

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organization : **Betung Palm Oil Mill, PT Laguna Mandiri subsidiary of Sime Darby Plantation Berhad**
 Plantation Name : **PT Laguna Mandiri (Sekayu Estate and Betung Estate)**
 Location : **Betung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia**
 Certificate Code : **MUTU-RSPO/035**
 Date of Certificate Issue : **01 April 2014**
 Date of Last Issue : **28 June 2019** Date of License Issue : **01 April 2023**
 Date of Certificate Expiry : **31 March 2024** Date of License Expiry : **31 March 2024**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.4	31 January to 02 February 2023	Rizliani Aprianita Hasibuan, Asystasya Aishah Silalahi, Radityo Puspanjana, Darwin Simatupang	Naila Karima	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.4	01 March 2023

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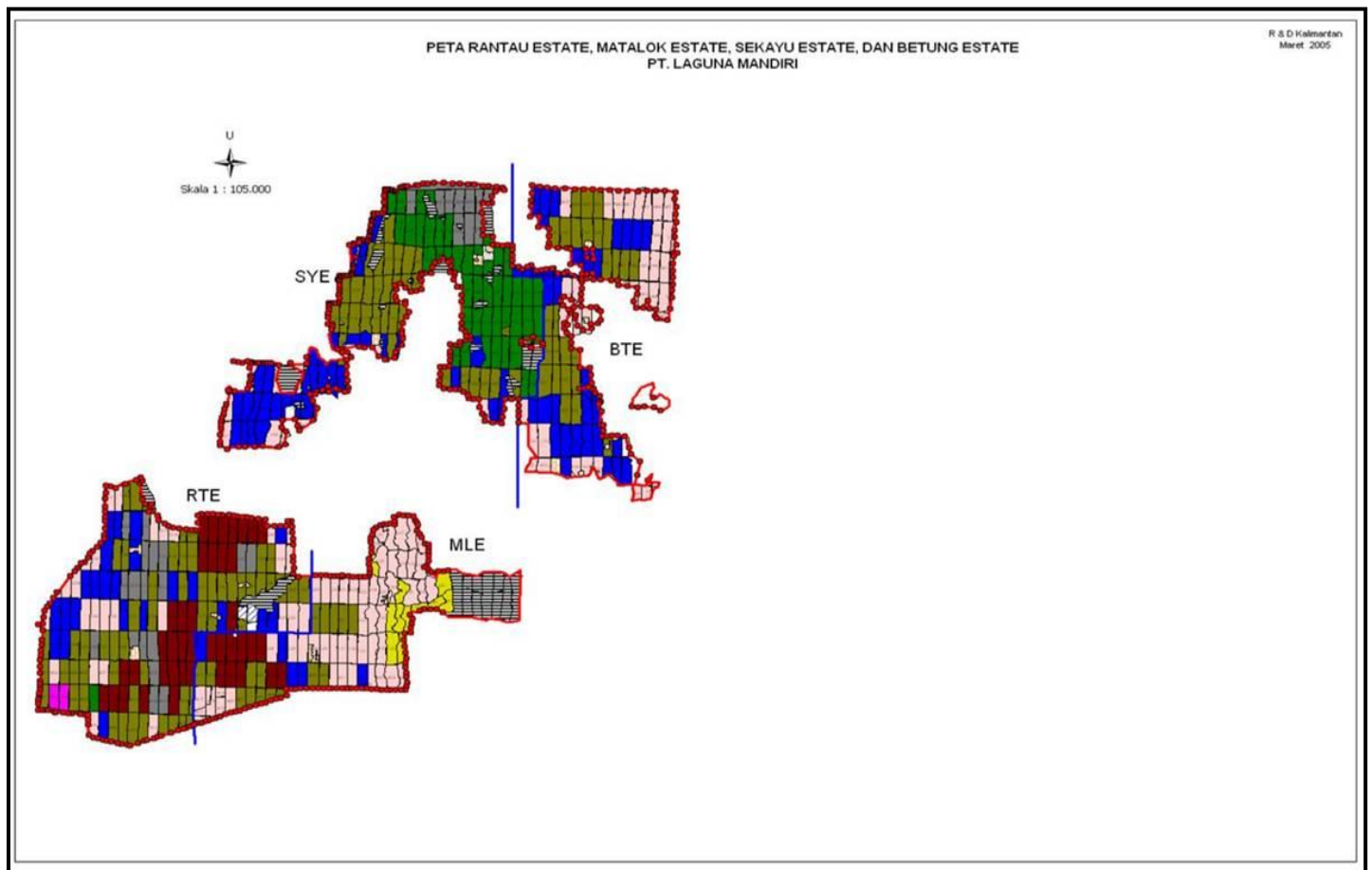
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Figure 1. Location Map of PT. Laguna Mandiri



Figure 2. Operational Map of PT. Laguna Mandiri



Abbreviations Used

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
ANDAL	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
APAR	:	<i>Alat Pemadam Api Ringan</i> (Fire Extinguishers)
ASA	:	Annual Surveillance Assessment
BJR	:	<i>Berat Janjang Rata-rata</i> (Average Bunch Weight)
BPD	:	<i>Badan Permusyawaratan Desa</i> (Village Consultative Body)
BMKG	:	<i>Badan Meteorologi, Klimatologi, dan Geofisika</i> (Meteorology Climatology and Geophysics Council)
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BTE	:	Betung Estate
BTF	:	Betung Factory
BUMDES	:	<i>Badan Usaha Milik Desa</i> (Village-Owned Enterprises)
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous and toxic materials)
CB	:	Certification Body
CECT	:	Close Ended Conservation Trenches
CH	:	Certificate Holder
CLA	:	Collective Labour Agreement
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
EM	:	Estate Manager
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
GHG	:	Green House Gas
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	Land Use Title
HIRAC	:	Hazard Identification, Risk Assessment and Control
ID	:	Identity
IDR	:	Indonesian Rupiah
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
JHT	:	<i>Jaminan Hari Tua</i> (Old Age Benefit)
JKK	:	<i>Jaminan Kecelakaan Kerja</i> (Work Accident Insurance)
JKM	:	<i>Jaminan Kematian</i> (Dead Insurance)
JKS	:	<i>Jaminan Kesehatan</i> (Health Insurance)
JP	:	<i>Jaminan Pensiun</i> (Retirement Insurance)
KER	:	Kernel Extraction Rate
KKPA	:	<i>Kredit Koperasi Primer Anggota</i> (Member Primary Cooperative Credit)
LA	:	Land Application
LMI	:	Laguna Mandiri (PT)
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheets

NC	:	Non-Conformity/ies
NCR	:	Non-Conformity/ies Report
NGO	:	Non-Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OHSE	:	Occupational Health Safety and Environment
PIC	:	Person In Charge
PK	:	Palm Kernel
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Temporary Contract)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Perusahaan</i> (Company Regulation)
PPE	:	Personal Protective Equipment
PSD	:	Plantation Service Department
PSQM	:	Plantation Sustainability Quality Management
PTSP	:	<i>Pelayanan Terpadu Satu Pintu</i> (One-Stop Integrated Services)
RaCP	:	Remediation and Compensation Procedure
RC	:	Re-Certification
RKL	:	<i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SDP	:	Sime Darby Plantation
SIA	:	Social Impact Assessment
SOP	:	Standard Operating System
SOU	:	Strategic Operational Unit
SYE	:	Sekayu Estate
TPS LB3	:	<i>Tempat Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun</i> (Hazardous Waste Temporary Store)
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none">• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th 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 Laguna Mandiri, subsidiary of Sime Darby Plantation Berhad	
1.2.2	Contact person	Alagendran A. L. Maniam	
1.2.3	Organisation address and site address	RSPO Registered Company: No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Office Tower, 36 th Floor. Jl. MH Thamrin kav. 28 – 30, Jakarta – 10350.	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	alagendran.maniam@simedarbyplantation.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head Sustainability & Quality Management)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 6 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Betung Factory, Sekayu Estate and Betung 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
	Betung Factory	Betung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 22' 43" E 116°12' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Sekayu Estate	Sekayu Baru Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 19' 34" E 116° 10' 58"
	Betung Estate	Betung Village, Pamukan Utara Sub	S 02° 21' 24" E 116° 11' 45"

	District, Kotabaru District, Kalimantan Selatan Province, Indonesia		
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	15,300.00	Ha
	• Community	-	Ha
	Total	15,300.00	Ha
	<i>Land title document of PT Laguna Mandiri Cover of 4 (four) Estates namely Rantau Estate, Matalok Estate, Sekayu Estate and Betung Estate. The scope of this certification is two estates (Sekayu Estate and Betung Estate) with total area 7,580 Ha, the rest of the area under scope of Rantau POM</i>		
1.5.2	Area Statement		
	Description	Sekayu Estate	Betung Estate
	Total Area	4,266.00	3,314.00
	Planted Area	3,226.80	2,701.67
	Mature Area	2,560.25	1,741.98
	Immature Area	666.55	959.69
	Mill, Housing and Road	47.50	157.50
	River Riparian	234.96	0
	HCV	88.88	1.43
	Reservoir riparian	25	2.48
	Reserve area	-	17.18
	Occupation / Enclave	642.86	433.74
			1,076.60
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Sekayu Estate	Betung Estate
	1995	986.21	-
	1996	431.55	262.65
	1997	147.19	448.36
	1998	-	189.12
	2007	-	133.20
	2009	-	42.00
	2016	404.74	424.33
	2017	390.52	242.32
	2018	200.04	-
	Mature	2,560.25	1,741.98
	2020	173.90	177.17
	2021	-	452.44
	2022	492.65	330.08
	Immature	666.55	959.69
	TOTAL	3,226.80	2,701.67
			5,928.47
1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	2 nd	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 (%)
	Betung Mill	45	112,989.84	23,243.39	20.57	4,613.03	4.08
	*Production data source from January – December 2022						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/ year)	Supplied to Mill	
						FFB (ton/year)	%
	Sekayu	4,266.00	2,560.25	36,531.44	14.27	36,531.44	100
	Betung	3,314.00	1,741.98	26,488.29	15.21	26,488.29	100
	TOTAL	7,580.00	4,302.23	63,019.73	14.65	63,019.73	100
	*Production data source from January – December 2022						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)		Type of Organization	number of smallholder	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	RSPO Non-Certified						
	Bumdes Sumber Makmur		Independent Outgrowers	-	-	16,020.42	
	CV. Kabahuman Jaya Abadi		Independent Outgrowers	-	-	19,927.14	
	CV Berkat Anugerah Bersama		Independent Outgrowers	-	-	7,703.65	
	CV Bumdes Umbuan Saurang		Independent Outgrowers	-	-	3,314.33	
	RSPO Certified						
	KKPA Area Sungai Cengal (LMI)		Scheme Smallholder	1,382	2,756.90	2,989.09	
	TOTAL					49,954.63	
	*Production data source from January 2022 – December 2022						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (Ton)		Last Year Actual Certified Volume (Ton)	
	FFB Processed			73,500		66,008.82	
	CPO Production			15,325		14,808.36	
	Palm Kernel (PK) Production			3,225		2,698.49	
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year (MT)			
	CSPO sold as RSPO certified product			0			
	CSPK sold as RSPO certified product			821.99			
	CSPO sold under another scheme			0			
	CSPK sold under another scheme			0			
	CSPO sold as conventional			12,658.89			
	CSPK sold as conventional			1,475.43			
1.8.3	Estimate of Certified FFB Claim						
	Name of Estates	Total Area	Production Area	FFB		Yield	

			(Ha)	(Ha)	(tones/year)	(tones/ha/year)	
	Sekayu Estate		4,266.00	2,560.25	41,000	16.01	
	Betung Estate		3,314.00	1,741.98	29,500	16.93	
	TOTAL		7,580.00	4,302.23	70,500	16.39	
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.4	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel	Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones) Extraction (%)	
	Betung	45	70,500	15,500	22.00	3,525 5.00	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9	Other Certifications						
	ISO 9001:2015			-			
	ISO 14001: 2015			-			
	ISO 45001:2018			-			
	ISCC			-			
	Others			ISPO Certificate No sgs-id-ispo-0053 valid until 28 April 2026			
1.10	Time Bound Plan						
	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	Mill	Time bound					
	INDONESIA						
1	Sekunyr. PT. Indotruba Tengah	2010	Sekunyr	2010	Seruyan and Kotawaringin Barat District, Kalimantan Tengah Province	Certified	
			Seruyan	2010		Certified	
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District, Riau Province	Certified	
			Manggala 2	2010		Certified	
			Manggala 3	2010		Certified	
3	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District, Kalimantan Barat Province	Certified	
			West (HGU on process)	2023		-	
			East	2010		Certified	
			East (HGU on process)	2023		-	
			East Plasma	2010		Certified	
			West Plasma	2010		Certified	
			Sei Mawang	2023		-	
4	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Siak District, Riau Province	Certified	
			Pinang Sebatang	2011		Certified	
			Aneka Persada	2011		Certified	

5	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District, Sumatera Selatan Province	Certified
			Sungai Pinang (HGU on process)	2023		-
			Bukit Pinang	2012		Certified
			Bukit Pinang (HGU on process)	2023		-
6	Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and Kotawaringin Timur District, Kalimantan Tengah Province	Certified
			Kawan Batu	2011		Certified
			Hatan Tiring	2011		Certified
			Batang Garing	2011		Certified
7	Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District, Riau Province	Certified
8	Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indragiri Hilir District, Riau Province	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indragiri Hilir District, Riau Province	Certified
			Rotan Semelur	2011		Certified
10	Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District, Kalimantan Selatan Province	Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
			KKPA-4 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Mustika	2013	Tanah Bumbu District, Kalimantan Selatan Province	Certified
			KKPA-2 PT.SHE	2013		Certified
			KKPA-3 PT.SHE	2013		Certified
			KKPA-5 PT.SHE	2013		Certified
			SAP 1	2023		-
12	Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District, Kalimantan Selatan Province	Certified
			Gunung Kemas	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
			KKPA BSS	2023		-
13	Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District, Kalimantan Selatan Province	Certified
			Bakau	2011		Certified
			Sungai Cengal	2011		Certified
14	Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and Kotawaringin Timur District, Kalimantan Tengah Province	Certified
			Sapiri	2011		Certified
			Barasdanum	2011		Certified

			Kuala Kuayan	2011		Certified
15	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District, Kalimantan Selatan Province	Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
			Sesulung	2012		Certified
16	Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District, Kalimantan Selatan Province	Certified
			Matalok	2012		Certified
			KKPA Sungai Cengal (1,382 SH)	2014		Certified
			Selabak (PT SAA)	2012		Certified
			Randi (PT SAA)	2012		Certified
			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012		Certified
17	Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District, , Kalimantan Selatan Province	Certified
			Sekayu	2012		Certified
18	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District, Sulawesi Tengah Province	Certified
19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District, Jambi Province	Certified
			Ladang Panjang (HGU on process)	2023		-
20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District, Sumatera Selatan Province	Certified
			Rantau Panjang (HGU on process)	2023		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified
			Napal (HGU on process)	2023		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2023		-
			Sungai Jernih	2023		-
			GPI KKPA	2023		-
21	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and Aceh Timur District, Province Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	Lembiru. PT Sandika Nata	2014	Lembiru	2014	Ketapang District, Kalimantan Barat	Certified
			Awatan	2014		Certified

	Palma		Karya Palma	2023	Province	-
			KKPA SNP	2023		-
			Pelanjau (PT BAL)	2019		Certified
			Sungai Putih (PT BAL)	2023		-
			Beturus (PT BAL)	2023		-
			KKPA BAL	2023		-
MALAYSIA						
1	Sg Dingin SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
			Padang Buluh	2010		Certified
			Bukit Selangor	2010		Certified
			Sg Dingin	2010		Certified
			Jentayu	2010		Certified
			Anak Kuli	2010		Certified
			Somme	2010		Certified
2	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpang	2011		Certified
			Tali Ayer	2011		Certified
3	Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
4	Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
			Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
5	Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
			Sabrang	2011		Certified
			Sg Wangi	2011		Certified
			Sogomana (Main Division)	2011		Certified
6	Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
			Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
			Bikam	2011		Certified
			Clumy	2011		Certified
7	Tennamaram	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified

	SOU 6		Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
			Bkt Cherakah	2011		Certified
			Bkt Rajah	2011		Certified
			Bkt Lagong	2011		Certified
			Elmina	2011		Certified
9	East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified
			Sepang	2010		Certified
10	West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
11	Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
12	Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
13	Jabor - SOU 12	2011	Jabor	2011	Kemaman, Trengganu	Certified
14	Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified
			Bradwall	2011		Certified
15	Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
16	Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
			Sengkang	2014		Certified
			Siliau	2014		Certified
			PD Lukut	2014		Certified
			Sungai Baru	2014		Certified
			Tampin Linggi	2014		Certified
17	Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
			Kok Foh	2011		Certified
			Muar River	2011		Certified
			St. Helier	2011		Certified
			Pertang	2011		Certified
			Sg Gemas	2011		Certified

			Sg Sebalang	2011		Certified
			Sg Senarut	2011		Certified
18	Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
			Kemuning	2010		Certified
			Tangkah	2010		Certified
19	Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
			Diamond Jubilee	2011		Certified
			Serkam	2011		Certified
20	Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified
			Welch	2014		Certified
21	Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified
22	Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
23	Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
24	Ulu Remis SOU 23	2011	Pekan	2011	Layang-layang, Johor	Certified
			Sembrong	2011		Certified
			Tun Dr. Ismail	2011		Certified
			Ulu Remis	2011		Certified
			Bukit Badak	2011		Certified
			Cenas	2011		Certified
25	Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
26	Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
			Tunku	2008		Certified
			Tigowis	2008		Certified
			Sentosa	2008		Certified
			Saguliud	2008		Certified

27	Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
28	Binuang SOU 28	2009	Tingkeyu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified
			Binuang	2009		Certified
29	Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
30	Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified
31	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
32	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
33	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
	P & G (New Britain Palm Oil)					
1	Poliamba	2012	Kara	2012	Kevieng, New Ireland Province, P&G	Certified
			West Coast	2012		Certified
			Nalik	2012		Certified
			Noatsi	2012		Certified
			Madak	2012		Certified
			North (Smallholders)	2012		Certified

			South (Smallholders)	2012		Certified
			West (Smallholders)	2012		Certified
2	Tetere	2011	Tetere	2011	Gudaicanal, Slomon Island	Certified
			Ngalimbiu	2011		Certified
			Mbalisuna	2011		Certified
			West Zone (Smallholders)	2011		Certified
			Central Zone (Smallholders)	2011		Certified
			MBA East (Smallholders)	2011		Certified
			MBA West (Smallholders)	2011		Certified
3	Sangara, Sambiripa & Mamba	2013	Sangara	2013	Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013		Certified
			Ambogo	2013		Certified
			Embi	2013		Certified
			Mamba	2013		Certified
			Sorovi (smallholders)	2013		Certified
			Igora (smallholders)	2013		Certified
			Saiho (smallholders)	2013		Certified
			Aeka (smallholders)	2013		Certified
			Ilimo (smallholders)	2013		Certified
4	Gusap	2010	Dumpu	2010	Madang, P&G	Certified
			Surinam	2010		Certified
			Jephcott	2010		Certified
			Gusap	2010		Certified
			Paddox	2010		Certified
			Ngaru	2010		Certified
			Madang VOP (smallholders)	2010		Certified
			Morobe VOP (smallholders)	2010		Certified
5	Hagita	2013	Giligili	2013	Milne Bay, P&G	Certified
			Hagita	2013		Certified
			Waigani	2013		Certified
			Sagarai	2013		Certified
			Padipadi	2013		Certified
			Mariawatte	2013		Certified
			East Gurney	2013		Certified

			West Gurney	2013		Certified
			East Sagarai	2013		Certified
			West Sagarai	2013		Certified
6	Mosa Kumbango Kapiura Namumdo Waraston	2008	Bebere	2008	West New Britain	Certified
			Kumbango	2008		Certified
			Togulo	2008		Certified
			Dami	2008		Certified
			Waisisi	2008		Certified
			Kautu	2008		Certified
			Karaus	2008		Certified
			Moroa	2008		Certified
			Bilomi	2008		Certified
			Loata	2008		Certified
			Haella	2008		Certified
			Garu	2008		Certified
			Daliavu	2008		Certified
			Sapuri	2008		Certified
			Malilimi	2008		Certified
			Rigula	2008		Certified
			Nomundo	2008		Certified
			Navarai / Karato ME	2008		Certified
			Volupai . Lotomgam / Natupi / Goruru	2008		Certified
			Lolokoru	2008		Certified
			Silovoti	2008		Certified
			LSS Hoskin (1,877 Smallholders)	2008		Certified
			VOP East (1,815 Smallholders)	2008		Certified
			VOP Central (1,958 Smallholders)	2008		Certified
			VOP West (1,277 Smallholders)Kaulo ng / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008		Certified
			LSS Kapiura (847 Smallholders)	2008		Certified
			VOP Kapiura (551 Smallholders)	2008		Certified

	<p><i>*TBP in June 2022.</i></p> <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 10 in P&G. There is change of time bound plan, with detail:</p> <ol style="list-style-type: none"> 1. Uncertified area in PT Sime Indo Agro: postpone become 2023 due to HGU process. 2. Uncertified area in PT Bina Sains Cemerlang: postpone become 2023 due to HGU process. 3. Uncertified area in PT Bahari Gembira Ria: postpone become 2023 due to HGU process. 4. Uncertified area in PT Budidaya Agro Lestari: postpone become 2023 due to HGU process. 5. For Liberia operations: As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI). https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard
	PT LMI have a cooperation with smallholder namely KKPA Sungai Cengal and its has been certified under Rantau POM

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.4	<p>1. Rizliani Aprianita Hasibuan (Lead Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering legal, social aspect, health and safety aspect, worker welfare, waste management aspect etc. In this audit, she assigned to verify worker welfare, OHS, transparency and social aspects.</p> <p>2. Asystasha Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified legal, land dispute, and SCCS aspect.</p> <p>3. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMTI, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. In this audit he is responsible for assessing the aspects of Environment, HCV, Social, and GHG Aspects.</p> <p>4. Darwin Simatupang (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture, majoring in Soil Science and Land Resource from IPB University. Has one year experience as agronomist in palm oil plantation company. Training has been attended including Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of ISO 9001: 2015, Awareness ISO 17021: 2015, Awareness ISO 17065: 2012, Awareness ISO 14001: 2015, Awareness ISO 45001: 2018, Awareness ISO 19011: 2018. During this assessment has verified Best Management Practices and Occupational Health and Safety 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 1.4	<p>Number of auditors: 3 auditor and 1 auditor trainee</p> <p>Number of days for Onsite Assessment at site: 3 days</p> <p>Number of working days for Onsite Assessment at site : 9 Working days</p>
2.2.2	Assessment Process
ASA 1.4	<p>The assessment was conducted by measuring the sufficiency of implementation done by the PT Jaya Mandiri Sukses to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.

Some opportunities for improvement of the results **ASA-1.4** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**RC**).

Improvement of findings from **ASA-1.2 & ASA-1.3** findings were observed by auditors at this **ASA-1.4** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.4**.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA 1.4	<p>The sampling location consider the issue arise 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:</p> <p>Betung POM</p> <ul style="list-style-type: none"> • Sterilizer Station. Observations and interviews related work procedure, safety aspect, worker welfare and complaint mechanism. • Engine Room. Observations and interviews related work procedure, safety aspect, worker welfare and complaint mechanism. • Boiler Station. Observations and interviews related work procedure, safety aspect, worker welfare etc and complaint mechanism. • Press Station. Observations and interviews related work procedure, safety aspect, worker welfare etc and complaint mechanism. • Clarification Station. Observations and interviews related work procedure, safety aspect, worker welfare etc and complaint mechanism. • Nut & Kernel Station. Observations and interviews related work procedure, safety aspect, worker welfare and complaint mechanism. • Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. • WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. • Land application, Block H34 Betung estate. Observation for waste water management and nutrient cycle strategy • WWTP. Field observations related to Ban to entry to WWTP, run off, testing of effluent. • Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. • Security post. Observation and Interview related to work procedure, emergency response, worker welfare,

OHS implementation and supply chain aspect.

- **Weighbridge station.** Observation and Interview related to supply chain aspect and worker welfare.
- **Grading station.** Observation and Interview related to work procedure, emergency response, worker welfare, and OHS implementation.
- **CPO despatch station.** Observation and Interview related to work procedure, worker welfare, OHS implementation and supply chain aspect.
- **Workshop.** Observation and interview to store keeper related to OHS, waste management and worker welfare aspect

Betung Estate

- **Harvesting activity, Div III Block J10.** Observation and interview with workers related to Procedure implementation, OHS implementation, workers welfare, wages and complaint mechanism.
- **Spraying activity, Div II Block E33.** Observation and interview with workers related to Procedure implementation, OHS implementation, workers welfare, chemical handling and complaint mechanism.
- **Manuring activity, Div II Block F15.** Observation and interview with workers related to Procedure implementation OSH implementation, workers welfare, wages and complaint mechanism
- **Fire monitoring tower, Div II Block D41.** Observation related OHS implementation and monitoring fire.
- **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage hazardous material, Health safety and labor management.
- **Chemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
- **Fire Fighting Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker.
- **Body shower of spraying team and mixing area.** Observation the conditions body shower room and PPE handling.
- **HGU stakes and land demarcation No. 17, No. 22 and No. 21.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV Walen River Riparian Area and planting year 2022 Block E35.** Observation the implementation of management in HCV of riparian area.
- **Central housing complex.** Observation and interview regarding facilities and infrastructure housing area.
- **Daycare.** Observations and interviews with workers related to Employment aspects
- **Clinic.** Observation dan interview related to emergency response, medical facility, work accident, waste management and medical checkup

Sekayu Estate

- **Harvesting activity, Div IV Block H11.** Observation and interview with workers related to Procedure implementation, OHS implementation, workers welfare, wages and complaint mechanism.
- **Spraying activity, Div II Block E14.** Observation and interview with workers related to Procedure implementation, OHS implementation, workers welfare, chemical handling and complaint mechanism.
- **Manuring activity, Div III Block D08.** Observation and interview with workers related to Procedure implementation OSH implementation, workers welfare, wages and complaint mechanism
- **Upkeep Road activity, Div II Block F13.** Observation and interview with workers related to Procedure implementation OSH implementation, workers welfare, wages and complaint mechanism.
- **HGU stakes and land demarcation No. 11, No. 16, No. 19 and No. 13.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV Kulum River Riparian Area and planting year 2022 Block D16 division.** Observation the implementation of management in HCV of riparian area.

	<ul style="list-style-type: none"> • Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management. • Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. • Fire Fighting Equipment Storage. Simulation the function of fire extinguishers and team readiness. • Body shower of spraying team and mixing area. Observation the conditions body shower room and PPE handling. • Housing complex Division 3 & 4. Observation and interview regarding facilities and infrastructure housing area. • Daycare. Observations and interviews with workers related to Employment aspects
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA 1.4	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Laguna Mandiri was held by:</p> <ul style="list-style-type: none"> • Public Notification on website PT Mutuagung Lestari • Public consultation with NGOs (by email) such as WALHI, WWF, and Sawit Watch January 24, 2023 • Public consultation by phone with government institution 31 January – 1 February 2023. • Public consultation meeting with communities on 1 February 2023. • Public consultation meeting with internal stakeholders and contractor 31 January – 1 February 2023. <p>Numbers of input from stakeholders were clarified by PT Laguna Mandiri</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (RC-2) will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Betung POM – PT Laguna Mandiri subsidiary of Sime Darby Plantation Berhad** operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there was two (2) Nonconformity were assigned against Minor/Non-Critical Compliance Indicators and six (6) opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Betung POM – PT Laguna Mandiri subsidiary of Sime Darby Plantation Berhad complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.

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 The list of publicly accessible document was available in the SOP of Request of Information and Response dated 20 January 2015. The procedure explained that the provision of information to the public can be done through direct visits to the field or review the documentation at the headquarters or representatives. Response to an information request within 10 days of receipt of the request for such information. In the document, the list of accessible information covers relevant legal, social, and environmental aspects related to sustainability. These documents include land certificates, OHS plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessment, and human rights policy.		
1.1.2 The company has also reported several mandatory reports to relevant stakeholders, for example: <ul style="list-style-type: none"> The latest report of the use and utilization of HGU for 2021 which was submitted to the Kotabaru District Land Office dated 5 January 2022 The latest report on the progress of the plantation business for the first semester of 2022 which was submitted to the Plantation Agency of the Kotabaru District on 25 July 2022. Those documents are provided in appropriate language. Based on explanation above, company has provide information in appropriate language and accessible to relevant stakeholders.		
1.1.3 The company records requests for information from stakeholders in documents of Incoming and Outgoing Letters of External		

Stakeholders. The book informs about the date of the incoming letter, subject matter, and the date of the letter's response. Based on the review of these documents, incoming letters from stakeholders related to requests for assistance or invitation letter. Then, the company shows examples of responses to incoming mail, for example:

- Incoming letter from Betung Village regarding assistance for heavy vehicle dated May 20, 2022. The company showed a letter of approval for the application submitted on May 20, 2022.
- Incoming letter from Pamukan Utara Subdistrict regarding assistance for lawn mower dated 25 July 2022. The company showed a letter of approval for the application submitted on 6 August 2022.

1.1.4

Company has communication procedure number 10/LMI-B/SOP/K/2017 revised 01, dated 12 July 2017. It's including all internal & external communication activities related EHS & RSPO. The PSD or Manager was responsible for gathering information, receiving and inviting invitations and communication, holding meetings and communication with outside agencies. This procedure has socialized to the workers and contractors dated 14 April 2022. Based on interview with representative of Balaimea Village it is known that stakeholders know the communication and consultation mechanism of PT LMI. Based on explanation above, this indicate that the procedure of consultation and communication has explained to all relevant stakeholders.

1.1.5

PT Laguna Mandiri already has a stakeholder list for 2022, which contains the names, positions, and telephone numbers of the local Sub District, Village Head, Sub-Village Head, Police, BPJS Health Facilities, Government Agencies of Kotabaru District, NGOs, educational institutions, Suppliers, Contractors, and internal stakeholders. Auditor checks by calling the numbers recorded in the document, from the results of checking that the phone numbers are in accordance with the existing list.

Status: Comply

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

1.2.1

The unit of certification is committed to integrity and ethical behavior in all operational activities. This commitment is stated in the Code of Business Ethics which refers to the August 2020 edition of Sime Darby Plantation's Code of Business Conduct Handbook. The policy states that the management unit develops business ethics by taking into account the expectations of the certification unit and stakeholders on how to enforce ethics including monitoring, reporting, and sanctions for violations of the code of ethics. In addition, the policy also explains the work ethic that regulates individual basic attitudes and individual behavior inside and outside the certification unit, including respecting human rights, non-discrimination, absence of harassment/violence/criminalism, prohibiting the use or trading of drugs/illegal substances, pay attention to the environment, occupational safety and health, and protect the privacy/confidentiality of personal data. The code of business ethics policy also explains the prevention of bribery and corruption. It states that the Sime Darby Plantation group will not tolerate bribery and corruption practices, and is committed to being professional, fair and full of integrity in all business dealings and relationships wherever the Group operates, and implementing and enforcing effective systems to fight bribery and corruption. The Sime Darby Plantation Group has also adopted a No-Gift Policy and prohibits any form or use of corporate hospitality to influence business decisions

Company has shown socialization related Code of Business Ethics. For example, socialization on November, 12 2022 which was attended by 70 participants

The results of interviews with stakeholders such as workers and contractors (such as CV Berkah Lintas Pamukan), obtained information that the company has provided socialization related to the company's ethical policies.

1.2.2

The system to monitor compliance with ethical policies is carried out through internal audit and monitoring complaints. From the results of the verification of the complaint document and interview with stakeholders known that there were no complaints related to violations of ethical behavior.

In addition, the company also routinely conducts internal audits every year covering aspects of the RSPO including ethical behavior. The RSPO internal audit conducted on 9 – 11 January 2023. And from the results of the internal audit conducted, there is no indication of a violation of ethical behavior.

Status: Comply
PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS
2.1
There is compliance with all applicable local, national and ratified international laws and regulations.
2.1.1

During onsite audit the unit of certification can presented the compliance towards relevant laws and regulations as follows:

Environment Aspect

PT LMI has the environment impact analysis document which covers the environment impact analysis (AMDAL) document, environment management plan document and environment monitoring plan document for study scope such as:

- Estate areas: company has environment impact assessment document which approved by the Agribusiness Board of Department of Agriculture through approval letter No. 008/ANDAL/BA/II/1995 dated February 27th 1995. The EIA has carried out by PT Anima Rekayasa Perkasa. Maximum capacity of mill is 60 ton FFB/hours.
- Betung Factory: Betung Factory is a second mill in PT LMI and has the environment impact assessment document (ANDAL, RKL & RPL) that had approved by the peer review committee and technical team of environment impact assessment/environment management plan and environment monitoring plan in Kotabaru District No. 660/22/BLHD-AMDAL on August 20th 2010. The document has carried out by Faculty of Forestry, Lambung Mangkurat University in Kalimantan Selatan. Scope of assessment was 20 ha area with capacity of 60 MT FFB/hours. Approval of the assessment is presented in approval letter of Kotabaru District No.188.45/293/KUM/2010.
- The company has a land application permit issued by the Kotabaru Regent / Head of the Investment Service and One Stop Integrated Services according to Decree number 503/0735/IPAL-P-DPMPTSP/2020 on 8 September 2020 which is valid for 5 years.
- Temporary storage permit for PT Laguna Mandiri hazardous waste (Betung POM accordance with the decision of the Kotabaru Regent number 503/0735/PSLB3-P-DPMPTSP/2020 dated September 8, 2020.

Compliance with Worker Welfare Regulations:

Determination of wages that apply at PT LMI – Betung Factory based on the Decree of the Governor of Kalimantan Selatan Province No. 188.44/0757/KUM/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Kalimantan Selatan Province for 2022. As for the applicable minimum wage (2022) for Kotabaru District is Rp. 3,048,796.89

Legal Aspect

PT LMI area located in other land uses area which originated from the country forest that released by Ministry of Forestry No No. 07/Kpts-II/1995 dated 05 January 1995 covering 16,852 ha for plantation development of PT Laguna Mandiri. However, based on the Decree of the Minister of Environment and Forestry Number: SK.01/MENLHK/SETJEN/KUM.1/1/2022 concerning Revocation of Forest Area Concession Business Permit (attached). PT LMI is included in the Appendix III List of the List of Forestry Concession Permits/Companies that are subject to evaluation.

In this regard, the company has submitted a clarification to the government through a letter from the Director No. 040/LMI/UM/PSD/II/2022 dated 24 January, 2022 regarding the Letter of Request for Clarification on SK.01/MENLHK/SETJEN/KUM.1/1/ 2022 concerning Revocation of PT LMI Forest Area Concession which is addressed to the Director General of Forestry Planning and Environmental and Forestry Planning (KLHK) related to clarification of the Letter of the Director General of Forestry Planning and Environmental Management Number S.110/PKTL/KUH/PLA.2/I/2022 dated January 11, 2022 Regarding the notification of the Decree of the Minister of Environment and Forestry concerning the Evaluation of the Forest Area Concession Permit of PT Laguna Mandiri in accordance with Appendix III to the Decree of the Minister of Environment and Forestry Number SK.01/MENLHK/SETJEN/KUM.1/1/2022 dated January 5, 2022, in The letter explained that:

1. PT LMI has obtained the Decree for the Release of Forest Areas No. 07/Kpts-II/1995 it was explained that the area included in the forest area was 16,852 Ha.
2. From the Decree on the release of Forest covering an area of 16,852 Ha, currently HGU has an area of 6,601,657 ha based on the Decree of the State Minister of Agrarian Affairs 138/HGU/BPN/1997, covering 14,950 Ha

The letter also explained that PT LMI would like to request an explanation from the Director General of Planology, KLHK regarding

the background of the license revocation as referred to in SK LHK No 01/2022 and the implications for the status of forest areas that have been issued HGUs and have been managed in accordance with the applicable laws and regulations. The letter was also copied to the Minister of Environment and Forestry and the Secretary General of the Ministry of Environment and Forestry.

Compliance on BMP's and OHS Aspect

The company has the opportunity to implement the fulfillment of licensed operators as stated in the 2023 Training Plan and ensure the implementation of licensed operator training in accordance with the results of communication between the management unit and OHS training body. **OFI**

2.1.2

To ensure compliance to regulations, company has Policy 701/TQEM-ESH/10. This document explaining personnel who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses.

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO with the last update in January 2023. For example regulation for minimum wage year 2023 governor decree number 188.44/084/KUM 2022. To ensure compliance with the certification unit and third-party laws in the certification unit, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last Internal Audit for RSPO period 2023 has conducted on January 9-11, 2023. There are 2 nonconformity, namely for indicators 7.3.2 and 7.10.1 and have been comply on 16 January 2023.

2.1.3

In order to implement the management of operational boundaries, the company also shows records of monitoring and management of HGU boundary markers and its condition. The auditor done field observations at poles in Sekayu Estate (BPN No. 11, 16, 19, 13) and Betung Estate (BPN No. 17, 22, 21) it was known that the poles were in the company's HGU and bordered on community land. The HGU boundaries are maintained and clearly visible and no indications of cases of boundary violations or excess planting. The auditor did not find any indication of investment outside the rights that have been granted to the company. Based on the results of consultations with representatives of the people of Balimea Village, information was obtained that there were no indications of cases of boundary violations or excess planting.

	Status: Comply	
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2.2

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

2.2.1; 2.2.2; and 2.2.3

The company already has a list of contractors included in the stakeholder list. The list of contractors includes all third parties working with PT LMI such as hazardous waste transporter, contractors for CPO & PK, heavy equipment rental and others. The list of stakeholders informs the name of the agency, contact name, field of cooperation and contact number.

The company has shown examples of agreement with third parties that have contained clauses regarding legal compliance obligations, such as:

- Agreement Letter for loose fruit picker (CV Risa Jaya) No. 024/SYE/SPK-LKL/IX/2022-kutib brondolan dated 1 September 2022.
- Agreement Letter for heavy equipment rental (CV Bengkel Baja Karya) No. 020/SYE/SPK-LKL/VII/2022-sewa grader dated 28 June 2022.

In the agreements have been explained about obligation to compliance with regulation, such as :

- Workers must be provide with PPE
- Workers must be enrolled in the Employment and Health BPJS program
- The contractor is obliged to comply with applicable labor laws
- Do not employ underage children or illegal workers and workers who are the result of human trafficking
- And others

The unit certification evidence of compliance with regulations by third parties, for example heavy equipment rental (CV Bengkel Baja Karya) which has 3 workers, including:

- Fulfilment of the worker's age, for example with the initials ZD who is over 18 years old
- Work agreement letter between contractor workers and contractors dated July 1, 2022 with initial ZD
- Wage document of contractor workers that has been above the minimum wage
- Evidence of payment for BPJS Employment for October which was paid on October 4, 2022.

The company also shows the contractor evaluation record for 2023 which informs the name of the contractor, compliance with regulations such as agreement with workers, BPJS for employment, BPJS Health, wages and others. For example, for cooperation with PT Jaya Mulia Bintang Borneo, which informs that compliance with regulations by contractors has been fulfilled.

Based on interview with contractor (such as CV Berkah Lintas Pamukan), known that unit certification has socialized about obligation to comply with regulation. In addition, based on interview also known that contractor has paid wages based on minimum wage regulation and has involved employees in BPJS program.

Status: Comply

2.3

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

2.3.1 & 2.3.2

Based on list of FFB supplier, it is known that POM received FFB from direct and indirect sources, such as KKPA LMI as direct supplier and from FFB Agent (for example CV Kabahaman Jaya, CV Bumdes Umbuan Saurang) as indirect supplier. The list of FFB supplier has informed about coordinates of agent/collector location and company also showed the example of land legality of FFB supplier. Company showed the location of KKPA LMI and it also already obtained RSPO certificate.

Company also showed the example of land legality of indirect FFB supplier. For example for Bumdes Umbuan Saurang are

- Legal documents: Business Identification Number No 0207010213202
- Address: Bumdes Umbuan Saurang, Mataluk, Kel. Bepara, Kec. Pamukan Utara, Kab. Kotabaru, Prov. Kalimantan Selatan.
- Number of Supplier: 127 suppliers
- Farms Area: 308.07 Ha
- Detail location, Legal Document, geolocation for farmer, ie:
 - a. Farmer name: Padli
 - b. Farm Area: 1.94 Ha
 - c. Planting Year: 2014
 - d. Ownership Document: Land register certificate
 - e. Coordinate: 116° 11' 9,680" E and 2° 23' 16,888" S

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

PT Laguna Mandiri has a 5-year projection from 2023 - 2027. This projection contains FFB production, processed FFB (including plans to purchase external FFB), OER and KER, production of CPO and PK, and replanting program. The company also has projected operational budgets for plantations and mill, for example:

No.	Item	2023	2024	2025	2026	2027
1	FFB production (MT)	107,157	116,329	143,623	177,306	211,359
2	OER (%)	21.22	21.36	21.46	21.81	22.00
3	KER (%)	4.25	4.19	4.20	4.25	4.30
4	CPO production (MT)	55,716	62,816	77,333	94,015	107,589

5	PK production (MT)	11,148	12,332	15,128	18,332	21,035
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The company's annual report is available in the Minutes of Management Review Meeting, dated August 12, 2023 which informs the discussion on the achievement of annual performance from monthly estate production and others. Evaluation of the achievement of the current year's budget has been carried out at the end of each year, as a material consideration in the preparation of the next year's budget.

3.1.2

The company's replanting program is planned to start in 2017 to 2026 with the consideration that FFB production is starting to decline, harvesting difficulties and harvester output tend to decrease. In 2023, the company plans a replanting program covering 1,564 ha. Based on the results of interviews with the management unit, it is known that until now the replanting program is still being carried out in stages. Meanwhile, the slowdown in program activities is influenced by the potential for production and prices which are still considered quite competitive. Furthermore, based on the results of field visits in the replanting area, it was found that all activities were carried out mechanically and there was no burning activity.

3.1.3

Management review towards plantation and operational activities had consistently conducted by the unit of certification periodically, as presented in several documents, for example as follows:

- Monthly Mill Manager Report.
- Monthly Estate Manager Report.
- Minutes of Management Review Meeting, dated August 12, 2023.
- Internal Audit Operation period semester 1 2022. The audit is conducted on June 1-6, 2022.
- Sustainability Internal Audit Report for RSPO period 2023. The audit is conducted on January 9-11, 2023. Based on the results of the internal audit, there is two non-conformity and the non-conformity has been fulfilled before external audit.

Status: Comply

3.2

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

3.2.1

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

Best Management Practice and OHS Aspect

- CH does not use chemicals with the active ingredient paraquat.
- Use of graber machine for transporting FFB in the field.

The company has taken actions for continuous improvement in environmental aspects, for example:

- Has made efficient use of fossil fuels by using renewable fuels, namely shells and fiber) as boiler fuel.
- Conducting surface water quality testing and monitoring wells every 6 months.
- Conduct air quality and emission testing every 6 months.

3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the record of work accidents. Based on team auditor's review, the information has been matched with others document, such as supply chain record, demographic workers, etc. Regarding the follow-up of OFI at previous assessment, the management unit can show the metric template document during the audit activity.

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

	Status: Comply
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3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1 and 3.3.2

The CH has plantation operational procedures from land clearing to FFB harvesting listed in the Agronomy Manual with number 110/EST-ARM/13 dated September 1, 2013. In addition, The CH also has mill operational procedures from the process of receiving FFB to palm oil and kernel storing listed in the palm oil mill technical guidelines dated 30 April 2007. The procedure was signed by the Head of Plantation Upstream Indonesia Minamas and was distributed on September 16, 2013 to all Division Heads/Department Heads and all heads of plantation and mill units.

The CH also has a system to ensure consistency regarding the implementation of the procedures listed in the Sustainable Plantation Management Guideline with document number 724/TQEM-SPMS/09 dated August 27, 2010. The procedures explained regarding the implementation of internal audit, external audit, management evaluation, evaluation level, evaluation responses and revised procedures. Officers who carry out audit and evaluation have competencies as expected by the CH. It was further explained that the CH has a copy of the procedures available at each unit office and documented in Indonesian.

The certificate holder has FFB suppliers, namely: *Badan Usaha Milik Desa Sumber Makmur* and *Badan Usaha Milik Desa Pondok Labu Jaya*. Internal control conducted by the certificate holder by sorting FFB each supplier. The certificate holder will conduct an evaluation with FFB suppliers related to FFB quality at the end of each month.

Based on interviews with estate and mill workers found that workers could explain the workflows that were determined according to CH procedures. It was further explained that procedures related to operations in general had been disseminated to all workers in accordance with their respective fields of work. Based on field observations in the estate for harvesting and spraying activities were found that workers could demonstrate work methods in accordance with procedures. Meanwhile, mill employees such as WTP operators can explain their duties and responsibilities in accordance with work procedures.

3.3.3

The company routinely evaluates management plans through internal and external audits. The company in this case shows the results of operational audit for estate and mills which was carried out on June 1-6, 2022. The objects being audited include:

- Cash and bank including payroll.
- Stores and purchases.
- Upkeep and manuring.
- Crop and produce.
- Environmental, safety and health.

All the results of the audit have been carried out with corrective efforts complemented by preventive measures so that similar incidents do not happen again in the future.

	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

PT LMI (Betung Estate and Sekayu Estate) has an Environmental Impact Analysis document consisting of:

Estate

Estate Area already has an Environmental Impact Analysis Document (ANDAL) which has been approved by the Agribusiness Agency, Ministry of Agriculture through Approval Letter No. 008 / ANDAL / BA / II / 1995, dated February 27, 1995, which was compiled by PT. ANIMA REKAYASA PERKASA, Jakarta. For the location of PT. Laguna Mandiri, PT. Langgeng Muara makmur, PT. Paripurna Swakarsa and PT. Swadaya Andika. While the capacity of each factory is a maximum of 60 tons of FFB / hour. The scope of PT LMI

is 21,400 ha.

In the document, there is an RKL-RPL matrix outlining environmental management and monitoring plans for plantations at PT Laguna Mandiri and PT Langgeng Muara Makmur and Mill at PT PSA, Laguna Mandiri, Langgeng Muara Makmur and Swadaya Andika. From the results of the AMDAL Document Analysis, it explains the main issues at PT LMI, including:

- Decrease in the quality of river water from Sengkok River
- Erosion and degradation of soil quality
- Disruption of wildlife and loss of protected flora
- Social unrest.

Betung POM; already has an AMDAL document in accordance with the Kotabaru Regent Ratification Letter No. 188.45 / 293 / KUM / 2010 concerning Environmental Feasibility of Activities to Build Oil Palm Processing Factory in Pamukan Utara Subdistrict, Kotabaru District, Kalimantan Selatan Province By PT. LAGUNA MANDIRI. From the results of the AMDAL Document Analysis, identifying significant impacts are as follows:

- | | |
|------------------------------------|------------------------------|
| • Socialization | • Transport |
| • Land acquisition and acquisition | • Processing of crops |
| • Employment | • Waste handling |
| • Cleaning factory land | • Handling of Labor |
| • Factory construction | • Community safety and order |
| • Harvesting | • Public health |

From sharing environmental and social impact monitoring at the PT LMI and KKPA plantations, that the social and economic conditions of the community have a positive impact, especially in increasing employment, increasing community income, and increasing business opportunities carried out in the surrounding community.

The company has a social impact assessment document for the scope of PT LMI that was carried out in 2010 by YASBI (Indonesian Sustainable Palm Oil Foundation). The social impact assessment discusses people's livelihoods, educational facilities, economy (local community economy, opening opportunities to become company partners), social and cultural aspects of the community, etc.

As a follow-up to the results of the identification of social impacts that have been carried out, the company shown a social management and monitoring program evaluation and review by internal was compiled on 2021, the monitoring of social impacts carried out are:

- Community income regarding the existence of plantations
- Public opinion implemented by the company program
- Livelihood before and after plantation
- Changes in people's income before and after there is a company
- Community views on the continuation of plantations and KKPA.
- Increasing employment and piecework from the community.
- Significant impact of replanting activities
- The public's view of the existence of the company and cooperative full managed in triggering other economic improvements, such as the trade and community business sectors.
- Complaints and health of employees and the public.

Base on document verification the social management and monitoring program evaluation and review year 2022 environmental and social impact monitoring at the PT LMI, that the social and economic conditions of the community have a positive impact, especially in increasing employment, increasing community income and increasing business opportunities carried out in the surrounding community.

3.4.2

Social impact assessment

As a form of social management, the company has developed / compiled by involving independent parties in conducting social impact

assessments related to the company's operational activities. In the social study, the affected villages were Betung Village, Bakau Village, Balaemea Village, Bepara Village, and Sekayu Village. The social impact assessment was first carried out in January 2010 by the Indonesian Sustainable Coconut Foundation as a follow-up to the results of the assessment, there are several recommendations / matrices for social impact management and monitoring plans, including:

- Transparency
- Plasma KKPA
- Overlapping land

As one of the efforts to improve and pay attention to the latest situation from 2022 the company carried out an SIA review which was carried out on December 20 2022, where this was due to the dynamic social situation. The results of the SIA review for impacts that are managed and monitored include:

- Replanting activities.
- Improving the community's economy from plantation and factory activities.
- Improvement of labor education and health from plantation and factory activities.
- Maintenance of local wisdom

The company also shows the SIA Planning and Monitoring matrix for 2021/2022 (compiled on 8 June 2022), such as:

- Health services.
- Educationn
- Community assistance.
- Community empowerment around the plantation
- Infrastructure development.

In an effort to follow up on the 2010 SIA review recommendations, the company has developed a social management and monitoring plan for 2022, but in the process of preparing the document it was discovered that:

- External stakeholders involved in preparing social management and monitoring plans are still limited to several affected stakeholders, for example Bepara Village, Balaimea Village, Sekayu Village, Betung Village, Sekayu Baru Village and foreman I, have not paid attention to parties who are broadly affected, for example the representatives of indigenous peoples, the government, plasma farmers, the users of water resources around, and the cultivators / enclaves. The meeting was held on 16 December 2022.
- Internal stakeholders have not been directly involved in the management plan and social monitoring.
- Stakeholder internal belum secara langsung dilibatkan dalam rencana kelola dan pantau social.
- There is no synergy between the SIA review and the SIA Planning and Monitoring matrix.

So that with the limited number of parties involved in preparing the social management and monitoring plan, there are several issues that have not been identified that have been monitored and managed in a comprehensive and integrated manner, for example:

- Issue regarding horn beetle attack from the impact of replanting activities (information from Environmental agency and Betung Village)
- Employee housing facilities.

Environmental Aspect

Meanwhile, the environmental aspects are explained in the RKL-RPL documents for semesters 1 and 2 of 2022. Based on these documents, the impacts that have been managed and monitored are:

- Air Quality
- Soil Fertility.
- Water management.
- Soil fertility
- Air quality and noise
- River water quality
- Waste

- Flora and fauna
- Land Fire
- Social problems.
- Community and employee income
- Public health
- Aquatic biota
- Transportation / vehicles
- Oil palm replanting

The plan for managing and monitoring environmental and social impacts has not been developed in a participatory manner by involving all stakeholders who are widely affected so that there are several social issues that have not been identified that have been monitored and managed in a comprehensive and integrated manner. **This is indicator become Nonconformity number 2023.01.**

3.4.3

Environmental Impact Assessment (EIA)

The company has implemented an environmental management and monitoring plan for the semester 1 and 2 of 2022. Based on document verification, it is known that the implementation of the environmental management and monitoring plan is in accordance with the directions of the environmental documents it has.

The company has evidence of the results of interviews with the public, test results, and supporting evidence that have been included in the environmental document implementation documents for semesters 1 and 2 of 2022 for both PT LMI.

The last evaluation for environmental monitoring/management plans have been developed on July 2022 and as the feedback of review, the company has included land fire monitoring, land applications and hazardous waste on semester 2 the year 2022 monitoring report.

Social Impact Assessment (SIA)

The social management and monitoring plan is implemented, monitored and updated periodically in a participatory manner. In general, the social management plan of PT LMI is work programs from companies that are grouped into the social community, strengthening stakeholders, social culture and employment. The planned program is derived from the results of the Focus Group Discussions, socialization and review of SIA Programs conducted on 8 June 2022. The surrounding villages which were attended by 36 people. activities that have been carried out in villages around company (already explain in 3.4.1 and 3.4.2).

Based on the results of interviews with internal and external stakeholders, information was obtained that there were any negative issues for both environmental and social impacts there is of the replanting, has been explained on the indicator 3.4.2.

3.4.2	Status: NCR number 2023.01 with minor category
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3.5

A system for managing human resources is in place.

3.5.1

The company has an employee acceptance mechanism in the SOP No. PT LMI-IX.C.A.1 SOP/RSPO dated 28 January 2012 and temporary employee recruitment No. SOP SOP/SPO-PKWT/2016 dated 2 September 2016. These procedures generally state that requests for employee needs must be based on the approval of the Estate/Mill Manager. Recruitment of employees is based on file selection, employees must complete photocopies of ID cards, family cards, curriculum vitae and others.

In addition, the CLA of 2022-2024 also explains the human resource management system, such as:

- Acceptance of workers
- Assessment of workers
- Promotion
- Termination of employment due to violations

- Termination of employment due to retirement
- And others.

The system regarding human resources system available to their workers and representatives. The human resources system also in accordance with applicable regulations as well as for retirement and termination of employment has been described in company regulations

3.5.2

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

Unit Certification has shown a record of the implementation of employment procedures, for example:

Recruitment

Recruitment documentation with the initials HTM such as job application letters, results of health checks, ID cards, diplomas, Family card and others. Company shown temporary agreement letter (PKWT) for an estate unit with initial HTM No.36/SYE-PKWT/X/2022 dated Ocyober,1 2022.

Promotion

Approval of promotion of workers from temporary worker with initial AS dated 1 July 2022. Promotion documentation has been shown such as MCU results, assessments results etc.

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

Status: Comply

3.6

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

3.6.1

The company can show the results of the risk identification document and its implementation plan for all Estate and Mill, Hazard Identification, Risk Assessment and Control (HIRAC) for the period of January-December 2022. The HIRAC has covers all working activities on the mill and estates. The analysis has covers risk hazard identification, sources of hazard risk, frequency (routine, non-routine, emergency), potential risk identification (sources and impacts), control management, risk analysis of severity level and value level. Based on interview with management representatives known that the compliance of product application requirements presented in MSDS and HIRAC document. For example, based on field observation towards pesticide applicator at Sekayu dan Betung Estate, known that respirator used by applicators were in accordance with MSDS and HIRAC requirement. Regarding the follow-up of OFI at previous assessment, The company has identified potential hazards and included in the HIRAC documents regarding the dangers of barbed wire and being exposed to electricity in offices or housing. However, for both issue mitigation has been carried out by the company in example, for barbed wire just located in specific in example office area and warehouse area with the purpose is to security aspect, furthermore for electricity in office there are sign regarding potential injuries or damaged for example danger of electrocution or fire due to short circuit

The implementation of identification of hazard sources and risk assessment can be seen in OHS warnings, appeals for the use of PPE in estate and mill as well as appeals for occupational safety and health at every morning meeting.

Based on site observation at boiler and engine room in Betung POM, harvesting in Division III Block J10 and interrow spraying activity in Division II Block E33 Betung Estate it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reducing the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

3.6.2

The company can show evidence that it has carried out monitoring of the effectiveness of OHS to handle OHS risks in people including the following:

- The company can show records of OHS COMMITTEE meetings of all Estate and Mill units which are held once a month (more explanation in indicator 6.7.1)
- Medical Check Up (more explanation for special medical checkup in indicator 7.2.10).
- The company shows records of monitoring the condition of facilities and infrastructure for dealing with estate and mill emergencies.
- Identification of areas with potential emergency hazards such as fire prone area, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every months.

Based on field observation at Betung & Sekayu Estate, the company has the opportunity to ensure the implementation of the use of PPE and ensure that the condition of the fertilizer warehouse building in the residential area of Division IV Sekayu Estate is in accordance with the established HIRAC documents. **OFI**

	Status: Comply	
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3.7

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

3.7.1

The company showed the Training Program for each unit in 2022/2023 that cover all aspects of the P&C RSPO. Based on interview with management, known that the training also covers parties who need training such as staff, workers, smallholder and contractors. As for sustainability and HR department are responsible for the development of the training program scheduling and implementation of training. The training program document informs type of training, plan / timetable and attendance. The 2022/2023 training programs such as:

- Harvesting training
- Manuring training
- Spraying training
- Firefighting emergency response training
- First aid training
- Electrical OHS training
- LSU training
- Integrated pest control training
- And others.

3.7.2.

The company already has training records, such as:

- Fire emergency response training on 25 June 2022 was attended by 15 participants
- Harvesting training on 4 January 2023 was attended by 18 participants
- Integrated pest control training on 23 January 2023 attended by 10 participants
- Manuring training on January 9 2023 was attended by 14 participants
- First aid training on 26 December 2022 was attended by 27 participants

As for some training records where appropriate on an individual basis

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

3.7.3

Certificate holder showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, and related stakeholders. The training of SCCS had been conducted on 31 March 2022 for security, weighbridge, grading, analysis and CPO dispatch operator. Based on interview with weighbridge operator and security, it is known that operator already understand the supply chain of Betung POM. Weighbridge operator and security can explain the source of FFB which is from certified and uncertified source.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1, 3.8.2

Based on document review of FFB Supplier List, Betung POM received FFB from certified and uncertified source. Thus, PT LMI applies the MB module.

3.8.3

Below is last year projected certified volume that submit in palmtrace, actual production of certified volume during licensed period and also projection certified volume for next 12 months. The projection certified volume is estimated based on last year production and it will be reported to palmtrace.

Product	Last Year Projected Certified Volume + Ext.Vol (Ton)	Actual production from Jan – Dec 2022 (Ton)	Projection certified volume (Ton) (12 months)
FFB	73,500	66,008.82	70,500
CPO	15,325	13,619.94	15,500
PK	3,225	2,698.48	3,525

Based on table above, there is overproduction of FFB and CSPO. This is caused by the period of actual production is longer than the license production. The last year certified volume start from August 2022, however the actual production is taken from Jan – Dec 2022. If the actual production is calculated from March 2022, then there is no overproduction of certified product.

The actual production from August - December 2022 is:

FFB: 31,175.72 MT

CSPO: 6,427.74 MT

CSPK: 1,272.13 MT

3.8.4

The Mill have been registered in RSPO IT platform for license period (31 July 2022 – 31 March 2023), with license id CB103585, RSPO member id: RSPO_PO1000001380, member name: PT Laguna Mandiri.

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

3.8.5

Betung Factory has procedure for SCCS with MB or IP model in SOP Manual RSPO SCSS (SCCS-Std/RSPO/PSQM/02, Revision 2, March 2021) which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The procedures have explained related to the duties and responsibilities of each part. The manager has the highest authority to approve this manual which is integrated with the policy (policy). Policies and procedures written and / or referenced in this document must be followed in order to achieve, maintain and ensure the quality of products produced by unit management, and meet customer requirements. Department of PSQM are responsible to conduct internal audit annually for SCCS and the Marketing Dept are responsible to validate the supplier/buyer and reporting/announce all the transaction to RSPO IT Platform.

3.8.6

Internal Audit procedure has been included on Internal Audit Procedure (No. SCCS-IA/RSPO/PSQM/04) which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Internal audit conducted by PSQM Department.

The latest audit of SCCS is conducted on 9 – 11 January 2023, based on internal audit there 2 nonconformities against RSPO SCCS Standard. The nonconformities has been closed when external audit conducted. Company also has conducted management review on 12 January 2023.

3.8.7

Betung POM record FFB received from certified and noncertified source for 12 months (January – December 2022), below is the details:

Month	FFB Certified (ton)	FFB Un-certified (ton)
January 2022	4,980.40	1,356.37
February 2022	4,738.54	1,994.00
March 2022	4,988.53	3,006.52
April 2022	4,734.90	4,140.18
May 2022	5,379.00	5,203.99
June 2022	5,058.46	6,514.73
July 2022	4,953.27	4,955.00
August 2022	6,049.76	4,869.47
September 2022	5,984.30	3,818.35
October 2022	6,767.16	3,673.52
November 2022	5,854.87	3,898.47
December 2022	6,519.63	3,534.94
Total	66,008.82	46,965.54

There is overproduction of FFB. This is caused by the period of actual production is longer than the license production. The last year certified volume started from March 2022, however the actual production is taken from November 2021 – October 2022. If the actual production is calculated from March 2022, then there is no overproduction of certified product.

The actual production from March - October 2022 is:

FFB: 31,175.72 MT

Company also has mechanism for handling FFB and/or nonconforming documents which contained in SOP SCCS No. SCCS-Std/RSPO/PSQM/02, Revision 2, March 2021.

3.8.8

Based on document verification it is known that there's CSPK and CSPO transaction on licenses period. The company shows documentation of certified products, such delivery order and buyer contract. These documents describe the names and contacts of the buyers and sellers, delivery dates, product descriptions, quality, quantity, member ID, and others. For examples: weighbridge ticket No. 021285 about product selling of CSPK to KCP Rantau on 29 June 2022. This document informs about name and address of seller and buyer, product descriptions, quality, quantity, member ID, RSPO certificate number, unique identification number, etc.

3.8.9, 3.8.10, 3.8.11

Based on interview with management and document review of stakeholder list, it is known that certified product transportation is handled by third party. For example company showed the agreement with CV Ratu Intan as CSPK transporter and To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to ensure the purity of certified product delivered during the distribution, as well as the willingness to be observed by Certification Body to verify the compliance.

Based on the stakeholder list, there are 4 PK transporters including 2 new PK transporters, namely CV Senja Mutiara Selatan, CV Berkah Lintah, CV Ratu Intan, Koperasi Bina Swadaya Karya. The list of stakeholders has provided the name of the person in charge of the contractor, address and telephone number of the contractor. Therefore, Company has the opportunity to inform the list of

certified product handling contractors before carrying out audit activities. (OFI)

3.8.12

During assessment, Betung POM has record of all CSPO and CSPK, as well as presented in the table bellows:

Crude Palm Oil

Month	CPO Production (MT)		CPO Delivery (MT)		
	Certified	Uncertified	Certified	Other Scheme	Noncertified
Opening stock	1,188.43	235.19			
Jan 22	1,071.95	291.94	0	0	1,101.95
Feb 22	1,006.15	423.39	0	0	1,262.84
Mar 22	1,035.78	624.25	0	0	1,815.80
Subtotal 1Q	3,113.89	1,339.58	0	0	4,180.59
Apr 22	980.57	857.40	0	0	1,202.49
May 22	1,108.49	1,072.43	0	0	999.65
Jun 22	1,025.04	1,320.14	0	0	1,501.81
Subtotal 2Q	3,114.10	3,249.97	0	0	3,703.95
Jul 22	964.21	964.55	0	0	1,806.34
Aug 22	1,211.82	975.40	0	0	2,808.93
Sept 22	1,195.74	762.95	0	0	3,511.81
Subtotal 3Q	3,371.77	2,702.90	0	0	8,127.08
Oct 22	1,391.78	755.52	0	0	2,304.66
Nov 22	1,216.01	809.68	0	0	300.55
Dec 22	1,412.39	765.80	0	0	3,900.70
Subtotal 4Q	4,020.18	2,331.00	0	0	6,505.91
Total	14,808.36	9,858.64	0	0	22,517.53

Based on table above, it is known that the CPO is sold as noncertified. The CSPO sold as conventional has been removed from palm trace.

Kernel Palm Oil

Month	PK Production (MT)		PK Delivery (MT)		
	Certified	Uncertified	Certified	Other Scheme	Noncertified
Opening stock	14.71	387.49			
Jan 22	209.36	57.02	139.18	0	0
Feb 22	193.38	81.38	337.47	0	0
Mar 22	207.48	125.04	0	0	423.17
Subtotal 1Q	624.93	650.93	476.65	0	423.17
Apr 22	197.14	172.37	0	0	319.82
May 22	216.98	209.92	186.99	0	0
Jun 22	203.11	261.59	158.35	0	0

Subtotal 2Q	617.23	643.88	345.34	0	319.82
Jul 22	198.92	198.98	0	0	644.29
Aug 22	249.55	200.87	0	0	355.26
Sept 22	240.45	153.42	0	0	299.21
Subtotal 3Q	688.92	553.27	0	0	1298.76
Oct 22	274.50	149.01	0	0	335.54
Nov 22	240.18	159.92	0	0	683.80
Dec 22	267.44	145.01	0	0	716.36
Subtotal 4Q	782.12	453.94	0	0	1735.7
Total	2,713.20	2,302.02	821.99	0	3,777.45

Based on table above, it is known that there is CSPK sold as conventional. The CSPK sold as conventional has been removed from palm trace

3.8.13, 3.8.14

The OER and KER is made based on actual production of CPO and FFB processed. Based on production data from November 2021 – October 2022, the OER is 20.57% and KER 4.08%. The extraction rate is updated periodically every month based on actual production of CPO and PK and also FFB processed.

3.8.15

Based on interview and FFB receipt record verification, Betung POM has applied MB module.

3.8.16

Shipping announcement

Company has made shipping announcement not more than 3 months after dispatch. For example Shipping announcement No. TR-3401dfd7-e73e for CSPK MB for amount 158.35 MT created on 27 September 2022. This shipment has been shipped from 29 June 2022 – 22 August 2022 based on weighbridge ticket showed to auditor.

Removed stock

Company has removed its certified stock for other scheme and conventional scheme. For example during license periode, CSPO has been removed as amount as 9,821.25 MT.

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 policies regarding human rights described in the Sime Darby human rights charters February 2017 that's described respect the rights of their employees, workers in their operations and communities through the commitments which include, but are not limited to providing equal opportunities, respecting freedom of association, eradicating any form of exploitation, ensuring favourable working conditions, enhancing safety and health, respecting community rights and the rights of indigenous people, protecting the rights of vulnerable people, protecting the rights of children, eliminating violence and sexual harassment. Furthermore, the policy regarding prohibiting retaliation against Human Rights Defenders (HRDs) ruled in the Code of Business Conduct (February 2022) Which described The Group does not tolerate retaliation against individual who discloses any actual or suspected violations in good faith. The spokes did not suffer harassment, retaliation, or adverse employment consequence for speaking up or cooperating in an

investigation.

The company has conducted socialization related to company policies. For example, the company shows documentation of socialization related to RSPO, company Policy, Code of Business Conduct including Human Rights and others on April 8, 2022 and on August 10, 2022 to workers.

Based on interviews with employees and contractor (such as CV Berkah Lintas Pamukan), it can be concluded that they understand human rights policies. Based on interview with stakeholder such as government agency, community around, representatives of labor union, and workers known that there is no indication of human rights violation.

4.1.2

The results of interviews with stakeholders such as government agencies, representatives of surrounding villages, labor union, representatives of the gender committee and the results of field observations, it is known that there is no use of mercenaries or paramilitaries in the company. From the results of the interview, it was also informed that there were no issues related to human rights violations in the company.

Status: Comply

4.2

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

4.2.1

The unit of certification has a mutually agreed system that is open to all parties which is listed in the complaint handling procedure as follows:

- CLA for the period 2022 – 2024 which has been ratified by the Head of the Manpower and Transmigration Office of Kotabaru District. The procedure explains that complaints from workers can be submitted orally/in writing to their superiors or through the labor union.
- SOP for Grievance Handling Mechanism for all parties and community No. 01/MPK-OU/XII/21 on December 1, 2021. The procedure explains that the unit of certification provides an overview of information regarding the submission of complaints to stakeholders (internal and external).

The above procedure has explained the person in charge of receiving and resolving complaints (external and internal officials including HRD), response period, confidentiality of the reporter and the reporter, so that further complaint handling can be carried out at the tripartite level (mediation and settlement by the government). Procedures are available in Indonesian and if there is a complaint for which a resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System.

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. The results of interviews with contractor (such as CV Berkah Lintas Pamukan) and representatives of surrounding villages (such as Sekayu dan Balimea Village) indicated that the village and contractors had understood the grievance mechanism.

4.2.2

The certification unit has established a system for handling complaints for all affected parties which is documented in the SOP of Grievance Handling Mechanism. There are additional provisions regarding the implementation of communication and consultation procedures to stakeholders, where the socialization of this procedure is carried out by displaying the procedure in writing or by showing pictures so that it can be understood by stakeholders who cannot read and write. The procedure states that all complaints must be registered in the Complaint Form in clear and easy to understand language. All complaint forms will be collected and registered monthly into the Grievance Register Book. Certification unit will respond to each complaint within 14 days from the date the complaint request was received.

4.2.3

The unit of certification has a mutually agreed system that is open to all parties which is listed in the complaint handling procedure as follows:

- CLA for the period 2022 – 2024 which has been ratified by the Head of the Manpower and Transmigration Office of Kotabaru

District. The procedure explains that complaints from workers can be submitted orally/in writing to their superiors or through the labor union.

- SOP for Grievance Handling Mechanism for all parties and community No. 01/MPK-OU/XII/21 on December 1, 2021. The procedure explains that the unit of certification provides an overview of information regarding the submission of complaints to stakeholders (internal and external).

The above procedure has explained the person in charge of receiving and resolving complaints (external and internal officials including HRD), response period, confidentiality of the reporter and the reporter, so that further complaint handling can be carried out at the tripartite level (mediation and settlement by the government). Procedures are available in Indonesian and if there is a complaint for which a resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System. In addition, the procedure also explains that the company guarantees the security and confidentiality of the whistleblower.

The company showed documentation of worker complaints, such as:

- Complaint dated 20 July 2022 related to roof damage of the house and has been responded to 20 July 2022
- Complaint dated 16 September 2022 related to pipeline damage and has been responded to 16 September 2022.

The company also shows documentation of external complaints that have occurred. The last complaint was submitted in 2021 regarding replanting issues on May 31, 2021. This complaint was followed up by holding a meeting on June 2, 2021. The conclusion at the meeting was that the company is ready to help if there is an oryctes pest attack in the community due to replanting activities. The company has also shown examples of documentary evidence of providing assistance for pest control on 4 and 5 June 2021.

Based on the results of verification of the logbook for recording incoming mail which also confirms external complaints, it is known that there is no information/recording of complaints related to the impact of replanting from the community. However, the company has been able to show documentation of incoming letters and their follow-up. In addition, in the internal complaint logbook it is known that several complaints do not yet contain information on the response date of incoming complaints. However, from a sample of internal complaints submitted to the company, the company has been able to show documentation of responses to incoming internal complaints. Related to this, the company has the opportunity to ensure the recording of complaints (internal and external) and their responses (OFI).

In addition, the results of interviews with representatives of labor unions obtained information that no complaints from workers to the company. Workers' complaints have been responded to by the company and there are no complaints that have not been resolved. As for the complaint from workers such as housing maintenance. In addition, from the results of interviews with surrounding villages (such as Sekayu dan Balimea Village), contractors (such as CV Berkah Lintas Pamukan) and related agencies, it is known that there were no complaints to the company

4.2.4

Unit certification has SOP for Grievance Handling Mechanism for all parties and community No. 01/MPK-OU/XII/21 on December 1, 2021. The procedure explains that the unit of certification provides an overview of information regarding the submission of complaints to stakeholders (internal and external).

The above procedure has explained the person in charge of receiving and resolving complaints (external and internal officials including HRD), response period, confidentiality of the reporter and the reporter, so that further complaint handling can be carried out at the tripartite level (mediation and settlement by the government). Procedures are available in Indonesian and if there is a complaint for which a resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System. In addition, the procedure also explains that the company guarantees the security and confidentiality of the whistleblower.

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. The results of interviews with contractors (such as CV Berkah Lintas Pamukan) and head of village around indicated that the village and contractors had understood the grievance mechanism.

Status: Comply

4.3

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

4.3.1

Company has conducted contribution to local sustainable development during 2022, for example:

- Teachers honor in Vocational High School and Bebunga Junior High School on 26 February 2022
- Road maintenance by lending grader and compact in Pamukan Utara Subdistrict on 29 September 2022
- Partnership with FFB supplier from surrounding village during 2022
- Etc

Based on interview with representative of Balaimea and Sekayu village, it is known that the company had provided CSR assistance to the surrounding community in accordance with the identification needs. Company also showed the documentation of public consultation with surrounding village regarding social contribution.

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, 4.4.3

There has been no change in the total area managed by the company since the previous surveillance, here's the detail:

• **Land Use Title**

The company has had the land rights in the form of Land Use Title (HGU) for an area of 15,300 hectares which consist of 10 certificates. 1 certificate valid until 2032 and 9 certificate valid until 2039.

• **Plantation Business Permit**

The company has an IUP according to Kotabaru Regent Decree No. 188.45 / 390 / KUM / 2009 dated October 15, 2009 with an area of 15,300 ha and a plant capacity of 60 tons of FFB / hour. The area of HGU & IUP covers the Rantau, Matalok, Sekayu and Betung plantation areas. For the scope of this certificate (PKS Betung) only covers 2 Estate namely Sekayu Estate and Betung Estate with a total area of 7,580 ha.

The total land cultivation permits belong to all concession of PT LMI which consist of four (4) estate namely Rantau Estate, Matalok Estate, Sekayu Estate and Betung Estate. The scope of this certification is two estates (Sekayu Estate and betung Estate) with total area 7,580 Ha, the rest of the area under scope of Rantau POM.

Based on the HGU Decree and interview with management, the process of land acquisition until the granted of HGU has been in accordance with the law and with participatory mapping on cadastral mapping system conducted by Land Agency.

4.4.2, 4.4.4, 4.4.5, 4.4.6

PT LMI area located in other land uses area which originated from the country forest that released by Ministry of Forestry No No. 07/Kpts-II/1995 dated 05 January 1995 covering 16,852 ha for plantation development of PT Laguna Mandiri. Even though the area of PT LMI is originally from the forest area, the company has been carrying land compensation to the affected parties. The land compensation was carried out from 1995 - to 1999. Based on the results of interviews with the Previous landowners on Betung and Sekayu obtained information if all compensation process has been held with transparency regarding the mutual agreement. The whole area managed by the company has been compensated. The compensation process involved all community witnessed also by the Village Head, Sub-district head, and other relevant parties. Records of the land compensation process consist of documents of land identification and inventory, land location maps, statements of the release of land rights by the owner, Receipt of Payment, Minutes of compensation/Compensation, and witnesses. This is stored in their respective estate according to the location of the land. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.

Status: Comply

4.5

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

4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7, 4.5.8

Based on areal statement, interview with management, and field observation, there is no new planting activity. The youngest planting year is 2022 which is replanting area. Based on interview with surrounding community, it is known that there is no customary land in surrounding or PT LMI.

Status: Comply

4.6

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

4.6.1, 4.6.2

Procedures of land acquisition are mentioned in the Procedure of conflict resolution, dispute, and land acquisition mechanism (No. 03/FPICPOD/XII/21). The aims of the procedure are to guarantee uniformity in the pattern of settlement of land claims within the permitted area as well as to obtain equality of understanding and legality for the settlement of the land.

4.6.3, 4.6.4

As mentioned in indicator 4.4.2 PT LMI are a long-established company that has been started operationally in the period of 1990, where on that's period, the FPIC concept was not yet available. Based on document verifications, interviews with communities, and management obtained information until the audit was carried out, there is no expansion of area so there is no land compensation activity. last compensation has been carried out in 1999. Records of the land compensation process consist of documents of land identification and inventory, land location maps, statements of the release of land rights by the owner, Receipt of Payment, Minutes of compensation/Compensation, and witnesses.

Status: Comply

4.7

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

4.7.1, 4.7.2, 4.7.3

Procedures of land acquisition are mentioned in the Procedure of conflict resolution, dispute, and land acquisition mechanism (No. 03/FPICPOD/XII/21). The aims of the procedure are to guarantee uniformity in the pattern of settlement of land claims within the permitted area as well as to obtain equality of understanding and legality for the settlement of the land. The Procedure explains that the settlement of the land dispute and identifying people entitled to compensation was conducted through the negotiation phase between the company and the party claiming the land and witnessed by various parties.

Based on interview with previous landowners, it is known that he has free access to information regarding the impacts of the palm oil plantation project. There were a long communication and discussion between community representatives, the government, and the company during the project preparation.

Status: Comply

4.8

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

4.8.1, 4.8.2, 4.8.3, 4.8.4

As guidance to resolve land disputes ruled in the Procedure of conflict resolution, dispute and land acquisition mechanism (No. 03/FPICPOD/XII/21). The aims of the procedure are to guarantee uniformity in the pattern of settlement of land claims within the permitted area as well as to obtain equality of understanding and legality for the settlement of the land. The Procedure explains that the settlement of the land dispute and identifying people entitled to compensation was conducted through the negotiation phase between the company and the party claiming the land and witnessed by various parties.

Although the company has gained land rights legally there are still many people using and cultivating in permit Areas. The area is managed by the community because previously no compensation has been carried out or the owner is not willing to be compensated. for the area, the company respects and there is no coercion to occupants to hand over the land to the company. the occupied area has been mapped and identified by the company and currently, in the operational area, there is about ± 1076 Ha still managed by the community. However, the company respects the existence and didn't force them to give the land to the company. This is in line with

information from interview with representative of Balaimea and Sekayu Village, it is known that there is no land disputes with the company.

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
Apart from its own plantations, the company also obtains FFB supplies from other parties, such as the KKPA LMI scheme smallholder and several outgrowers of Sumber Makmur, Pondok Labu and CV Berkat Anugerah Bersaudara. There are no independent smallholders as suppliers of FFB Betung POM. FFB price determination refers to the determination of the Plantation Office, Kalimantan Selatan Province which is carried out every month through a joint meeting between the government and representatives of plantation companies in Banjarbaru. For the submission of the applicable FFB price, it can be accessed in front of the Mill by the parties.

5.1.2
Based on an interview with FFB supplier is known by the that the price of FFB from scheme smallholder and several outgrowers was in accordance with prices set by the Plantation Agency and in accordance with the agreement of both parties and there are no complaints regarding the payment of FFB. The Regular updating of FFB prices to cooperation via Whatsapp group, directly short message sends to member and display it in front of Mill.

5.1.3
Base on document verification dan interview with management, there is no FFB received directly from independent or scheme smallholder. For FFB supplier, the FFB pricing has been mutually agreed, that is by Mill's mechanism considering the Plantation Agency pricing and market trend. The FFB set, provided daily by phone or SMS and display it in front of Mill.

5.1.4
Base on document verification dan interview with management, there is no FFB received directly from independent or scheme smallholder.

5.1.5
Base on documents verification and public consultation with community representatives and contractors during the audit, shows that the contracts entered into between the company and FFB suppliers as well as with local contractors have been made in a fair, legal and transparent manner. The plasma cooperatives and local contractors have understood the contractual agreements they did as evidenced by the agreements signed by both parties (company and plasma cooperatives or contractors) such as the following example:

- Statement letter from village-owned enterprises (*BUMDES*) Sumber Makmur which has been signed by the supplier and the company dated 22 December 2022. In the statement, the criteria for FFB, FFB price, fines for FFB, FFB delivery to PKS and FFB payment mechanisms are regulated.
- Statement letter from CV Kabhuman Jaya Abadi from Betung village which has been signed by the supplier and the company dated 16 December 2022. In the statement, the criteria for FFB, FFB price, fines for FFB, FFB delivery to PKS and FFB payment mechanisms are regulated.

5.1.6
The company can show proof of payment for the last period made to FFB suppliers. For example, the proof of payment for village-owned enterprises (*BUMDES*) Sumber Makmur TBS for the period 16-22 December 2022 via Bank BRI transfer dated 22 December 2022. Based on the payment verification, it is known that the payment is in accordance with the amount of FFB sent.

5.1.7
The results of observations and interviews with the weigh bridge operators obtained information that the certification unit has routinely

calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in 2022, as evidenced by the test results No. 510.3/209-MET/DISKOPERINDAG/XII/2022 dated 30 December 2022 for Scales Type AWT25/ E1205 with serial number 095050373 with a capacity of 40,000 Kg and test results No. 510.3/208-MET/DISKOPERINDAG/XII/2022 dated 30 December 2022 for Scales Type AWT25 ZM510 with serial number 195050346 with a capacity of 40,000 Kg with a validity period of up to December 2022.

5.1.8

The company has carried out socialization related to RSPO certification to FFB supplier and contractor through annual meetings between the company and the community. The company shows the Minutes of the annual meeting on 14 September 2022 in meeting room Betung POM which was attended by the company, village government, and FFB supplier.

5.1.9

The company already has a Grievance Handling Mechanism SOP for All Parties and the Community (086 / LMI-Stkhldr.ADM / 2018) as well as SOP for Farmer Complaints Handling Number (03 / Farmers-KSP / 1/21) In this procedure, answer these complaints / aspirations and or those that have obtained the approval of the Head of the Department and / or the relevant Department (if necessary) are carried out no later than 2 weeks (14 days) from the date the letter / complaint is received by the operational unit. In the 2021 until 2022 period there were no complaints from farmers. The procedure also presents a communication flow chart and external complaint handling at the head office, an external complaint handling flow chart on site and attaches forms (information requests, complaints handling, monitoring requests for information and monitoring external complaints). The administrative facilities used in this procedure are the administrative tools used in the operation unit which are appropriate and quite adequate. The company also has. If there are complaints that cannot be answered by the management unit, for example related to the RSPO, the management unit will submit it to the RSPO Secretariat via the website: www.rspo.org.

Status: Comply

5.2

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

5.2.1, 5.2.2, 5.2.3 and 5.2.5

The company also obtains FFB supplies from other parties, such as the KKPA LMI scheme smallholder and several outgrowers of Sumber Makmur, Pondok Labu and CV Berkat Anugerah Bersaudara. There are no independent smallholders as suppliers of FFB Betung POM.

The company has carried out socialization related to RSPO certification to FFB supplier and contractor through annual meetings between the company and the community. The company shows the Minutes of the annual meeting on 14 September 2022 in meeting room Betung POM which was attended by the company, village government, and FFB supplier.

5.2.4

The certification unit shows the document for socializing the use of pesticides to the surrounding community and plasma farmers on 14 September 2022 at the Mulyoharjo Village and Betung village. The socialization was attended by 29 people who are plasma farmers. Based on document verification of the socialization material document revealed that one of the materials provided was related to handling pesticides and how to apply them safely. During audit activities, the certification unit shows attendance lists, documentation and training materials.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1; 6.1.2

The certification unit has a Social Policy signed by Head of Plantation Upstream Indonesia on December 2011. That policy related to non-discrimination and equal employment opportunities which explained that in hiring employees, the company will treat them according to the principle of equality and will not perform acts of discrimination or impose restrictions, harassment, or exclusion that are not directly based on human differentiation based on religion, ethnicity, race, ethnicity, group, class, social status, economic status,

gender, language, political beliefs, so that harmony and mutually beneficial relationships will be created between the company and all employees.

The company has conducted socialization related to company policies. For example, the company shows documentation of socialization related to RSPO, GSEP Policy, Human Rights and others on 12 March 2022 to workers, contractors and farmers.

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

The results of the verification of employment documents, the results of interviews with workers and representatives of labor unions, it is known that the existing workforce in the company consists of permanent workers and temporary worker who are recruited directly by the company without going through a third party, there is no retention of workers' documents and no recruitment fee. From the results of interviews with representatives of surrounding villages (such as Sekayu dan Balimeia Village), it is also known that the company also conveys information on job vacancies to the village.

6.1.3

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

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

Recruitment

Recruitment documentation with the initials HTM such as job application letters, results of health checks, ID cards, diplomas, Family card and others. Company shown temporary agreement letter (PKWT) for an estate unit with initial HTM No.36/SYE-PKWT/X/2022 dated October, 1 2022.

Promotion

Approval of promotion of workers from temporary worker with initial AS dated 1 July 2022. Promotion documentation has been shown such as MCU results, assessments results etc.

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

6.1.4

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

6.1.5

The company already has a gender committee that handles issues related to women or issues related to gender which also consist of female and male workers. The structure of the women's committee consists of an advisor, coach, chairman, secretary and others. The gender committee also has work programs such as:

- Monitoring complaints, especially sexual harassment
- Implementation of *posyandu*
- Dissemination of complaints handling
- Etc

The results of interviews with the chair of the gender committee, interviews with women workers obtained information that there were no cases or complaints related to women's issues and there has never been a case of sexual harassment or violence.

6.1.6

Determination of wages that apply at PT LMI – Betung Factory based on the Decree of the Governor of Kalimantan Selatan Province No. 188.44/0757/KUM/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Kalimantan Selatan Province for 2022. As for the applicable minimum wage (2022) for Kotabaru District is Rp. 3,048,796.89.

The results of interviews and the verification of workers' wages e.g spraying workers with worker ID 9501 and ID 9817 (worker with same work and same grade), it is known that the company has given the same wages for the same scope of work and in the same grade.

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

Determination of wages that apply at PT LMI – Betung Factory based on the Decree of the Governor of Kalimantan Selatan Province No. 188.44/0757/KUM/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Kalimantan Selatan Province for 2022. As for the applicable minimum wage (2022) for Kotabaru District is Rp. 3,048,796.89. In addition, company also showed Decree of the Governor of Kalimantan Selatan Province No. 188.44/0842/KUM/2022 dated 7 December 2022 concerning Determination of the Minimum Wage for City or Regency in Kalimantan Selatan Province for 2023. The minimum wage (2023) for Kotabaru District is Rp. 3,293,371.38. The 2023 wages are implemented in the January 2023 payroll and when the surveillance-1.4 audit was carried out, the January 2023 payroll had not been carried out.

Regarding the determination of wages at PT LMI, the company showed a Decree regarding the determination of wages, including:

- Inter Office Mail No.018/HRM-i5.1/XII/2021 dated 20 December 2021 concerning the structure and scale of workers' wages in 2022
- Inter Office Mail No.010/HRM-i5.1/SUSU/I/2023 dated 2 January 2023 concerning the structure and scale of workers' wages in 2023

Based on interview with workers and labor union representatives known that company has paid wages is accordance with applicable regulation.

6.2.2

The company already has a Collective Labor Agreement for 2022-2024 which has been registered with the relevant agency based on the Decree of the Labor and Transmigration Agency of Kotabaru District No. KEP-235/HIPK/PDF/PKB/VIII/Disnakertrans/2022 dated August 3, 2022 concerning Registration of the Collective Labor Agreement. The CLA has regulated wages and work conditions, for example working time, wages, overtime, leave and others.

For temporary workers, the document that regulates the details of wages and work conditions is contained in the temporary workers Agreement. For example, agreement No. 016/BTE-PKWT/VII/2021 dated 30 June 2021 for upkeep work (valid until 30 June 2023). The agreement has also explained the duties and responsibilities of workers, working time, wages, social security, facilities and others. The agreement has been registered at the Labor Agency of Kotabaru District with registration number 831/HIPK/PKWT/2021 dated November 29,2021

The company has also socialized the CLA to workers. For example Minutes of the socialization of CLA on October 14, 2022 attended by 26 participants.

The company shows list of the number of workers for the Desember 2022 as follows:

- SYE → 358 workers
- BTE → 282 workers

- BTF → 71 workers
- Contractor workers for example CV Bengkel Baja Karya → 3 workers

The auditor team has simulated the calculation of workers' wages by verifying payroll documents for example on December 2022. For example workers with ID 92959 and ID 160098. From the verification results, it is known that the company has paid wages according to the applicable regulations. Based on the document verification and interview with labor union and workers also known that deduction for workers such as BPJS deduction, tax and etc has been described in the company regulation. In addition, the company also shows payroll documents that provide information related to compensation for all work performance. Based on interview with workers and labor union representatives known that company has paid wages is accordance with applicable regulation.

6.2.3

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

- Payroll documentation that gives information on compensation for work performance. The results of the simulation of wages and overtime in December 2022 for example with worker ID 92959, known that the company has paid overtime wages according to the workers' overtime hours and has complied with the applicable regulations.
- Employee Attendance document every month which informs the number of attendances, leave, illness and others.
- Employee leave forms, such as:
 - Annual leave form with worker initial AP (worker ID 9744) on December 5, 2022 for 6 days
 - Annual leave form with worker initial YS (worker ID 12467) on December 23, 2022 for 12 days
 - Maternity leave form with worker initial NP (worker ID 9651) on February 2, 2022 until May 2, 2022

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

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

6.2.4

The results of field observations in housing areas and interviews with workers and labor union known that the company has provided housing facilities (1 house consists of 2 bedrooms and 1 bathroom), infrastructure and facilities that are decent/in good condition to workers such as houses, clean water facilities, drinking water facilities, religious facilities, sports, clinic and others. The condition of the house is permanent and has good sanitation. From the interview, also known that in each housing location there are child care areas, trash bins, electrical and others.

Related the previous OFI regarding the realization of road maintenance, the company has shown documentation of the realization of road maintenance. For example the maintenance realization at SYE on December 23, 2022 on the road in the G28/29 block area.

6.2.5

The results of interviews with employees and labor union, known that there are sellers of foodstuffs especially for vegetables and side dishes that enter the plantation area on a regular basis. The company also provides an employee cooperative that provides workers' daily needs including food. Based on the results of interviews with residents of housing and workers, it was stated that workers had obtaining adequate food sources at competitive prices.

6.2.6

The determination of wages at PT LMI – Betung Factory based on the Decree of the Governor of Kalimantan Selatan Province No. 188.44/0757/KUM/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Kalimantan Selatan Province for 2022. As for the applicable minimum wage (2022) for Kotabaru District is Rp. 3,048,796.89

In relation to DLW (Decent Living Wage), the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as Housing, electricity for home, water, education, etc. As for the amount of Prevailing wage is Rp. 4,847,070. DLW calculation is based on actual and rational price at certification unit location.

6.2.7

Based on the results of verification of employment documents, interviews with management and labor unions and field observations, it is known that there are main workers who are carried out by workers with temporary (PKWT) status. In addition, regarding the previous OFI, the company has identified the needs/adequacy of harvest workers and process workers for 2022/2023, including:

- BTE → shortage of harvest workers as many as 19 workers
- SYE → shortage of harvest workers as many as 24workers
- BTF → shortage of process workers as many as 18 workers

The company has shown the timeframe/plan for the appointment of PKWT (temporary) harvester and process workers in 2023 with details:

- BTE → 10 appointments in April and 9 in August
- SYE → 10 appointments in March, 10 appointments in June and 4 appointments in September
- BTF → 18 appointments in June-July 2023

Related to the explanation above, company have the opportunity to ensure that the main jobs are carried out by permanent workers (PKWT employee appointments). OFI

Status: Comply

6.3

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

6.3.1; 6.3.2; 6.3.3

The certification unit has a social policy regarding the freedom of workers to associate dated December 1, 2011 which stipulates that the management and all employees of Minamas Plantation and its subsidiaries are committed to upholding the values of Human Rights (HAM) which are internationally recognized and stated in the bill of Human rights and the core conventions of the Declaration of the International Labor Organization on Fundamental Principles and Rights in the workplace, as well as Regulations relevant Indonesian.

The company has also shown documentation of socialization of company policies including freedom of association policies, such as socialization on August 10,2022 which was attended by 80 participants

The results of interviews with workers such as harvesters, factory workers and others, known that the company has provided socialization related to freedom of association. From the results of interviews with workers, known that there is labor union in the company. The Labor Union of PT LMI has been registered at the Manpower Office of Kotabaru District for example:

- Betung Estate → record number 568/1430/Naker II/2013 on December 18, 2013.
- Sekayu Estate → record number 568/376/Disosnakertrans on February 26, 2013.

The company shows several records of labor union meetings, such as:

- Minutes of meeting on April 22, 2022 attended by 12 participants.
- Minutes of meeting on January 3, 2022.
- Minutes of meeting on January 4, 2022 attended by 10 participants.
- Minutes of meeting on December 26, 2022 attended by 14 participants.

Based on interview with labor union known that company has given socialization related to guarantee freedom of association for workers/employees. Based on interview with labor union also known that there is no intervention related to election of workers representatives or in the implementation of any activities.

Status: Comply
6.4
Children are not employed or exploited.
6.4.1; 6.4.2; 6.4.3; 6.4.4

The unit of certification has a formal policy for child protection and a prohibition on child labor which is indicated in the Social Policy in the SOP for Sustainable Plantation Management No. Policy: 724/TQEM-SPMS/09 No. Revision 00 dated August 27th, 2010 approved by the CEO. In chapter I of Social Policy, specifically point 6 stating that Plantation Upstream Indonesia does not utilize underage (children) workers. The certification unit also has the August 2020 edition of the Sime Darby Plantation Code of Business Ethics. In point 5.7 on Human Rights, it is explained about the rights of children, namely the unit of certification will support the welfare of children and protect them from all forms of inappropriate treatment, including sex to children, child trafficking, child labor and child pornography.

The company has also shown documentation of socialization of company policies including prohibition on employing children under 18 years old, forced labor and workers from human trafficking, such as: Socialization on December 26, 2022 which was attended 49 participants.

The company has also shown agreement with contractors that have explained the prohibition on employing children under 18 years of age, forced labor and workers from human trafficking, for example Agreement Letter for loose fruit picker (CV Risa Jaya) No. 024/SYE/SPK-LKL/IX/2022-kutib brondolan dated 1 September 2022 and Agreement Letter for heavy equipment rental (CV Bengkel Baja Karya) No. 020/SYE/SPK-LKL/VII/2022-sewa grader dated 28 June 2022.

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

Status: Comply
6.5
There is no harassment or abuse in the workplace, and reproductive rights are protected.
6.5.1; 6.5.2

The certification unit has established Social Policy number 724/TQEM-SPM/09 dated 8 November 2010 regarding the prevention of sexual harassment and violence. The letter explained that all employees have the right to work in an environment free from harassment of any kind, including harassment based on religion, disability, gender, sexual orientation, political persuasion, race, marital status, ethnicity or age. All reports of discrimination or harassment will be handled properly and kept confidential to obtain a fair statement in reducing the risk of harm. The certification unit will take firm action and immediately address employee harassment by management, co-workers or non-employees regardless of where and when it occurs. The policy also explains that the certification unit will follow all applicable regulations relating to reproductive rights, including the right to maternity leave, and will provide pregnant and lactating women with tasks that do not pose a health risk to themselves or their children.

The company has shown documentation of socialization regarding the protection of reproductive rights such as socialization documentation on December 14, 2022 which was attended by 44 participants.

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

6.5.3

The company has identified the needs of new mothers in February, 2022. The needs of new mothers based on the identification results are as follows:

1. Young mothers are given space to breastfeed their children, such as child care.
2. Young mothers are given jobs that don't use chemicals.

3. Young mothers are given health facilities for health check and child development for up to 24 months
4. Etc

Based on interview with gender committee and female worker known that company has given permission to new mother to breastfeed. Beside that, based on observation at daycare in housing complex, known that company has provided special room for mothers to breastfeed.

6.5.4

Unit certification has SOP for Grievance Handling Mechanism for all parties and community No. 01/MPK-OU/XII/21 on December 1, 2021. The procedure explains that the unit of certification provides an overview of information regarding the submission of complaints to stakeholders (internal and external).

The above procedure has explained the person in charge of receiving and resolving complaints (external and internal officials including HRD), response period, confidentiality of the reporter and the reporter, so that further complaint handling can be carried out at the tripartite level (mediation and settlement by the government). Procedures are available in Indonesian and if there is a complaint for which a resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System. In addition, the procedure also explains that the company guarantees the security and confidentiality of the whistleblower.

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

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1; 6.6.2

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

For contract workers/temporary work agreement (PKWT) who are recruited directly by the company. As for all temporary workers have been registered with the Kotabaru District Manpower Office. For example, agreement No. 016/BTE-PKWT/VII/2021 dated 30 June 2021 for upkeep work (valid until 30 June 2023). The agreement has been registered at the Labor Agency of Kotabaru District with registration number 831/HIPK/PKWT/2021 dated November 29, 2021.

Based on verification in temporary agreement, known that the agreement has explained several working conditions, rights and obligations of workers such as working time, wages, social security, facilities and others. The agreement has been signed by both parties. From the results of interviews with workers and representatives of workers through labour unions, it is known that the company has provided a copy of the agreement to the workers. Based on interview with workers and labor union and employment document verification known that workers accept work voluntarily and freely, and following are not found during audit such as retention identity, recruitment fees, involuntarily overtime, lack of freedom to resigns, penalty for termination, debt bondage, withholding wages.

Status: Comply

6.7

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

6.7.1

The company has a person in charge of the OHS program within the organizational structure of the Occupational Health and Safety Committee (P2K3) which is formed in each management unit. The P2K3 team has received approval from the Head of the Manpower and Transmigration Office of Kalimantan Selatan Province and the P2K3 secretary is a certified occupational health and safety expert. The following are the OHS Committees that have been approved by the relevant agencies:

- Establishment of P2K3 (OHS Committee) PT Laguna Mandiri – Betung Estate (Decree No. 566/083/Was-NKT/2022), which was approved by the Head of the Manpower and Transmigration Office of Kalimantan Selatan Province on March 2022. Structure P2K3 consists of the Adviser, Chairman, Secretary, and member. The OHS committee's secretary namely Dudung Gunawan

who is a General OHS Expert. The company can show the OHS Expert Authority card, certificate, and Letter of Appointment of General Occupational Safety and Health Expert with Number Reg. 80323/PK3/AJ/31/2019/P0 on December 16, 2022 with a validity period of 3 years.

- Establishment of P2K3 (OHS Committee) PT Laguna Mandiri – Sekayu Estate (Decree No. 566/Was-NKT/2020), which was approved by the Head of the Manpower and Transmigration Office of Kalimantan Selatan Province on November 30, 2022. Structure P2K3 consists of the Chairman, Secretary, Safety officer and member. The OHS committee's secretary namely Doni Kusuma who is a General OHS Expert. The company can show the OHS Expert Authority card, certificate, and Letter of Appointment of General Occupational Safety and Health Expert with Number Reg. 6202/PK3/AJ/31/2019/P2 on November 25, 2022 with a validity period of 3 years.
- Establishment of P2K3 (OHS Committee) PT Laguna Mandiri – Betung POM (Decree No. 566/166/Was-NKT/2020), which was approved by the Head of the Manpower and Transmigration Office of Kalimantan Selatan Province on May 2020. Structure P2K3 consists of the Chairman, Secretary, Safety officer and member. The OHS committee's secretary namely Doni Kusuma who is a General OHS Expert. The company can show the OHS Expert Authority card, certificate, and Letter of Appointment of General Occupational Safety and Health Expert with Number Reg. 6202/PK3/AJ/31/2019/P2 on November 25, 2022 with a validity period of 3 years.

During the audit it is known that the general OHS expert's license has passed its validity period. On the other hand, the company can show proof of communication on the extension of the General OHS expert to the OHS training body contained in document no. 127.BTF-RCEO KSP/VIII/2022 regarding the proposed OHS license training and No. 094/SK/TPM/II/2023 by PT Tranindo Pratama Mulia (the OHS training body).

Companies can show records of P2K3 meetings with workers, for example OHS Meeting held on December 22, 2022. The topics discussed the use of PPE along with socialization of the mechanism for replacing PPE and installing signboard, etc. OHS meeting attended by 25 participants.

6.7.2

The CH has the following procedures for handling work accidents and emergencies in operational areas::

- SOP with document number 722 / PSQM-PSS / 10 about the OHS Guidelines that were approved by the CEO on December 13, 2010. The SOP regulates the purpose, scope, definition, general information, OHS pictorial (security, safety signs, offices, housing, warehouse, traction, harvesting, spraying, fertilizing, vehicles and public).
- SOP with document number 711 / TQEMS-P2K3 / 07 concerning Occupational Safety and Health which was approved by the PSQM Manager on November 23, 2007. The procedure regulates management administration, OHS Committee, Hazard Identification Risk Assessment Control (HIRAC), work accident reports, investigations and follow-up, communication, personal protective equipment, and work safety systems.
- SOP for land fire prevention with document number SOP-PK / 08-LMI dated April 1, 2013, which was approved by the unit manager. The procedure explains starting from the establishment of fire prevention organizations, identification and maintenance of water sources, identification of fire-prone areas, installation of warning boards for fire-prone areas, construction of fire towers in every estate and procurement of land fire suppression equipment.

Regarding the follow-up of OFI at previous assessment, The CH has provided first aid kits both indoors and outdoors. First aid boxes in the field are usually held by each foreman. Based on interviews with management known that checking the first aid kit was done every month by the assistant division and if there were deficiencies it would be conveyed to the doctor/paramedics of the CH to be completed. At the time of the audit activity the CH showed the first aid box inspection documents in the CH's operational area, for example in the laboratory, workshop and schedule waste storage warehouse. Based on the inspection results known that the contents of the first aid kit are complete and ready to use.

The CH has conducted First Aid Kit training to increase knowledge, understanding, and understanding of the implementation of First Aid Kit in the workplace and also improve skills in conducting first aid against sudden illness and work accidents, for example:

- OHS and First Aid Kit socialization were carried out on December 30, 2022 at Betung Estate's Office with speaker by General OHS Expert and nurse, was attended by 74 participants.
- OHS and First Aid Kit socialization were carried out on December 26-28, 2022 at Office of Division I-IV Sekayu Estate with speaker by nurse and was attended by 277 participants.

6.7.3

The certification unit can show proof of the delivery of PPE to all workers every year and replacement of PPE that is damaged, for example:

- The company can show proof of handover of PPE for the Betung Estate unit for harvester and loose fruit pickers. For example, the handover of PPE in the form of AP shoes for 73 workers on March 7, 2022 in Division III Betung Estate.
- The company can show proof of handover of PPE for the Sekayu Estate unit for harvester and loose fruit pickers. For example, the handover of PPE in the form of safety helmet for 7 workers on August 23-28, 2022 in Division II Sekayu Estate.
- The company can show proof of handover of PPE for the Betung Mill unit for each station. For example, the handover of PPE in the form of safety shoes for 80 workers on November 4, 2022.

Regarding the follow-up of OFI at previous assessment, based on the results of field visits and interviews with workers (harvester, pesticide applicator and mill operators) in the Betung and Sekayu units, it is known that workers have received PPE for free every year according to their respective types of work and if there is PPE damaged, it can be immediately reported to the direct supervisor for replacement.

Sanitation Facilities

Based on the results of the field visit, it is known that the company already has sanitation facilities for workers with chemicals that can clean themselves as well as the equipment used and change clothes, which is also equipped with a storage area for controlling devices and PPE, this is in accordance with the results of interviews with pesticide applicator in Division II Block E 33 Betung Estate and Division II Block E14 Sekayu Estate.

6.7.4

The company have Collective Labour Agreement that describe about workers have the right to receive medical care and be protected by the accident insurance. The management unit show proof of payment of Employment and Health Insurance (*BPJS Kesehatan dan Ketenagakerjaan*) for all workers. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on January 6-7, 2023 for “BPJS Kesehatan & Ketenagakerjaan” period of Desember 2022. All proof of payment shown and payment details for the “BPJS Kesehatan dan Ketenagakerjaan” program are in accordance with the current actual conditions / in accordance with the number of existing workers.

Based on the interview with representative of worker union, estate and mill workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health insurance (*BPJS Kesehatan*) card, if they went to a company clinic there was no fee at all. Based on the foregoing, it can be concluded that the company already has a list of employees participating in the Employment and Health Insurance (*BPJS Kesehatan dan Ketenagakerjaan*) program along with proof of monthly payments.

6.7.5

The company shows the FR and SR for the period January – December 2022, which are briefly explained as follows:

- Betung POM → Lost Time Injury Frequency rate: 0 with number of lost time injuries are 0 cases.
- Betung Estate → Lost Time Injury Frequency rate: 7 with number of lost time injuries are 5 cases.
- Sekayu Estate → Lost Time Injury Frequency rate: 3 with number of lost time injuries are 2 cases.

Based on verification document, the company can show proof of work accident claims to agencies related to the conditions of work accidents experienced by workers during 2022. Furthermore, it is known that the management unit carries out work accident investigations and makes claims to *BPJS Ketenagakerjaan* in accordance with established procedures, for example work accident claim for worker, initial NRS, dated February 17, 2022 which can be proven by The stage 3 of work accident claim document

Status: Comply

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

7.1

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

Pest Management (IPM) techniques.
7.1.1

The company has shown evidences that pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) method. The plan of integrated pest management was arranged in document SOP Planting Oil Palm Part 15 concerning Plant Protection, dated September 1, 2013. The procedures set the early warning system by monthly detection of potential pest and diseases (leaf eater caterpillar, rats), emphasizing the mechanical and biological control such as by planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*), as well as installing and monitoring barn owl boxes to suppress rat infestation. The procedure also set the economical threshold for each pest and disease, that the chemical control will be conducted only if the infestation has been exceeding the economical threshold. In the weed management procedure, stated the company's policy to conduct selective weeding, to maintain the biological diversity in order to suppress pest and disease infestation.

The company has shown records related to the recapitulation of the census of oryctes, rat and caterpillar. The records related to the results of the census include the following:

1. Census of oryctes conducted in Division IV Sekayu Estate. In general, there was a decrease in oryctes attacks in the first semester of 2022, from attack's interval 1.03 - 1.96% to 0.72 - 0.98% in the second half of 2022. On the other hand, oryctes attacks in both periods still below the critical threshold.
2. Census of rat carried out in Block I03 Division IV Sekayu Estate with an attack rate of 0.6% and still below the critical threshold.
3. Census of caterpillar. Based on verification, there is no attack during period January – December 2022.

Based on the results of the field visit, it was found that there were oryctes attack on the Sekayu Estate but the attacks did not appear to be massive.

The company has tried to conduct biological control to suppress pest population diseases, such as planting and maintaining beneficial plants to suppress netter caterpillars, installing burn owl boxes and monitoring owls to suppress rat pest populations. In addition, the company has also utilized beneficial plants at PT Laguna Mandiri, among others: the company filled up *turnera subulata*, *cassia cobanensis*, and *antigonon leptopus*.

7.1.2

Results Based on document review and visits, it is known that the company uses species control agents including: *tyto alba*, *turnera subulata*, *cassia cobanensis*, and *antigonon leptopus* which species are not invasive according to the Minister of Environment and Forestry Regulation no. P.94/MENLHK/SEKJEN/KUM.1/12/2016.

7.1.3

Based on the results of interviews with management, it is known that there is no use of fire for pest control. Based on field observation at Betung Estate and Sekayu Estate it was known that The company practices integrated pest management in handling pests and diseases, including the use of beneficial plants such as *turnera subulata*, *antigonon* and barn owl applications.

	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

The company has documented records of pesticide toxicity in the document of Monitoring Pesticide Use 2022. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application and total active ingredients. This document is constantly recorded and updated by management officer each month.

The company has a policy to reduce the use of pesticides which is contained in the document Internal Memo No. 01/LMI-Pest/XII/2018 dated December 1, 2018. It is explained that reduce the use of pesticides that are categorized by the World Health Organization as class 1A or 1B, or those registered by the Stockholm or Rotterdam conventions. Based on document review and field observation, several IPM program with biological approach that has been implemented such as nettle eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Antigonon leptosus*. Moreover, the company has also conducted early detection routinely listed in the monthly report of early warning system.

The company can show records of pesticide use in 2021 – 2022 for all Estate units, for example the use of pesticides in Betung Estate

as follows:

Active Ingredient	% a.i*	LD 50 Mg/Kg	2021		2022	
			Quantity (L)	Area	Quantity (L)	Area
<i>Glyphosate isopropyl ammonium</i>	30	4,000	4,143.48	2,147.62	2,771.17	1,717.3
<i>Metsulfuron methyl</i>	20	5,000	109.01	2,147.62	40.81	1,717.3
<i>Cypermethrin</i>	50	4,800	11.32	2,147.62	1,843.50	1,717.3

*active ingredient

There are differences in the area of application from the previous period because the management unit carries out replanting activities. Furthermore, based on record of pesticide use, the use of the active ingredient *Glyphosate isopropyl ammonium* (target: narrow leaf weed) was recorded at 1.61 L/Ha, *Metsulfuron methyl* (target: broadleaf weeds and woody saplings) at 0.02 L/Ha and *Cypermethrin* (target: oryctes) at 1.07 L/Ha.

Based on the explanation above, it is concluded that there is a reduction in the use of pesticides, especially for weed control. The increase in the use of *Cypermethrin* is due to oryctes attack, especially during replanting activities.

7.2.4

There is no prophylactic way of using pesticides carried out by the company. The unit of certification implements an integrated pest control system by collaborating biological and chemical control. The use of chemical techniques is not carried out preventively, but based on the results of the early warning system, namely detection and census. Biological pest control is carried out by applying the development of natural enemies such as owls to control the population of rat pests. The company also develops beneficial plants such as *Turnera subulata* and *Antigonon leptopus* as biological control techniques that serve as habitats for fire caterpillar predators.

The results of field observations on the application of integrated pest control such as biological control of rat pests with their natural predators (owls), it is known that the condition of the owl's nest (Barn Owl Box / BOB) is well maintained and evidence of owl activity is found, such as traces of droppings, mouse hair and bones. In addition, based on the results of field observations at Betung Estate, it was found that a beneficial plant with *Antigonon leptopus* species was well maintained. Similar to what was found in Sekayu Estate, it is known that the company has planted beneficial plants such as *Turnera subulata* which are found on main roads and production roads.

7.2.5

Based on the results of the study of data on pesticide use for all units of the Estate, it is known that there is no use of pesticides that are included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

7.2.6

The company also provided information materials of periodic training on pesticide handling that was held on January 2, 2023 in Sekayu Estate and was attended by 20 people.

The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, based on field observation to mixing area in Betung Estate, that known there are storage for keeping all PPE's and spraying tools after use.

7.2.7

Based on the results of field visits at the chemical storage warehouse, it is known that the storage area has been equipped with adequate lighting, ventilation, OHS hazard symbols as well as emergency response facilities and infrastructure. In addition, no expired pesticides were found. Therefore, it is known that the storage of all pesticides is in accordance with recognized best practices, which

refers to PP. 74 of 2001 concerning Management of Hazardous and Toxic Materials.

7.2.8

The certification unit has a procedure set out in the SOP for Hazardous & Non-Hazardous Waste Management with No. RA 012, dated April 1, 2010 which explains that chemical packaging is included in the category of hazardous waste, but is not considered hazardous waste if properly cleaned. Regarding to the procedure below, pesticide packages are collected in the designated storage area and company coordinated with collectors for recycling.

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

The company already has a rinse room to rinse used pesticide container and used fertilizer sack, after to rinse it is storage on specially storage. all hazardous waste be managed and recorded on report hazardous waste reuse, and reported to government.

Based on interviews with employees and the foreman of pesticide application at Sekayu Estate and Betung Estate, it was found that all containers used for pesticide packaging were returned and sent to the Hazardous Waste Storage and were not used for any other purpose other than pesticide application activities. All used packaging containers, work tools and apron are stored in a special storage area. Thus, no contaminated items are taken home.

7.2.9

Based on a review of documents and interviews with surrounding village and workers sighted that the company did not perform the application of pesticides from the air.

7.2.10

Following up on OFI at the previous assessment, the company has carried out general and special medical examination in 2022. The last medical examination carried out for pesticide and chemical handlers was carried out on August 11, 2022 for 84 workers related to chemicals in PT Laguna Mandiri. All workers spray has examined health through inspection types of *cholinesterase* to ascertain the condition of workers in good health/normal. The results of interviews with pesticide operators in Inter row chemist Block E33 Division II Betung Estate that all pesticide operators have been checked health periodically and workers have known the results of the examination. From the results of the examination, all workers fit to work.

7.2.11

During the audit, the pesticide application conducted at estate area to control weeds in the circle and path. Based on field observation and interview with pesticides applicator known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity.

Status: Comply

7.3

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

7.3.1

The certification unit has a Identification of waste sources and management PT LMI period 2022 which was approved by the SOU. The identification result is to regulate the management of waste generated during the operational process so as to minimize pollution that may occur.

The company has a waste management plan identified from Estate and Mill activities. The waste management plan is as follows:

Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills. Domestic waste is transported twice a week and

then disposed of in landfills.

Mill Effluent

Liquid waste generated from the factory is reused for Land Applications. Before being channeled to LA, the liquid waste is first managed at the WWTP with the aim that the quality of the liquid waste flowing to LA is in accordance with the provisions.

Solid Waste

The solid waste produced by the company is shell, fiber and EFB. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as EFB is reused by applying it to plantation areas.

Hazardous and Toxic waste

The company has implemented hazardous and toxic waste management in accordance with the procedures it has, among others by recording and documenting the waste of hazardous and toxic materials stored in the Temporary Storage of Hazardous and Toxic Materials in the logbook and waste balance. Waste Hazardous and toxic materials submitted to the collectors and transporters in the form of manifest evidence of hazardous and toxic materials waste.

The activity of transporting hazardous and toxic waste by a licensed holding company was last carried out on December 27, 2022 and the company has been able to show the manifest of transporting hazardous and toxic waste by PT Sinar Bintang Albar, namely as follows:

- Manifest AGU - 0019090 for 153 pcs of used hazardous container
- Manifest AGU – 0019088 for 27 kg of used rags.
- Manifest AGU - 0019088 for 1400 liters of used oil drum.
- Manifest AGU - 0019088 for 9 pcs of used battery.
- Manifest AGU – 0019087 for 42 pcs of used lamps.
- Manifest AGU - 0019091 for 344 pcs of used hazardous material filter.

PT LMI cooperate with third parties related to hazardous waste management, this is evidenced by the cooperation agreement, for example: Cooperation agreement between PT LMI and PT Sinar Bintang Alba No 113/LM-SBA/K3L/2022 dated May 5, 2022 which is valid until May 5, 2023.

Base on result of field visit related to waste are not properly disposed based on toxicity and hazardous characteristics, that's why it was issued indicator 7.3.2 Non-Conformance number 2023.02 with minor category.

7.3.2

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. Based on documents review, field observations and interview with manages the disposal of waste was managed as explanation below:

- Domestic waste: based on virtual field observation, the company has collected domestic waste periodically and dump it to the landfill and its known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on virtual field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.
- POME use for fertilizer, based on virtual field visit the condition of flatbed has been maintenance well and no environmental pollution potential.
- The managing for clinical waste, the company also has cooperation with licensed parties such as klinik central matalok, last delivery dated December 7, 2022 is 2 kg clinical waste.
- Waste from replanting activities in the form of plant chipping residues is applied to the land as an addition to organic matter.

The company has a hazardous waste management SOP document number 709/TQEM-EHS/10 dated 2010 which explains that hazardous waste is stored in a licensed hazardous waste storage.

The company has carried out socialization regarding hazardous waste management to POM and plantation employees, socialization

activities for Betung estate were carried out on January 9, 2023, and Betung Mill on January 10, 2023.

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

Hazardous waste

No. Policy 709/TQEM-EHS/10 dated 16 December 2010: Management and monitoring of hazardous waste explains that hazardous waste used batteries, used oil, used oil filters, used pesticide packaging, used sacks contaminated with hazardous and used TL lamps are stored in the hazardous waste hazardous storage then transported by carriers licensed by the government. Management of hazardous contaminated packaging, used chemical pesticide packaging and used POM water chemical packaging, namely washing 3 times in a special washing place.

Based on the results of field visits in several locations, for example:

- Used/damaged TL lamps are placed in a used goods warehouse/archive warehouse at Sekayu Estate.
- Sacks of used fertilizers are placed in the scrap warehouse / archive warehouse at Sekayu Estate.
- Used pesticide packaging and used oil packaging were placed in the back of the car (write off) at the Betung estate traction.
- Used fertilizer sacks are disposed of in the area behind traction at Betung Estate.
- Used batteries are placed in a junkyard at the Betung Estate traction.
- Used oil is collected in used helmets and used oil filters are placed behind the Betung Estate traction.
- Used water purifier packaging (Nalco) for cleaning in the dispatch machine room at Betung POM.

POM Waste

- Based on the results of interviews with Betung PKS and verification of SOP documents for the use of solid and liquid waste, it was explained that solid waste in the form of empty fruit bunches was collected at the POM and then applied to the land.
- Based on the results of a field visit, a large pile of empty fruit bunches was found at the empty bunch collection site, thus burying the leachate storage pond and the pump that pumps the leachate into the WWTP pond. So that the piles of empty fruit bunches produce leachate, which is a liquid resulting from exposure to rainwater in the garbage piles, including the solid waste of empty fruit bunches, which is released into the environment through the Betung POM rainwater drainage.
- The company showed data (work program for stock of empty bunches) which explained that the excess empty bunches occurred due to the lack of maximum evacuation, the transport equipment was damaged and the performance of the leachate pump to the WWTP pool was not optimal.
- Timeline document for empty fruit bunches for February 2023 which explains the amount of EFB stock on 1 February 2023 in the morning (MT) 2,500 to the final stock on 28 February 2023 of 540 MT. In the evacuation action plan, 2 contractors will carry out each day and use BTE and SYE units for every FFB delivery to the Mill. The document is approved by the mill manager.

The company has not been able to show comprehensive evidence of the normalization of EFB including a work plan for the application of EFB to the land, the number of workers who will carry out the application and early anticipation that can prevent leachate from being released into the environment.

The company has not been able to show sufficient evidence that the management of hazardous waste and POM solid waste (empty fruit bunches) is in accordance with procedures and is fully understood by all workers and managers. **This is become Non-Conformance number 2023.02 with minor category.**

7.3.3

The company does not carry out open burning for waste disposal. Base on field observation known waste separation is separated based on the type of wet and dry waste, garbage transportation is carried out routinely, waste separation organic and inorganic are adjusted to the appropriate tub then put into the final waste disposal and closed periodically. Based on the results of field visits, both on office POM & estate and in housing, there was no indication of open burning of hazardous and toxic waste or domestic waste.

7.3.2	Status: NCR number 2023.02 with minor category.
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7.4

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

7.4.1

The CH has procedures related to fertilization activities that are listed in the Agricultural Reference Manual with document number 110/EST-ARM/13. The procedure explains the technical aspects of fertilization, the application of empty bunch and the application of compost to immature and mature plants.

The company shown the program and the realization of fertilization application for period January until December 2022 which refers to the recommendation for fertilization in 2022. The recommendation for fertilization is based on the results of the leaf analysis and soil analysis from the previous year. Therefore, based on document review and interview with the staff, the realization of fertilization in PT Laguna Mandiri is in accordance to the program, for example fertilization programs in semester I & semester II 2022 in Betung Estate are 100% applied based on fertilizer recommendations. The auditor conducted an interview with the fertilizer workers at Betung and Sekayu Estate is known fertilization is done manually by workers. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.

7.4.2

To find out the soil fertility, the company conducting of soil and leaf analysis periodically, for example for Betung Estate:

- **Soil Analysis Activities** - The latest soil analysis conducted in Februari 2016 by Minamas Research Centre, and the result presented in semi detail soil survey and land suitability for palm oil in PT Laguna Mandiri period of 2017 – 2022. On those reports described nutrient status, land units, evaluation of soil fertility status and management recommendations as well as agronomy recommendations.
- **Leaf Analysis Activities** - The results of leaf analysis annually published the recommendations of fertilizer dosage to produce the optimal palm fruit. The principle of fertilization is the provision of treatment on the soil to produce the nutrients required by the palm oil with optimum results. Indicator Major elements namely N, P, K, Ca and Mg and Indicator Minor elements namely B. Foliar Analysis was carried out by Minamas Research Centre on June 5, 2021 with total sample is 19 units.
- **Visual Analysis Activities** - Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyse the potential of disease which is likely to become endemic of a particular disease.

The result of soil and leaf analysis published recommendations for fertilizer doses to produce optimal production of palm fruit. Principles of fertilization are giving treatment on the ground to produce the nutrients required by palm and generating optimal results.

7.4.3

Companies can show records of the use of organic materials as a nutrient recycling strategy. For example in Betung Estate, the application of compost for the period of January-December 2022 is 10,831.76 tons and pome is 79,042 m³. During period 2017 – 2022, CH carried out replanting activities, so the company also use of the palm residue after replanting . Overall, the company has made efforts to maintain and improve soil fertility.

7.4.4

The company has recorded inorganic fertilization and organic fertilizing well during 2022 and recorded it in the fertilization month report. For example in Betung Estate, The MOP used by the company is 92.56 tons, RP used is 373.13 tons and urea used is 697.45 tons. Overall, the company has made efforts to maintain and improve soil fertility by applying fertilization according to the recommendations. Visually, there are no symptoms of nutritional deficiencies in the blocks that have been visited.

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1; 7.5.2; 7.5.3

PT Laguna Mandiri has a flat topography, undulating, rolling to hilly with slopes between 0-38% and there is no marginal soil in the area which is described in more detail in criteria 7.6 related to the results of the soil survey report.

The company does not open new land or new plantings, but replanting activities. Replanting activities are not carried out on steep slope area as referred to procedures related to slope protection and river buffer areas with document number 724/TQEM-SPMS/09.

The procedure explained that land in estate area with a slope of > 40% is designated as a reserve land that is cultivated or not cultivated.

The company also shows records of replanting activities, for example those listed in the Work Agreement between PT Laguna Mandiri – Sekayu Estate and PT Karya Murni Prima, document number 022/MMTC-AWD/VIII/2022/Plant, dated August 22, 2022 regarding Letter of Award Replanting Activities for the period 2022 with some examples of the scope of work including:

- Removal of cobs and roots
- Uproot and chipping the tree.
- Dig and close the former hump and root's hole.
- Levelling, cambering and compacting harvesting path.
- Mechanical Planting Hole
- Plowing and Harrowing.
- Close-Ended Conservation Trenches.
- Silt pit.

Based on the results of field observations in Block D06 Division III Sekayu Estate, it is known that the replanting area for the 2022 planting year was found to have used terraces in areas with hilly topography, planted cover crops and utilized EFB around weeded circle.

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 can show a semi-detailed land survey report signed by the drafting team (Minamas Research Center) in May 2017. PT Laguna Mandiri has a flat topography, undulating, rolling to hilly with slopes between 0-38%. The slope class is as follows:

Slope		Description	Area (Ha)	
(%)	(°)		SYE	BTE
0 – 4	0 – 2	Level	-	8.68
4 – 12	2 – 6	Undulating	752.46	435.71
12 – 24	6 – 12	Rolling	2,491.35	2,103.79
24 – 38	12 – 20	Hilly	-	168.49

Furthermore, based on the results of the 2016 soil survey by the Statistic Data Processing team - Minamas Research Center, soil units with profile descriptions were found, including:

Ordo	Sub Ordo	Group	Subgroup	Area (Ha)	
				SYE	BTE
Alfisol	Udalf	Hapludalf	Lithic Hapludalf	59.44	127.80
			Typic Hapludalf	-	1,123.78
Inceptisol	Aquept	Endoaquept	Typic Endoaquept	20.38	20.45
Ultisol	Udult	Hapludult	Lithic Hapludult	-	1.17
			Typic Hapludult	1,414.64	198.34
		Kandludult	Plinthic Kandludult	166.02	68.06
		Plinthudult	Typic Plinthudult	1,583.33	1,177.07

The Alfisol soil at PT Laguna Mandiri has a distribution ranging from rolling to hilly, has good drainage to slightly obstructed, the soil moisture regime is udic so that it is classified in the udalf sub-order and the chemical properties of the soil are characterized by a slightly acidic soil reaction. Meanwhile, Ultisols are found ranging from flat to hilly topography. In general, Ultisols are brownish yellow to red in color. These soils developed from acid sedimentary rocks (sandstones and claystones) and old volcanoes.

Some of the limiting factors encountered are climate, topography, flood and soil erosion. In an effort to minimize soil erosion and decrease in soil fertility, for land with a slope > 6° the planting system is carried out using a terrace system and given cover crops and the arrangement of U-shaped fronds for productive plants. Furthermore, the application of organic matter (EFB) is carried out around the plants to increase soil moisture, both in the pits and around weeded circle of immature plants.

Based on the results of field observations in Block D06 Division III Sekayu Estate, it is known that the replanting area for the 2022 planting year was found to have used terraces in areas with hilly topography, planted cover crops and utilized EFB around weeded circle.

7.6.2; 7.6.3

The CH does not plant on marginal land but instead planted on an area with a certain slope. The CH has a management strategy for planting in the slope area listed in the Minamas Plantation Agricultural Reference section on land preparation. In the instructions for making terraces, the land that can be planted is slope 0°-25°, while land that has a slope of more than 25° is not allowed to be planted in order to maintain biodiversity.

The CH also has procedures related to slope protection and river buffer areas with document number 724/TQEM-SPMS/09 dated August 27, 2010 which was approved by the CEO. This procedure contains the following slope protection:

- Land in estate area with a slope of > 40% is designated as a reserve land that is cultivated or not cultivated, if there are plants and vegetation in the area then it must be maintained and recommended for planting forest plant species
- For flat areas up to slopes < 40% in the initial stages to prevent erosion and surface run off is to plant legumes.

At the time of the audit, the company did not carry out new plantings, but there were replanting activities that had been carried out since 2017 and are planned for completion in 2026. All replanting activities, such as planning terraces on areas with a certain slope, planting cover crops, planning drainage system and irrigation, roads and other infrastructure carried out following the recommendations contained in the soil survey document by the MRC.

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

Based on semi-detailed land survey reports conducted by the MRC team in 2011 at Betung Estate and 2010 at Sekayu Estate, it was concluded that there is no peat area in PT Laguna Mandiri's operational area. Thus, there are no records of planting and maintenance of plants and monitoring of peat areas.

Based on the results of field observations at Sekayu and Betung Estate, it is known that there are no peat areas in the company's operational areas.

Status: Comply

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

7.8.1
The programs for the protection of water bodies, wetlands, including river boundaries are recorded in the Buffer Zone Management SOP (006 / RSPO-LMI / 2010). Based on these documents, maintenance, and management of the buffer zone area as protection for riparian such as making HCV signboard, determining river boundaries, planting trees in riparian area, not cutting trees in riparian, not carrying out activities chemist and routinely monitoring of the riparian area.

The company has a water management plan that take account of the efficiency of use and renewability of sources. The management plan has described in EIA implementation report 1st of 2022. The plan described the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.

The company can show the results of the 1st semester of 2022 (tested date 14 June 2022) River testing by the Environmental Laboratory with accreditation refers to the parameters based on PP No. 22 of 2021 and there are no test results that exceed the

quality standard. the rivers that were tested were the upstream (Sungai Pinang) and downstream (Sungai Gimbal) for 38 parameters analyzed.

7.8.2

The company already has a water management plan and has implemented the water management plan which consists of:

- Do not apply chemicals in river border areas.
- Not disposing of liquid waste into the river but reusing it to plantation land. Before being used, the liquid waste must be managed at the WWTP so that the quality meets the standards set by the government.
- Utilizing water for factory processing in accordance with the standards set by the company.
- Conduct testing of river water quality and monitoring wells.

The surface water quality monitoring program is listed in Betung POM Environmental Monitoring Document which explains that the company must monitor the (Sungai Pinang) and downstream (Sungai Gimbal).

Base on field observations in riparian Walen River Block E35 Betung estate and the Kulum River Block D16, division III, sekayu estate the company has carried out riparian management and monitoring. The condition of the riparian are not replanted, in natural condition, there are planks/signboards prohibiting the application of chemicals, and the boundary markings for chemical applications in the form of trench. The clearly visible between riparian area and planted area by 2022, riparian area is marked with abandoned plants. (not replanting).

7.8.3

The company has a land application permit issued by the Kotabaru Regent / Head of the Investment Service and One Stop Integrated Services according to Decree number 503/0735/IPAL-P-DPMPTSP/2020 on 8 September 2020 which is valid for 5 years. The monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from January to December 2022 were accordance with regulation of the environment minister Number. 28/2003.

7.8.4

The procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last period January to December 2022 average of water use for processing still below the determined budget (1.09 m³/ton FFB while budget is 1.20 m³/ton). Overall use of water under the budget of company.

The company already has a water extraction permit based on the Decree of the Minister of Public Works and Public Housing no. 503 / 1785.a / SIPA / DS-DPMPTSP / X / 2019 dated 14 October 2019 and valid until 15 November 2022 concerning the Granting of Surface Water utilization to PT LMI. Permitted water utilization is 1.5 m³ / ton FFB.

The company shows proof of payment of surface water utilization tax for the period October – December 2022 which was paid to the Revenue service Unit of Kotabaru District on 9 January 2023.

Status: Comply

7.9

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

The unit certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2022 Betung POM has produces 1,366,789 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 11.00 kwh / ton CPO. Result Direct fossil fuel used is 0.18 kWh/ ton CPO.

Status: Comply

7.10

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

7.10.1

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

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

Fossil fuel reducing on Betung POM have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods January to December 2022 shown that all of POME testing parameters is compliant to the standards quality.

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

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

Emissions per product	tCO2e/tProduct
CPO	1.58
PK	1.58

Production	t/yr
FFB processed	112,974.36
CPO produced	23243.392
PK produced	4613.031

Extraction	%
OER	20.57
KER	4.08

Land use	Ha
Planted area on mineral	8685.37
Planted on peat	0
Total area planted	8685.37
Conservation Area (Forested)	90.31
Conservation Area (Non-Forested)	0
FFB Production per hectare	14.00

Summary of field emission and Sinks

Description	Own crop		Group	3rd	Total
Emissions Sources	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e	
Land conversion	43512.82	0.69	7010.50	0	50523.32
CO2 emissions from fertilizer	2592.40	0.04	275.34	0	2867.74
NO2 emissions from peat	0	0	0	0	0
N2O2 from Fertilizer	1894.89	0.03	87.06	0	1981.95

Fuel consumption	1580.93	0.03	1.92	0	1582.86
Peat oxidation	0	0	0	0	0
Sinks					
Crop sequestration	-34193.82	-0.54	-6645.02	0	-40838.84
Sequestration in Conservation area	-828.14	-0.01	0	0	-828.14
Total	14559.07	0.23	729.80	5729.80	21018.67

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	22144.89	0.20
Fuel consumption	931.94	0.01
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	23076.82	0.20

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

The auditor team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from SYE and BTE plantations, the amount of production from third parties, the amount of production from 3rd Plantations, planted area of SYE and BTE the distribution of planting years and the area of HCV. which is in accordance with actual Conditions.

The results of the GHG calculation for the period of 2021 have increase compared to the results of the calculations in 2022, this year the total emission is 2.11 tCO₂/ tProducts. Last year, 1.58 tCO₂/tProduct. This is proof that GHG mitigation is going well.

7.10.2

Based on field observation, document verification and interview with staff sighted that there are no ne development after year of 2014. The company has identified pollutions and emissions sources of Betung POM for the period 2022, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2022, such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

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

Status: Comply

7.11

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

7.11.1; 7.11.2

The company shows the memorandum of Head Plantation Upstream Indonesia dated August 7, 2014 No. M-077/HPUI/VIII/2014 has explained that the company does not burn in any form, and must implement zero burning in all Minamas plantation activities.

The company has SOPs related to oil palm cultivation which are contained in the "Reference Procedures for the Agronomy of Oil Palm Planting Manual", or Agricultural Reference Manual (ARM) No. Policy 110/EST-ARM/13 signed by the Head of Plantation Upstream Indonesia on September 16, 2013. The SOPs related to land clearing activities are in Section 4 on Land Preparation which explains that land clearing activities are carried out mechanically without burning.

The results of observations in the replanting area revealed that there was no indication of the use of fire in replanting activities. Replanting activities are carried out by falling, chopping and crushing.

The company already has fire prevention and control measures, for example:

- Have procedures for prevention and management of land fires No. 7302/PSQM-ESH/14 dated 7 August 2014.
- Monitoring fire facilities and infrastructure owned every month. For example, for the period of December 2022 it is known that there are no fire case in the company's work area
- Has an emergency response team structure that has been trained to deal with fires
- Conduct training simulations on a regular basis. For example, company showed minutes of Socialization emergency response of forest and land fires which were carried out on April 23, 2022, which involved local stakeholders such as *koramil*, *polsek* and communities around
- Monitoring and control of land fires for 2022 was submitted to related Agency of Kotabaru District and Bangka Province on January 2023

The company can show a list of emergency response preparedness equipment along with a recording of its condition monitoring which is carried out every month, as for the list of emergency preparedness equipment owned by the company as of December 2022 such as :

- Water tank
- Water pump
- Hose
- Nozzle
- Light fire extinguisher
- Hydrants
- Portable pump
- First Aid
- etc

The results of an interview with the Plantation Agency of Kotabaru District known that, there is no history of fires or the appearance of hotspots in the company area within the last 2 years.

7.11.3

The company can show recordings of periodic training, for example the Minutes of Socialization emergency response of forest and land fires which were carried out on April 23, 2022, which involved local stakeholders such as *koramil*, *polsek* and communities around.

Based on the results of field observations in the operational activities, it shows that there is no operational activities that use fire. Based on interviews with management and external stakeholder, it was stated that all land clearing activities were done mechanically. Based on an interview with relevant agencies, it was also stated that the company has shown a commitment not to burn for land clearing through fire simulation activities involving various stakeholders.

Status: Comply
7.12

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

7.12.1

Based on the statement area, it is known that there was a planting year of 2007 covering 133.20 hectares and 2009 covering 54.20 hectares in the Betung Estate. Meanwhile, the HCV identification activity was carried out by PT LMI in 2009, for this reason the company followed the Remediation and Compensation Procedures which were ratified by BOG on 16 Nov 2015.

Sime Darby plantation has sent a letter to RSPO on 15 July 2015 regarding reports of land clearing without HCV for all units / companies under Sime Darby / Minamas. Based on these data, it is known that there has been land clearing since November 2005 at PT LMI with the following periods:

Estate/Land clearing	Nov 2005 – Nov 2007	Dec 2007 – Dec 2009
Sekayu	-	1.47 Ha
Betung	73.80 Ha	121.72 Ha

The company sent the Land Use Change Analysis (LUCA) document to the RSPO on September 4, 2015. Based on the LUCA data sent by Sime Darby, it is known that:

Estate	Raw Liability (Ha)	Final Liability (Ha)
Sekayu	1.47	0
Betung	121.72	40.57

On 26 June 2016, Sime Darby Plantation sent a letter to the RSPO regarding an update on the raw liability data for LUCA, with the following details:

Estate	Raw Liability (Ha)	
	Nov 2005 – Nov 2007	Dec 2007 – Dec 2009
Sekayu	-	-
Betung	74	86

7.12.2

The company has conduct HCV assessment which carried out by “Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI)” or Indonesian Sustainable Oil Palm Foundation in December 2009. Team of accessor was RSPO approved. Scope of assessment were covers PT LMI Rantau Estate, Matalok Estate, Sekayu Estate and Betung Estate. Peer review towards HCV identification assessment is presented in document No. 028/SK-YASBI/X/2012 dated October 12th 2012. Public consultation of HCV records on 6 December 2009 was attended by the Head of Pamukan Selatan, Pamukan Barat Sub-District, Pamukan Utara Sub-District, Village Heads (Kades Sesulung, Rampak Cengal Village, Bepara Village Head, Pamukan Utara Village Head, Betung Village, Bakau Village, BPD, and representatives Pamukan Estate and the Durian River.

The company shows Minutes of Agreement related to the management of HCV in Betung Estate and Sekayu Estate between representatives of companies and surrounding community that have rights in the HCV area of Company on 8 March 2017 at the Sekayu Estate Office, with the agreement as follows:

- Local communities do not agree to the collective management of HCV areas that overlap with the rights of the community because the area has become a land of income for the community.
- The company will submit HCV area that overlapping to the public to fully managed by community.
- With the agreement, then Betung Estate and Sekayu Estate will release it from the HCV area that managed by company.

Location (Blocks)	Area (ha)	Remarks	Land Control (ha)	
			Company	Community
Betung Estate				

K38-K40	46.68	Wetland		46.68
E29/30, J27-J31, D36-38, C36-38, E35-36 and F36-36	193.88*	Natural vegetation		193.88
D32-D33, E7, H38, I38, J38 and J41	74.31	Riparian zone of Sekayu River		74.31
J26-J30	28.09	Riparian zone of Pinang River		28.09
B36, C36, D36 and D37	38.50	Riparian zone of Walen River		38.50
I29 and I30	12.42	Riparian zone of Enten River		12.42
C37, J40 and K33	3.72	Buffer zone of Betung Basin		3.72
F36	2.00*	Basin		2.00
Sub Total HCV Betung Estate			205.72	399.60
Sekayu Estate				
D27, D28, E29 and E30	30.50	Riparian zone of Sekayu River	30.50	
G13	0.25	Riparian zone of Tamerung River	0.25	
D26-D27, E26-E28, F27-F29, G29 and H29	63.10	Riparian zone of Enten River	42.52	20.58
C15-C17, D14-D17, E17-E18 and F19	50.42	Riparian zone of Kulum River	10.05	40.37
F26, D28, G15, G32 and I08	5.78	Buffer zone of Sekayu Basin	5.78	
G17	0.50	Gua Batu Spring.		0.50
B21, C/D16, E26/27, H29/30 and G25/26	80.38*	Secondary forest		80.38
G14-G16	45.00	Buffer zone of Gua Batu Spring area		45.00
Sub Total HCV Sekayu Estate*			89.10	186.88
Grand Total			89.10	586.48

Note: * Identified as HCV area. The area that stated as HCV only in Sekayu Estate. Therefore, the HCV area in Betung Estate is overlapped with planted area.

HCV study has identified wildlife in PT LMI with its status according to IUCN, CITES and Government Regulation (PP) No. 7 year 1999. There was identified totaling 23 species of mammals, 48 species of aves and 9 species of reptiles. From those wildlife mentioned, 17 mammals, 10 aves and 3 reptiles were listed in IUCN, CITES and PP No. 7 year 1999. There is no wildlife categorized as critically endangered which mentioned in IUCN redlist data book 2009.

The company has identified HCV areas in December 2009. The company has now entered and prepared a replanting program (long range) for Sekayu estate and Betung estate. Based on the results of a field visit at the Betung estate, information was obtained that the company had carried out replanting activities, for example in block E35 (planting year 2022) in that area there is a Welan river flow whose riparian was left (not replanted) as a buffer zone for the Welan river border. Referring to the results of the initial HCV identification (2009) the Welan river riparian block E35 does not include the HCV area in the Betung estate.

The company has the opportunity to carry out a more in-depth identification (re-delineation) to update HCV area data, especially in areas that have the potential for High Conservation Value as described in the 2009 HCV Assessment Results Recommendations and the actual conditions of the total area of HCV areas in detail (including coordinates, block locations and total area) during the replanting activity. **OFI**

7.12.3

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

7.12.4

The company established HCV management plan to maintain the HCV areas in operation area of PT LMI, listed on Management plan HCV 2022 documents. The HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. The company has HCV management plan in 2022, such as:

- Flora and fauna identification carried out every 3 months
- HCV socialization once a year
- Monitoring of HCV area conditions every 3 months
- Tree planting once a year
- Reservoir water quality analysis and river every 6 months

- Monitoring the condition of the buffer zone every 3 months
- Painting trees (as buffer zone marker) every 3 months and evaluating the program every 6 months.

Based on field observation, HCV management plan has been implemented by Certificate Holder. Field visits on riparian Walen River Block E35 Betung estate and the Kulum River Block D16, division III, sekayu estate there are HCV signboard in certain area, enhance with natural vegetation, and there is no identification spraying activity.

Based on the results of field observation interviews and document studies, in 2022 the company will not plant rehabilitation plants, the rehabilitation of tree seedlings has been planted in 2020 for 2022 it will only monitor the condition of rehabilitation plants, based on the results of monitoring in 2022 the condition of rehabilitation plants is still grow.

The HCV officers in each estate (concurrently as assistant) are responsible for implementing the HCV work plan and monitoring the success of HCV management in each working area. The company also demonstrated evaluation and consultation with stakeholders related to the HCV program which was carried out on December 1, 2022 which was attended by Betung Village, Sekayu village, local contractor and Balaimea Village.

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

- Reports on HCV patrols conducted on 11 July 2022, 8 August 2022, 5 September 2022, 3 October 2022, 7 November 2022 and 6 December 2022. Based on the patrols carried out, the condition of the HCV is safe and under control and there are warning boards that have been damaged and need to be replaced.
- Monitoring reports on animal/plant species for the period January until December 2022. monitoring of animal encounters at Betung estate on 6 December 2022 in found Trenggiling (*Manis javanica*), Hedgehog (*Hystrix brachyura*), Sigung (*Mydaus javanensis*), Macan Akar (*Felis bengalensis*) and Pelanduk (*Tragulus javanensis*) and ; 37 species of birds and there are 4 species protected by the Government Regulation No. 7 of 1999 / Enviromental Ministry Decree No.106 years 2018 such as Pekaka Emas (*Pelargopsis capensis*), Kipasan Belang (*Rhipidura javanica*), Burung Madu Raja (*Aethopyga siparaja*) and Pijantung Kecil (*Arachnothera longirostra*); 8 types of reptiles and flora no protected by government regulation.

7.12.5

Results of the verification documents, field visits and interviews with villagers (Balaimea Village and Sekayu village) obtained information that there are no areas of HCV-related and affect the local community.

7.12.6

The company has an Environmental and Biodiversity Policy, in which the company is committed to:

- Comply with and implement Laws and Government Regulations relating to the environment and biodiversity.
- Creating, maintaining and continuously improving Sustainable Plantation Management Systems both externally and externally
- Prevent negative impacts that can harm the environment and biodiversity as a result of plantation activities
- Educating and raising awareness of related parties through training on concern for environmental and biodiversity conservation.

The company has also carried out socialization related to the HCV monitoring program and RTE species to employees and the surrounding community. The socialization to the public was carried out on December 9, 2022 to Sekayu Baru Village, Bepara Village, Betung village and employees Mill and estate.

Based on the HCV Assessment document, it is known that there are 493 flora throughout PT LMI, but there are no protected species. As for animals, in all PT LMI there are protected animals according to IUCN, CITES and PP No. 7 of 1999, namely 17 species of mammals, 10 species of birds and 3 species of reptiles.

Based on the results of the document review, the company has conducted monitoring every three months, such as monitoring area boundaries, HCV signboards and tree planting.

The company also monitors flora and fauna every month, such as the monitoring of animal encounters at Betung estate on 6 December 2022 in found Trenggiling (*Manis javanica*), Hedgehog (*Hystrix brachyura*), Sigung (*Mydaus javanensis*), Macan Akar (*Felis bengalensis*) and Pelanduk (*Tragulus javanensis*) and ; 37 species of birds and there are 4 species protected by the Government

Regulation No. 7 of 1999 / Environmental Ministry Decree No.106 years 2018 such as Pekaka Emas (*Pelargopsis capensis*), Kipasan Belang (*Rhipidura javanica*), Burung Madu Raja (*Aethopyga siparaja*) and Pijantung Kecil (*Arachnothera longirostra*); 8 types of reptiles and flora not protected by government regulation.

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan.

Based on interview with workers known that they are understood about protected species and HCV area with no collect, illegal hunting, and consume RTE species.

7.12.7

The HCV management activities that taken by the management unit for period 2022 are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. The company has also submitted a report related to the biodiversity database and monitoring & management HCV of PT LMI to the Natural Resources Conservation Center of Kalimantan Selatan Province.

The company conducted a management review related to the management of the HCV area on 2022. The company has evaluated the results of management of riparian and HCV areas in 2023, among others, as input in the preparation of a management plan for the management and monitoring of HCV in 2022.

7.12.8

The company already has a Chronology of LUCA submission by SDP document update until January 2019 where the company has sent LUCA reports to the RSPO (19 reports) along with shapefiles in August 2018, in October 2018 the RSPO responded with a note requiring clarification. Based on PT MAL's communication with RSPO on February 13, 2019, RSPO stated that currently the LUCA status for PT LMI is still waiting for finalization and clarification from SDP Berhad.

The document Land use / cover change analysis (LUCA) reporting checklist from the RSPO dated August 9, 2019, it is known that there are still data that need to be clarified, including:

- Provide missing satellite images, land cover and vegetation coefficient shapefiles for all 4 estates that covers all 2005, 2007 and 2009 years.
- Provide substitute satellite imageries for the no-data gaps and artefacts that are observed to be present for all the imageries.
- Provide the RSPO Remediation and Compensation Liabilities Report PT BSS V1 report for reviewers to reference the calculation and validity of the satellite images used.

The Certification Unit shows the LUCA report status table for PT LMI dated 21 April 2020 which informs the external audit date of 9-14 March 2020, reviewer by Borneo Future and ERE Consulting Group. However, the evidence for clarification has not yet been explained to the RSPO regarding the data below:

- Provide missing satellite images, land cover and vegetation coefficient shapefiles for all 4 estates that covers all 2005, 2007 and 2009 years.
- Provide substitute satellite imageries for the no-data gaps and artefacts that are observed to be present for all the imageries.
- Provide the RSPO Remediation and Compensation Liabilities Report PT BSS V1 report for reviewers to reference the calculation and validity of the satellite images used.

The Unit of Certification shows some evidence of improvement as follows:

- RaCP progress update matrix, note that the value of Final Conservation Liability: 0.
- The results of communication between Sime Darby Plantation and the RSPO Secretariat dated May 14, 2020, are as follows:
 - NC raised to the units with FCL = 0 can be closed and hence proceed with certification.
 - NC raised to the units with FCL value, the NC can be left open until the next ASA in which the compensation plan needs to be approved by then.

Based on the improvements that have been shown by the company as well as evidence of communication between the company and the RSPO from 8 July 2020 to 29 January 2021, it shows that currently the LUCA reporting process has reached the 3rd stage of review and is still in the RSPO review process until the Surveillance 1.2 audit. done.

Verification 16 June 2022 (Onsite ASA-1.2 & ASA-1.3)

The company shows the progress of the RaCP / LUCA approval process from the RSPO according to an email from the RSPO secretariat dated 18 February 2022 which explained that the RSPO secretariat gave conditional approval "Conditional Approval" to Sime Darby Plantation (SDP) for certified management units including PT Teguh Sempuna for continue recertification assessment.

Email on 18 February 2022 from Aryo Gustomo saryo.gustomo@rspo.org to Alagendran Maniam alagendran.maniam@sime-darbyplantation.com which stated, "Dear Pak Alagendran, first of all, thank you for being patient with us. After reviewing your request and doing some internal checking within our team, herewith our response to you.

We take consideration to provide a Conditional Approval as referring to the previous Advisory Note that we had provided to you before. This considering that the Advisory Note was given for the first case that came to us, and when the continuation of the previous approval for the similar case, we only give you through the conditional approval.

*Now, this Conditional Approval would only be given for those Management Units that **have been certified before** to allow the Company to complete the RaCP process and continue the Annual Surveillance Assessment (ASA) and/or Recertification. And this will only be **valid until the next 6 months** from the date of this email. From time to time, we will review all the progress and status of the Certification and RaCP process for the particular certified management units, and we may revoke this conditional approval if any issues happen that may heavily threaten the integrity of RSPO standard requirements.*

*While for the **uncertified management units**, The Initial Certification audit may be conducted, but the **Certificates can only be issued when the completion of the RaCP Process (i.e approval of Compensation and Remediation Plans)** is approved by the Compensation Panel.*

The following, extracted from our Sales Force database (as per last week), is the list of all Management Units under your Sime Darby Operation in Indonesia with detailed status of Certification and RaCP process. (PT Laguna Mandiri)"

Based on list of all Management Units under your Sime Darby Operation in Indonesia with detailing RaCP Status Completed dated 4 May 2021 with Remarks RaCP completed and audit process can still continue.

Verification ASA-1.4

There is an Advisory Note from the SDP Indonesian operation regarding the LUCA Process dated 7 January 2023 from the RSPO to the Sustainability & Quality Management - Minamas Plantation team which explains the LUCA approval in a case to case situation, for PT Laguna Mandiri can proceed with continuation of audits however, the NC will remain open until the next ASA and management unit must provide the update to the pending action / clarification to the RSPO Secretariat within the next 6 months.

Status: Comply

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 -1.4	PT Laguna Mandiri (Sime Darby Plantation Berhad) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Berhad is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	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 -1.4	PT Laguna Mandiri (Sime Darby Plantation Berhad) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Berhad is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA -1.4	PT Laguna Mandiri (Sime Darby Plantation Berhad) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Berhad is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA -1.4	PT Laguna Mandiri (Sime Darby Plantation Berhad) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Berhad is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Berhad 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.

Sime Darby Plantation Berhad Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Berhad has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Berhad is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Berhad by the Head of Sustainability & Quality Management.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Berhad based on their Time Bound Plan. 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:

- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: The sustainability unit has conducted the internal audit for 9 units and updated in the compliance status of uncertified management unit. There is no replacement of primary forest or HCV area and no new planting after January 1st 2010. Other than that, land conflicts and land disputes also being audited and approved by Head of Sustainability-Indonesia.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit.</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. 	<p>Company Group/Holding Statement: No replacement of primary forest or HCV or no new planting after Jan 1st 2010 for all uncertified units except for PT Sime Indo Agro, Bukit Ajong Mill East* Estate /Sei Mawang Estate which is currently under RaCP. LUCA submitted and currently under review process by appointed reviewer by RSPO.</p> <p>Auditor Verification: Sime Darby Plantation Berhad sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Berhad is having been sent the 19 report of LUCA</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: No new plantings. As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</p> <p>Auditor Verification: Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP it will be object of sanction.</p>
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>Company Group/Holding Statement: The group has land conflict procedure in place. No Land conflict registered with RSPO Complaints System. No outstanding complaints with the RSPO.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement and there is no conflict in uncertified area.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</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>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 5,815 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 890 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 ASA-1.1 (Remote) Assessment

NCR No.	:	2022.1	Issued by	:	Moh Arif Yusni
Date Issued	:	21 April 2021	Time Limit	:	ASA 1.3
NC Grade	:	Minor	Date of Closing	:	26 April 2021
Standard Ref. & Requirement	:	3.3.3 Records of monitoring and any actions taken are maintained and available.			
Evidence observed <i>(filled by auditor):</i> In the previous assessment, there was a discrepancy in indicator 3.4.3 where the evaluation was related to the critical level, compliance level and trend level in the RKL-RPL report as regulated in KepMenLH No. 45 of 2005 has not been implemented. In relation to this, the company has made improvements by including these components in the RKL - RPL report according to the proof of repair sent (Semester 2 of 2019). Furthermore, the current assessment is in accordance with the last RKL - RPL report submitted (semester 2 period, 2020 in March 2021) the evaluation has been carried out by the company but is limited to components for the critical level and the level of compliance. However, the results of document verification show that an evaluation for the trend level has been carried out but has not been carried out comprehensively on the parameters that must be evaluated. There is no evidence that monitoring and follow-up related to environmental management have been fully implemented. based on this					
Non-Conformance Description <i>(filled by auditor):</i> There is no evidence that monitoring and follow-up related to environmental management have been fully implemented. based on this					
Root Cause Analysis <i>(filled by organization audited):</i> Evaluation of Critical Limits and compliance has been carried out but one page is left behind for trend evaluation because when making an evaluation by the RKL RPL drafting team, they saw that there was no trend above the quality standard limit so that a trend evaluation was not carried out like the other two evaluations.					
Correction <i>(filled by organization audited):</i> Conduct and add trend evaluations in the RKL RPL so that there are 3 evaluation categories, namely Evaluation of critical limits, evaluation of compliance and evaluation of trends in environmental monitoring by looking at the analysis data compared to before and compared with the established quality standards, with PIC Team SQM with Mill and Estate Staff.					
Corrective Action <i>(filled by organization audited):</i> Furthermore, the SQM team together with Mill/Estate Staff in the preparation of the RKL RPL Ensure that the 3 evaluations are carried out and are confirmed to be contained in the RKL RPL report before being sent to the relevant Office					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 26 April 2021 The certification unit can show the RKL – RPL report for Semester 2 of 2020, where there has been an explanation of the evaluation of trends in the RKL RPL so that there are 3 evaluation categories, namely Evaluation of critical limits, evaluation of compliance and evaluation of trends in environmental monitoring by looking at the analysis data compared to before and compared with established quality standards.					

In accordance with the corrective evidence that submitted in this indicator the non-conformity has been closed and will be verified at the next assessment

Follow up on next audit (filled by auditor):

Based on the verification of the RKL-RPL document for semester I of 2022, the report has explained all evaluations of significant impacts arising from mill and estate. As for the evaluation in question, namely evaluation of the level of tendency, evaluation of the level of compliance and evaluation of the critical level.

Verified by : **Moh Arif Yusni**

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.2 & ASA-1.3 Assessment

NCR No.	:	2022.01	Issued by	:	Moh Arif Yusni
Date Issued	:	18 June 2022	Time Limit	:	16 September 2022
NC Grade	:	Major	Date of Closing	:	24 June 2022
Standard Ref. & Requirement	:	3.8.12. Record Keeping i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv) For Mass Balance Module, the mill: a) shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).			

Evidence observed (filled by auditor):

since obtained new license in Palm Trace on 1 July 2020, production and despatch of CSPK presented below:

Month	PK Production (Kg)			Certified Despatch	Stock	Claim Period	Transaction ID	Date
	Certified	Non Certified	Total					
Jun-20				145.17				
Qrt 2. Total					192.93			
31-Jul-20	119.86		119.86		312.79	145.17	TR-9e242a53-29dc	01-07-2020
			0	168.17	144.62	168.17	TR-f1088dc1-174f	31-07-2020
31-Aug-20	137.96		137.96	69.67	212.91	69.67	TR-2426cf57-5b49	31-08-2020
30-Sept-20	247.92	2.7	250.62	313.84	146.99	313.84	TR-68c95987-2e2f	30-09-2020
Qrt 3. Total	505.74	2.7	508.44	551.68	146.99	696.85		
31-Oct-20	275.45	44.31	319.76	202.59	219.85	202.59	TR-cb3e7582-419b	31-10-2020
30-Nov-20	441.39	139.49	580.88	360.32	300.92	360.32	TR-138a394a-8919	30-11-2020
31-Dec-20	431.94	203.5	635.44	567.33	165.53	567.33	TR-9d46232a-65be	31-12-2020
Qrt 4. Total	1,148.78	387.29	1536.07	1130.24	165.53	1,130.24		
31-Jan-21	309.99	123.79	433.78	192.4	283.12	192.4	TR-deaff2a2-9d85	31-01-2021
28-Feb-21	238.73	104.89	343.62	837.77	-315.92	837.77	TR-314ec006-db9d	28-02-2021
31-Mar-21	278.9	136.89	415.79	411.9	-448.92	411.9	TR-b0780294-ce88	31-03-2021
Qrt 1. Total	827.62	365.57	1193.19	1442.07	-448.92	1442.07		
30-Apr-21	230.61	171.15	401.76	279.6	-497.91	279.6	TR-2a6af331-8444	30-04-2021
31-May-21	167.92	207.14	375.06	314.32	-644.31			

30-Jun-21	203.87	743.86	947.73	549.64	-990.08			
Qrt 2. Total	602.4	1,122.15	1724.55	1143.56	-990.08	279.6		
31-Jul-21	166.53	74.29	240.82	236.48	-1,060.03			
31-Aug-21	138.82	59.98	198.8	240.45	-1,161.66			
30-Sept-21	191.27	37.12	228.39	180.2	-1,150.59	314.32	TR-e50e9bc8-b8ab	12-09-2021
						549.64	TR-7ce16ecc-a006	12-09-2021
						236.48	TR-7fc71827-9d85	12-09-2021
						240.45	TR-1855b933-dfc3	12-09-2021
Qrt 3. Total	496.62	171.39	668.01	897.58	-1,150.59	1340.89		
31-Oct-21	225.32	25.78	251.1	150.16	-1,075.43			
30-Nov-21	200.78	35.66	236.44	480.27	-1,354.92			
31-Dec-21	243.47	13.7	257.17	139.18	-1,250.63	240.45	TR-b2e63334-3e9a	31-12-2021
						180.2	TR-552d6060-a626	31-12-2021
						150.16	TR-2b75363e-eaf3	31-12-2021
						480.27	TR-35184ef0-4ab3	31-12-2021
						131.65	TR-132a6439-7975	31-12-2021
Qrt 4. Total	669.57	75.14	744.71	769.61	-1,250.63	1182.73		
31-Jan-22	209.36	57.02	266.38	139.18	-1,180.45	139.18	TR-07de48d9-10f2	31-01-2022
28-Feb-22	193.38	81.38	274.76	337.47	-1,324.54			
31-Mar-22	207.48	125.05	332.53	52.27	-1,169.33	337.47	TR-34125778-6081	31-03-2022
Qrt 1. Total	610.22	263.44	873.66	528.92	-1,169.33	476.65		
30-Apr-22	197.14	172.38	369.52	0	-972.19			
31-May-22	216.98	209.92	426.9	186.99	-942.20	186.99	TR-b33b7cc0-eb5e	31-05-2022
Qrt 2. Total	414.12	382.3	796.42	186.99	-942.20	186.99		
Total	5,468.00	2,769.98	8,045.05	6,650.65	-942.20	6,736.02		

Based on table above, obtained several information:

1. Betung Factory since February 2021 until May 2022, cannot present the balance of Certified PK Production and delivery of certified products immediately (real time) and/or every three months.
2. Since negative stock of CSPK in February 2021 and until next quarter period, the negative stock has not been balanced

Non-Conformance Description (filled by auditor):

its can be concluded if the company cannot present of the dispatch or selling CSPK MB are from positive Stock

Root Cause Analysis (filled by organization audited):

GTM didn't coordinate with BTF, which caused there to be discrepancy data in the volume of CSPK produced so there is over claim certified product

Correction (filled by organization audited):

GTM carried out cancelling of transactions in palm trace on 22 June 2020 covering 1,875.26 MT

Corrective Action (filled by organization audited):

1. Carried out communications between BTF and GTM related to daily and monthly productions as guidance during the claim of certified product
2. Routinely socialiaation between mill, GTM, and SQM

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 24 June 2022

The unit of certification presented corrective evidence as follows:

- Cancelling transaction TR-b33b7cc0-eb5e with the volume covering 186.99 MT
- Cancelling transaction TR-314ec006-db9d with the volume covering 837.77 MT
- Cancelling transaction TR-b2e63334-3e9a with the volume covering 240.45 MT
- Cancelling transaction TR-2a6af331-8444 with the volume covering 279.6 MT
- Cancelling transaction TR-1855b933-dfc3 with the volume covering 240.45 MT

Furthermore, the unit of certification presented as a guide to prevention in the form of an evaluation letter to Mill, SQM and GTM from the Assistant Manager of RSQM KSP with letter no 01/RSPO-MB/VI/2022 dated 24 June 2022 about evaluation and transaction commitment and Mass Balance RSPO with hoping the consent from all PIC (Mill, SQM and GTM) to always communicate so that this recording does not repeat itself so that every quarter the stock is always positive.

With the performed of removing and cancelation of transactions, the recording and selling data in PT LMI – Betung Factory are:

Month	PK Production (Kg)			Certified Despatch	Stock	Claim Period	Transaction ID	Date
	Certified	Non Certified	Total					
Jun-20				145.17				
Qrt 2. Total 2020					192.93			
31-Jul-20	119.86		119.86		312.79	145.17	TR-9e242a53-29dc	01-07-2020
			0	168.17	144.62	168.17	TR-f1088dc1-174f	31-07-2020
31-Aug-20	137.96		137.96	69.67	212.91	69.67	TR-2426cf57-5b49	31-08-2020
30-Sept-20	247.92	2.7	250.62	313.84	146.99	313.84	TR-68c95987-2e2f	30-09-2020
Qrt 3. Total 2020	505.74	2.7	508.44	551.68	146.99	696.85		
31-Oct-20	275.45	44.31	319.76	202.59	219.85	202.59	TR-cb3e7582-419b	31-10-2020
30-Nov-20	441.39	139.49	580.88	360.32	300.92	360.32	TR-138a394a-8919	30-11-2020
31-Dec-20	431.94	203.5	635.44	567.33	165.53	567.33	TR-9d46232a-65be	31-12-2020
Qrt 4. Total 2020	1,148.78	387.29	1536.07	1130.24	165.53	1,130.24		
31-Jan-21	309.99	123.79	433.78	192.4	283.12	192.4	TR-deaff2a2-9d85	31-01-2021
28-Feb-21	238.73	104.89	343.62		521.85			
31-Mar-21	278.9	136.89	415.79	411.9	388.85	411.9	TR-b0780294-ce88	31-03-2021
Qrt 1. Total 2021	827.62	365.57	1193.19	604.3	388.85	604.3		
30-Apr-21	230.61	171.15	401.76	0	619.46			
31-May-21	167.92	207.14	375.06	314.32	473.06			
30-Jun-21	203.87	743.86	947.73	549.64	127.29			
Qrt 2. Total 2021	602.4	1,122.15	1724.55	863.96	127.29	0		
31-Jul-21	166.53	74.29	240.82	236.48	57.34			
31-Aug-21	138.82	59.98	198.8		196.16			
30-Sept-21	191.27	37.12	228.39	180.2	207.23	314.32	TR-e50e9bc8-b8ab	12-09-2021
						549.64	TR-7ce16ecc-a006	12-09-2021
						236.48	TR-7fc71827-9d85	12-09-2021

Qrt 3. Total 2021	496.62	171.39	668.01	416.68	207.23	1100.44		
31-Oct-21	225.32	25.78	251.1	150.16	282.39			
30-Nov-21	200.78	35.66	236.44	480.27	2.90			
31-Dec-21	243.47	13.7	257.17	131.65	114.72			
						180.2	TR-552d6060-a626	31-12-2021
						150.16	TR-2b75363e-eaf3	31-12-2021
						480.27	TR-35184ef0-4ab3	31-12-2021
						131.65	TR-132a6439-7975	31-12-2021
Qrt 4. Total 2021	669.57	75.14	744.71	762.08	114.72	942.28		
31-Jan-22	209.36	57.02	266.38	139.18	184.90	139.18	TR-07de48d9-10f2	31-01-2022
28-Feb-22	193.38	81.38	274.76	337.47	40.81			
31-Mar-22	207.48	125.05	332.53		248.29	337.47	TR-34125778-6081	31-03-2022
Qrt 1. Total 2022	610.22	263.44	873.66	476.65	248.29	476.65		
30-Apr-22	197.14	172.38	369.52	0	445.43			
31-May-22	216.98	209.92	426.9					
Qrt 2. Total 2022	414.12	382.3	796.42	0	662.41	0		
Total	5,468.00	2,769.98	8,045.05	4,805.59	662.41	4,950.76		

Based on corrective evidence and table above it can be concluded if PT LMI – Betung Factory can presented the balancing of CSPK produced an selling as real time or quarterlt. So the non conformity of this indicator declared closed

Verified by : **Moh Arif Yusni**

NCR No.	:	2022.02	Issued by	:	Moh Arif Yusni
Date Issued	:	18 June 2022	Time Limit	:	16 September 2022
NC Grade	:	Major	Date of Closing	:	15 July 2022
Standard Ref. & Requirement	:	Registration of Transactions i. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii. ii. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.			
Evidence observed (filled by auditor): the RSPO Manual SCCS (SCCS-STd/RSPO/PSQM/02 Rev 01 dated 22 March 2021 mentioned if shipping announcement/announcement carried out by Marketing Department Jakarta after payment process clear or maximal 3 months since despatch in accordance with clausal 3.8.16 SCCS. However, against implementations from that procedure there are claims / issued of Shipping announcement/announcement more than three months since despatch time and transaction cannot be traced, for example: - Shipping announcement Transaction ID TR-e50e9bc8-b8ab dated 12 September 2021 with volume 314.32 MT it was known despatch period carried out in May 2021 - There are two shipping announcements each 240.45 MT are shipping announcement with transaction id TR-1855b933-dfc3					

dated 12 September 2021 and a shipping announcement with Transaction id TR-b2e63334-3e9a dated 31 December 2021, where based on the Mass Balance sheet Betung Factory only there is one dispatch with those volumes in August 2021

Non-Conformance Description (filled by auditor):

Based on that explanation the unit of certification cannot present evidence if the shipping announcement has been carried out less than three months

Root Cause Analysis (filled by organization audited):

Declaration in palm trace more than three (3) months due to the PIC from GTM or SDO Dept been resign so caused take over to temporary staff which need more time and need sharing knowledge to the PIC, and for declaration for that transaction late and carried out in September 2021

Correction (filled by organization audited):

- Obtaining information from Rantau KCP and GTM regarding those declarations
- Issued mechanism about coordination regarding monitoring stock of sales of CPO and PQ between SQM Department and GTM on 26 January 2022

Corrective Action (filled by organization audited):

Increase coordination between GTM Department, Betung Mill and Rantau KCP regarding stock, selling, producing and declaration in accordance with mechanisms that issued.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 14 June 2014

The unit of certification presented corrective evidence as follows:

- Cancelling transaction TR-b2e63334-3e9a with the volume covering 240.45 MT
- Cancelling transaction TR-1855b933-dfc3 with the volume covering 240.45 MT

Verification of 03 July 2022

The unit of certification can presented corrective evidence regarding mechanism for monitoring stock of CPO & PK sales between SQM Department and the GTM Department on 26 April 2022 which explains about:

1. Dept. SQM monitors the stock of CPO & PK sales at the Mill every 3 months
2. Dept. SQM coordinates with the Dept. GTM Jakarta regarding RSPO certified products produced / produced and sold on the Palm Trace IT platform every 3 months via email
3. Dept. GTM Jakarta will remove RSPO-certified volumes that are sold under other schemes, which are sold conventionally or if there is a lack of production and will inform if there are certified volumes that are allocated as credit sales.
4. Dept. GTM Jakarta sends proof of products that have been removed or allocated as credit sales on the Palm Trace IT platform to the Dept. PSQM via Email.

In relation to the proof of improvement sent, this non-conformity is declared unfulfilled, the audit unit needs to show evidence that this mechanism has been received and distributed to the relevant departments.

Verification 15 July 2022

The certification can show evidence that the coordination mechanism for monitoring stock of CPO & PK sales between Dpet SQM and the GTM Jakarta Department on 26 April 2022 has been distributed to the relevant departments, namely the GTO HR Team and the Mill Betung Factory Team, on 08 July 2022, via email.

Based on correctove evidence that submit the non conformity of this indicator declared closed

Verified by : **Moh Arif Yusni**

3.4.3. Identification of Findings, Corrective Actions and Observations at ASA-1.4

NCR No.	:	2023.01	Issued by	:	Radytio Puspanjana
Date Issued	:	2 February 2023	Time Limit	:	Next Assessment
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	3.4.2 For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring have been developed with participation of affected stakeholders.			
Evidence observed (filled by auditor): As a form of social management, the company has developed / compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. In the social study, the affected villages were Betung Village, Bakau Village, Balaemea Village, Bepara Village, and Sekayu Village. The social impact assessment was first carried out in January 2010 by the Indonesian Sustainable Coconut Foundation as a follow-up to the results of the assessment, there are several recommendations / matrices for social impact management and monitoring plans, including: <ul style="list-style-type: none">• Transparency• Plasma KKPA• Overlapping land As one of the efforts to improve and pay attention to the latest situation from 2022 the company carried out an SIA review which was carried out on December 20 2022, where this was due to the dynamic social situation. The results of the SIA review for impacts that are managed and monitored include: <ul style="list-style-type: none">• Replanting activities.• Improving the community's economy from plantation and factory activities.• Improvement of labor education and health from plantation and factory activities.• Maintenance of local wisdom The company also shows the SIA Planning and Monitoring matrix for 2021/2022 (compiled on 8 June 2022), such as: <ul style="list-style-type: none">• Health services.• Educationn• Community assistance.• Community empowerment around the plantation• Infrastructure development. In an effort to follow up on the 2010 SIA review recommendations, the company has developed a social management and monitoring plan for 2022, but in the process of preparing the document it was discovered that: <ul style="list-style-type: none">• External stakeholders involved in preparing social management and monitoring plans are still limited to several affected stakeholders, for example Bepara Village, Balaimeia Village, Sekayu Village, Betung Village, Sekayu Baru Village and foreman I, have not paid attention to parties who are broadly affected, for example the representatives of indigenous peoples, the government, plasma farmers, the users of water resources around, and the cultivators / enclaves. The meeting was held on 16 December 2022.• Internal stakeholders have not been directly involved in the management plan and social monitoring.• Stakeholder internal belum secara langsung dilibatkan dalam rencana kelola dan pantau social.• There is no synergy between the SIA review and the SIA Planning and Monitoring matrix. So that with the limited number of parties involved in preparing the social management and monitoring plan, there are several					

issues that have not been identified that have been monitored and managed in a comprehensive and integrated manner, for example:

- Issue regarding horn beetle attack from the impact of replanting activities (information from Environmental agency and Betung Village)
- Employee housing facilities.

Environmental Aspect

Meanwhile, the environmental aspects are explained in the RKL-RPL documents for semesters 1 and 2 of 2022. Based on these documents, the impacts that have been managed and monitored are:

- Air Quality
- Soil Fertility.
- Water management.
- Soil fertility
- Air quality and noise
- River water quality
- Waste
- Flora and fauna
- Land Fire
- Social problems.
- Community and employee income
- Public health
- Aquatic biota
- Transportation / vehicles
- Oil palm replanting

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

The plan for managing and monitoring environmental and social impacts has not been developed in a participatory manner by involving all stakeholders who are widely affected so that there are several social issues that have not been identified that have been monitored and managed in a comprehensive and integrated manner.

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.	:	2023.02	Issued by	:	Radytio Puspanjana
Date Issued	:	2 February 2023	Time Limit	:	Next Assessment
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			

Evidence observed (filled by auditor):
Hazardous waste

No. Policy 709/TQEM-EHS/10 dated 16 December 2010: Management and monitoring of hazardous waste explains that hazardous waste used batteries, used oil, used oil filters, used pesticide packaging, used sacks contaminated with hazardous and used TL lamps are stored in the hazardous waste hazardous storage then transported by carriers licensed by the government. Management of hazardous contaminated packaging, used chemical pesticide packaging and used POM water chemical packaging, namely washing 3 times in a special washing place.

Based on the results of field visits in several locations, for example:

- Used/damaged TL lamps are placed in a used goods warehouse/archive warehouse at Sekayu Estate.
- Sacks of used fertilizers are placed in the scrap warehouse / archive warehouse at Sekayu Estate.
- Used pesticide packaging and used oil packaging were placed in the back of the car (write off) at the Betung estate traction.
- Used fertilizer sacks are disposed of in the area behind traction at Betung Estate.
- Used batteries are placed in a junkyard at the Betung Estate traction.
- Used oil is collected in used helmets and used oil filters are placed behind the Betung Estate traction.
- Used water purifier packaging (Nalco) for cleaning in the dispatch machine room at Betung POM.

POM Waste

- Based on the results of interviews with Betung PKS and verification of SOP documents for the use of solid and liquid waste, it was explained that solid waste in the form of empty fruit bunches was collected at the POM and then applied to the land.
- Based on the results of a field visit, a large pile of empty fruit bunches was found at the empty bunch collection site, thus burying the leachate storage pond and the pump that pumps the leachate into the WWTP pond. So that the piles of empty fruit bunches produce leachate, which is a liquid resulting from exposure to rainwater in the garbage piles, including the solid waste of empty fruit bunches, which is released into the environment through the Betung POM rainwater drainage.
- The company showed data (work program for stock of empty bunches) which explained that the excess empty bunches occurred due to the lack of maximum evacuation, the transport equipment was damaged and the performance of the leachate pump to the WWTP pool was not optimal.
- Timeline document for empty fruit bunches for February 2023 which explains the amount of EFB stock on 1 February 2023 in the morning (MT) 2,500 to the final stock on 28 February 2023 of 540 MT. In the evacuation action plan, 2 contractors will carry out each day and use BTE and SYE units for every FFB delivery to the Mill. The document is approved by the mill manager.

The company has not been able to show comprehensive evidence of the normalization of EFB including a work plan for the application of EFB to the land, the number of workers who will carry out the application and early anticipation that can prevent leachate from being released into the environment.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that the management of hazardous waste and POM solid waste

(empty fruit bunches) is in accordance with procedures and is fully understood by all workers and managers.	
Root Cause Analysis <i>(filled by organization audited):</i>	
Correction <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Follow up on next audit <i>(filled by auditor):</i>	
Verified by	:

3.4.4. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	<p>The unit of certification complies to relevant regulations.</p> <p>The company has the opportunity to implement the fulfillment of licensed operators as stated in the 2023 Training Plan and ensure the implementation of licensed operator training in accordance with the results of communication between the management unit and PJK3.</p>
2	3.6.2	<p>The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>The company has the opportunity to ensure the implementation of the use of PPE and ensure that the condition of the fertilizer warehouse building in the residential area of Division IV Sekayu Estate is in accordance with the established HIRAC documents.</p>
3	3.8.11	<p>The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.</p> <p>Companies have the opportunity to inform the list of certified product handling contractors before carrying out audit activities.</p>
4	4.2.3	<p>The unit of certification informs the parties of the progress of complaint handling, including the agreed time frame, and the results are made available and communicated to relevant stakeholders.</p> <p>The company has the opportunity to ensure the recording of complaints (internal and external) and their responses.</p>
5	6.2.7	<p>Permanent workers are employed for all main jobs performed by the unit of certification. Temporary workers and casual daily workers are limited to temporary or seasonal work.</p> <p>Company has the opportunity to ensure that the main jobs are carried out by permanent workers (PKWT employee appointments).</p>
6	7.12.2	<p>HCV and HCS forests, and other conservation areas are identified as follows:</p> <ol style="list-style-type: none"> For existing plantations, with an HCV assessments conducted by RSPO-approved assessments assessors and have no new land clearing after 15 November 2018, the existing HCV assessments remains valid. Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessments, 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. <p>The company has identified HCV areas in December 2009. The company has now entered and prepared a replanting program (long range) for Sekayu estate and Betung estate. Based on the results of a field visit at the Betung estate, information was obtained that the company had carried out replanting activities, for example in block E35 (planting year 2022) in that area there is a Welan river flow whose riparian was left (not replanted) as a buffer zone for the Welan river border. Referring to the results of the initial HCV identification (2009) the Welan river bank block E35 does not include the HCV area in the Betung estate.</p> <p>The company has the opportunity to carry out a more in-depth identification (re-delineation) to update HCV area data, especially in areas that have the potential for High Conservation Value as described in the 2009 HCV Assessment Results Recommendations and the actual conditions of the total area of HCV areas in detail (including coordinates, block locations and total area) during the replanting activity.</p>

3.4.5. Noteworthy Positive Components



No.	Description
1	Management commitment to apply the principles of sustainable palm oil management.
2	Good cooperation in providing documents during the audit process.
3	Has received PROPER BLUE period 2020-2021.
4	Has received ISPO.

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Gender Committee PT LMI <ul style="list-style-type: none"> Gender committee work programs include posyandu, as well as socialization related to gender equality, complaints resolution, and others. There are no employee complaints submitted through the Gender Committee. The company provides H1 and H2 leave for female employees. Women workers who are pregnant are not allowed to work related to chemicals. 	<p>There was no negative issue that need further verification.</p>
Worker union of SYE, BTE, BTF <ul style="list-style-type: none"> There are contract workers in estate and mill. There is an increase in wages for 2023. The company also has a wage scale for monthly employees. For daily employees do not have a wage scale. There are no complaints related to wages or overtime. The company has provided PPE for employees. There are no work accidents in the weight category in each unit. Collective labour agreement is still valid. There are no complaints from employees who cannot be resolved bipartite. There is no issue of the use of children's labor. 	<p>There was no negative issue that need further verification.</p>
Balaimea Village <ul style="list-style-type: none"> Relationships and communication between villages and companies well established. Betung POM received FFB from the Balaimea Village community The company provides assistance to villages submitted through proposals. There are no land dispute issues or environmental pollution. The village feels the positive impact of the company's existence 	<p>There was no negative issue that need further verification.</p>
Customary leader of Balaimea Village <ul style="list-style-type: none"> Relationships and communication between villages and companies well established. There is no land dispute issue in Balaimea Village There is no customary land determined by the government in Balaimea Village 	<p>There was no negative issue that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Sekayu Village and previous land owner <ul style="list-style-type: none"> Relationships and communication between villages and companies well established. The company provides assistance to villages submitted through proposals. There are no land dispute issues or environmental pollution. The village feels a positive impact of the company's existence. Compensation or handover of land with the company is established based on negotiations from both parties. There is no claim again by Previous Land owner. 	<p>There was no negative issue that need further verification.</p>
Representative of Land National Agency of Kotabaru District. <ul style="list-style-type: none"> Company already has land legality document in form of HGU. There is no reduction or extension of HGU area. There is no land dispute issue. There is no reports of overlapping land issues <p>There is no land conflict</p>	<p>In general, there are no negative issues that need further clarification</p>
Representative of Manpower Agency of Kotabaru District <ul style="list-style-type: none"> There is no issue related to employment violation Collective labor agreement is still valid Company has submit employment report Company already registered their worker union Company has implemented the employment requirement, such as minimum wage and social insurance There is an operator license which is still in the process of being extended/issued. 	<p>In general, there are no negative issues that need further clarification</p> <p>Operator license has been explained in indicator 2.1.1</p>
Representative of Plantation Agency of Kotabaru District <ul style="list-style-type: none"> The plantation class assessment is planned for February 2023 Realization of plasma 283 Ha (20% not yet fulfilled) but there is already a FFB buying and selling partnership with the community There are no peat areas and incidents of land fires Realization of CSR is good and permits are complete Submission of routine reports has also been carried out Reports from the community regarding oryctes attacks on the plantation due to replanting activities 	<p>Auditor team has verified and has been explained in related indicator/criteria such as 4.3, 5.1, 1.1 etc.</p> <p>Related to complaint regarding oryctes attacks on the plantation due to replanting activities, has been explained in indicator 4.2.3 and in indicator 3.4.2</p>
PK transport contractor <ul style="list-style-type: none"> The company has provided socialization regarding the obligation to comply with regulations by contractors to contractor workers Wages for contractor workers refer to the applicable minimum wage Contractor workers have been included in the BPJS program There are no complaints to the company 	<p>There are no negative issues that need further verification</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> All work and payments are in accordance with the agreement of both parties. The company has provided outreach regarding work procedures, OHS, RSPO and others. The contractor is also willing to be audited by an auditing agency if necessary. 	
Betung Village <ul style="list-style-type: none"> Company give assistance to village by submitted proposal. Company has give a visit to village for identifie the village need There is no environment pollution No land dispute or conflict issue. There was a report from the community regarding oryctes pest attacks in community areas caused by the company's replanting activities. Related to this, mediation has been carried out involving the company and the surrounding community. However, village officials did not know whether there had been any assistance or follow-up from the meeting. 	<p>Auditor team has verified and has been explained in related indicator/criteria such as 4.3, 3.4 etc.</p> <p>Related to complaint regarding oryctes attacks on the plantation due to replanting activities, has been explained in indicator 4.2.3 and in indicator 3.4.2</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 style="text-align: center;">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 Laguna Mandiri Head Sustainability & Quality Management</p>  <p><u>Alagendran Maniam</u> Tuesday, 21 February 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Rizliani Aprianita Hasibuan</u> Tuesday, 21 February 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	Land National Agency	Kotabaru District	-	By Phone	31 January 2023	✓	
2	Plantation Agency	Kotabaru District	-	By Phone	31 January 2023	✓	
3	Manpower Agency	Kotabaru District	-	By Phone	31 January 2023	✓	
4	Environment Agency	Kotabaru District		By Phone	31 January 2023		✓
5	Balaimea Village and Customary Leader of Balaimea Village	Balaimea Village, Kotabaru District	-	By Phone	31 January 2023	✓	
6	Sekayu Village and Previous Land Owner	Sekayu Village, Kotabaru District	-	By Phone	31 January 2023	✓	
7	Gender Committee	PT LMI		Direct interview	31 January 2023	✓	
8	Worker Union	PT LMI		Direct interview	31 January 2023	✓	
9	FFB Supplier (CV Umburan Saurang)	Kotabaru District		By Phone	31 January 2023		✓
10	CPO Transporter (CV Raja Runding)	Kotabaru District		By Phone	31 January 2023		✓
11	Betung Factory <ul style="list-style-type: none"> • 2 securities • 1 sterilizer operator • 1 engine room operator • 1 boiler operator • 1 press operator • 1 clarification operator • 1 nut & kernel operator • 1 warehouse officer • 1 hazardous waste warehouse officer • 1 WTP operator • 1 WWTP operators • 4 mechanic • 4 workshop worker • 1 despatch officer • 4 grading officer • 2 Weighbridge operator 	PT LMI	-	Field observation and direct interview	31 January 2023	✓	
12	Betung Estate <ul style="list-style-type: none"> • 1 foreman and 5 fertilizer applicators • 1 foreman and 2 	PT LMI	-	Field observation and direct interview	1 February 2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	interrow chemist applicators • 1 foreman and 4 harvesters • 1 warehouse officer • 1 foreman of LA • 1 hazardous waste warehouse officer • 3 firefighters						
13	Sekayu Estate • 1 foreman and 6 fertilizer applicators • 4 interrow chemist applicators • 1 foreman, 1 harvester and 2 loose fruit pickers • 1 manual road maintenance worker. • 1 warehouse officer • 1 foreman of LA • HCV officer	PT LMI	-	Field observation and direct interview	1 February 2023	✓	
14	World Wide Fund	Indonesia	wwf-indonesia@wwf.or.id	Via email	24 January 2023		✓
15	Wahana Lingkungan Hidup Indonesia	Indonesia	informasi@wahi.or.id	Via email	24 January 2023		✓
16	Sawit Watch	Indonesia	info@sawitwatch.or.id	Via email	24 January 2023		✓
17	AMAN	Indonesia	rumahaman@aman.or.id	Via email	24 January 2023		✓
18	PK Transporter	Kotabaru District		By Phone	31 January 2023	✓	
19	Betung Village	Kotabaru District		By Phone	31 January 2023	✓	

Appendix 2. Assessment Program

DATE	30 January – 03 February 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 30 January 2023		
05.50 – 09.05	JAKARTA → BALIKPAPAN (GA 560)	All Auditor
10.00 – 17.00	BALIKPAPAN → PT LAGUNA MANDIRI	
Tuesday, 31 January 2023		
08.00 – 09.00	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)Document reviewVerification of Basic Information Mill and Estate	RAH All Auditor
09.00 – 12.00	Public Consultation : <ul style="list-style-type: none">Governement Agency of kotabaru (by phone)Gender Committee, Contractor, Worker Union, Village Representatif, Previous Land Owner, etcFFB Supplier, Scheme smallholder Field Observation to Betung Estate Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Conservation/HCVImplementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)Observation of Workers Facilities (Housing, School, Worship Place).	AAS/RAH

DATE	30 January – 03 February 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Conservation/HCV - Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Observation of Workers Facilities (Housing, School, Worship Place). - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) 	AAS TIO DAN/RAH
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	All Auditor
14.00 – 16.30	<ul style="list-style-type: none"> • Document review and completing audit checklist. • Verification of stakeholder consultation result and field visit. 	All Auditor
16.30 – 17.00	<ul style="list-style-type: none"> • Presentation of Daily Progress 	All Auditor
Thursday, 2 February 2023		
08.00 – 10.00	<ul style="list-style-type: none"> - Document review and completing audit checklist. - Verification of stakeholder consultation result and field visit. <p>Internal discussion by auditor team preparing for Closing Meeting</p>	All Auditor
10.00 – 11.00	Closing Meeting <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion) // • Comments, Responses and Questions. 	
11.00 – 12.00		
13.00 – 20.00	PT LAGUNA MANDIRI → BALIKPAPAN	All Auditor
Friday, 3 February 2023		
11.50 – 13.00	BALIKPAPAN → JAKARTA (GA 567)	All Auditor