 1 mechanical officer • 1 warehouse officer • 1 warehouse clerk • 1 foreman in sortation • 1 worker in sterilizer • 1 operator in kernel station • 1 operator in boiler • 1 operator in engine room | PT SIR | - | Direct Interview | 24 October 2022 | ✓ | |
| 17 | Sei Lukut Estate • 3 harvesters with freelance daily status • 1 foreman and 3 workers in circle path | PT SIR | - | Direct Interview | 25 October 2022 | ✓ | |

| No | Institution/ NGO/ Community | Address | Phone/ Email | Form of Communication | Date of Contact | Response | |
|----|--|---------------|--|-----------------------|-----------------|----------|----|
| | | | | | | Yes | No |
| | <ul style="list-style-type: none"> 1 foreman and 2 manuring workers 1 foreman in EFB plantation | | | | | | |
| 18 | Sei Mandau Estate <ul style="list-style-type: none"> 1 daycare office 1 warehouse officer 1 rinse house officer 2 occupants 1 foreman and 4 manuring workers 1 foreman and 2 sprayers 1 driver and 2 FFB loaders | PT SIR | - | Direct Interview | 26 October 2022 | ✓ | |
| 19 | PT Berkat Karimar Mandiri | Siak District | - | Via phone | 26 October 2022 | ✓ | |
| 20 | Aliansi Masyarakat Adat Nusantara | Jakarta | rumahaman@cbn.net.id | Via email | 17 Oct 2022 | | ✓ |
| 21 | Wahana Lingkungan Hidup Indonesia | Jakarta | informasi@walhi.or.id | Via email | 17 Oct 2022 | | ✓ |
| 22 | World Wide Fund | Jakarta | wwf-indonesia@wwf.or.id | Via email | 17 Oct 2022 | | ✓ |
| 23 | Sawit Watch | Bogor | info@sawitwatch.or.id | Via email | 17 Oct 2022 | | ✓ |
| 24 | Tebing Tinggi Okura and Muara Kelantan Village | PT SIR | | Via phone | 26 Oct 2022 | ✓ | |
| 25 | Previous Land Owner of Tebing Tinggi Okura | PT SIR | | Via phone | 26 Oct 2022 | ✓ | |

Appendix 2. Assessment Program

| DATE | 24 – 28 October 2022 | |
|-----------------------------------|--|---------------------------|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 24 October 2022 | | |
| 07.30 – 09.15 | Jakarta (CGK) → Pekanbaru (PKU) | HRK/MRQ/ART/SAS |
| 09.30 – 12.00 | PKU – Site (Sei Lukut) | |
| 12.00 – 14.00 | Lunch break and preparing for opening meeting | |
| 14.00 – 15.00 | Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) | HRK/MRQ/ART/SAS |
| 15.00 – 16.30 | Field observation to Surya Intisari Raya POM : <ul style="list-style-type: none"> Supply chain verification (FFB receiving, weighbridge, FFB Sorting, Despatch CPO) Observation to chemical storage, hazardous waste storage, POME Pond, Emergency simulation, WWTP, etc Observation to processing activity | HRK MRQ/ART SAS |
| 16.30 – 17.00 | <ul style="list-style-type: none"> Presentation of Daily Progress Preparation of supporting documents for field visits (maps/maps/RKH, etc.) | HRK/MRQ/ART/SAS |
| Tuesday, 25 October 2022 | | |
| 08.00 – 12.00 | Public Consultation and Document Review <ul style="list-style-type: none"> Public consultation with stakeholder to relevant agency in Siak Regency and Pekanbaru city (by Phone) Interview with Gender Committee, Worker Union, Worker Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier Stakeholder consultation to affected communities surrounding the plantations and previous land owner Document Review Verification of Basic Information Mill and Estate | HRK/MRQ |
| 08.00 – 12.00 | Field observation to Sei Lukut Estate <ul style="list-style-type: none"> Implementation of legal aspect (Land Ownership, Legal Boundaries) and HCV Management Implementation of Agronomy Aspect (Harvesting & transport, Manuring, Pesticide Application, IPM, EFB Application, etc) Implementation of environment and waste management aspect (inspection to chemical storage, fertilizer storage, Hazardous Waste Storage, clinic, etc) Observation of worker facilities (housing, school, worship, clean water, etc) | ART SAS |
| 12.00 – 14.00 | Break | HRK/MRQ/ART/SAS |
| 14.00 – 17.00 | <ul style="list-style-type: none"> Document review and completing audit checklist. Continuing public consultation (If needed) | HRK/MRQ/ART/SAS |
| 16.00 – 17.00 | Presentation of Daily Progress. | HRK/MRQ/ART/SAS |
| Wednesday, 26 October 2022 | | |
| 08.00 – 12.00 | Field observation to Mandau Estate <ul style="list-style-type: none"> Implementation of legal aspect (Land Ownership, Legal Boundaries) and HCV Management Implementation of Agronomy Aspect (Harvesting & transport, Manuring, Pesticide Application, IPM, EFB Application, etc) Implementation of environment and waste management aspect (inspection to chemical storage, fertilizer storage, Hazardous Waste Storage, clinic, etc) | HRK/ART SAS |

| DATE | 24 – 28 October 2022 | |
|----------------------------------|--|-----------------|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | <ul style="list-style-type: none"> Observation of worker facilities (housing, school, worship, clean water, etc) | HRK/MRQ |
| 12.00 – 14.00 | Break | HRK/MRQ/ART/SAS |
| 14.0 – 17.00 | <ul style="list-style-type: none"> Document review and completing audit checklist. Continuing public consultation (If needed) | HRK/MRQ/ART/SAS |
| 16.30 – 17.00 | Presentation of Daily Progress. | HRK/MRQ/ART/SAS |
| Thursday, 27 October 2022 | | |
| 08.00 – 12.00 | Document review and completing audit checklist. | HRK/MRQ/ART/SAS |
| 12.00 – 14.00 | Break | HRK/MRQ/ART/SAS |
| 14.00 – 16.00 | Document review and completing audit checklist. Interview with related personels during field observation (by phone). | HRK/MRQ/ART/SAS |
| 16.00 – 17.00 | Presentation of Daily Progress. | HRK/MRQ/ART/SAS |
| Friday, 28 October 2022 | | |
| 08.00 – 09.00 | Internal Meeting Auditor Team | HRK/MRQ/ART/SAS |
| 09.00 – 11.30 | Closing Meeting (Online): <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions | HRK/MRQ/ART/SAS |
| 11.30 – 14.00 | Break/Friday Prayer | HRK/MRQ/ART/SAS |
| 13.45 – 15.30 | Pekanbaru – Jakarta | HRK/MRQ/ART/SAS |