

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organization : **Teluk Bakau Palm Oil Mill – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Berhad**
 Plantation Name : Teluk Bakau Estate, Nusa Lestari estate and Nusa Perkasa Estate
 Location : Village of Rotan Semelur, Sub District of Pelangiran, District of Indragiri Hilir, Province of Riau, Indonesia
 Certificate Code : **MUTU-RSPO/008**
 Date of Initial Registration : 11 October 2011
 Date of Certificate Issue : 11 May 2022 Date of License Issue : 11 May 2023
 Date of Certificate Expiry : 10 May 2027 Date of License Expiry : 10 May 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 2.1	06, 07, 09, 10 and 11 February 2023	Moh Arif Yusni; Rindu Galih Rezza Rachmansyah; Sentot Adi S; Alfiany Sukmawati	Naila Karima	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 2.1	10 March 2023

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Figure 1. Location Map of PT. Bhumireksa Nusasejati (Teluk Bakau Factory)

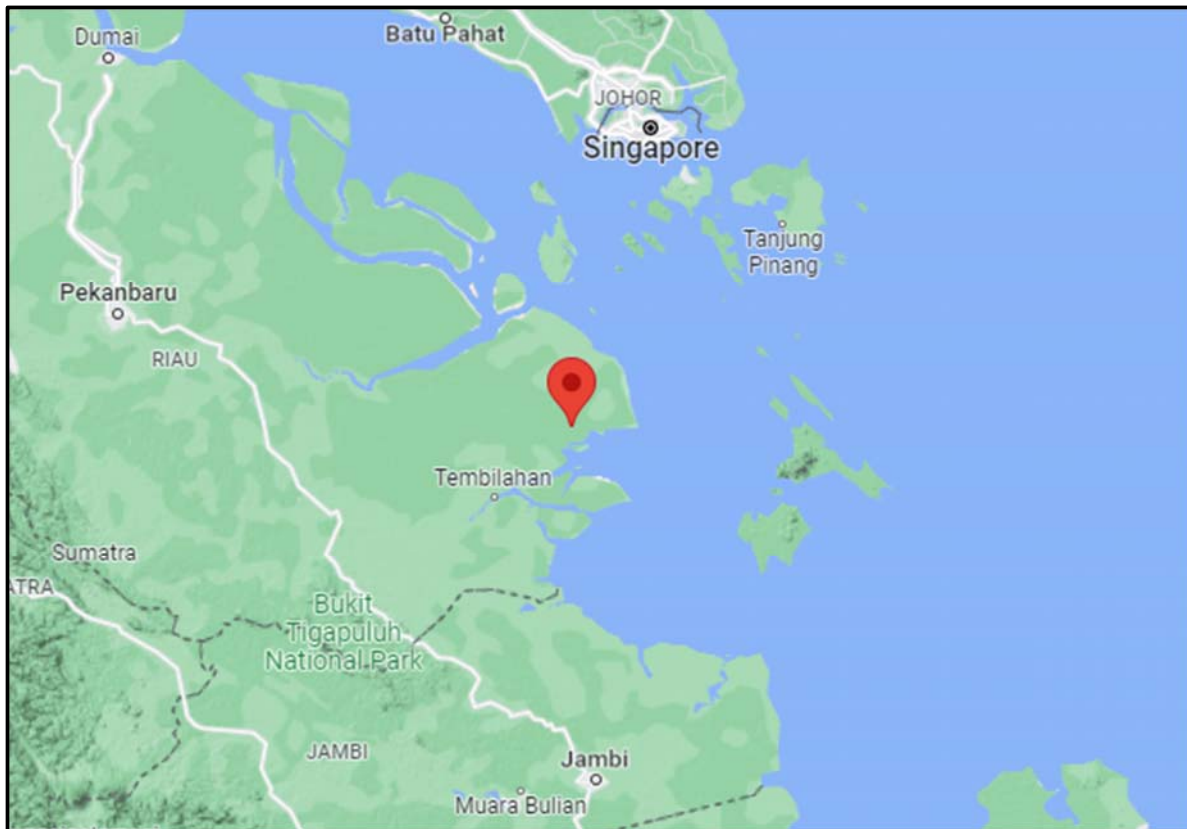
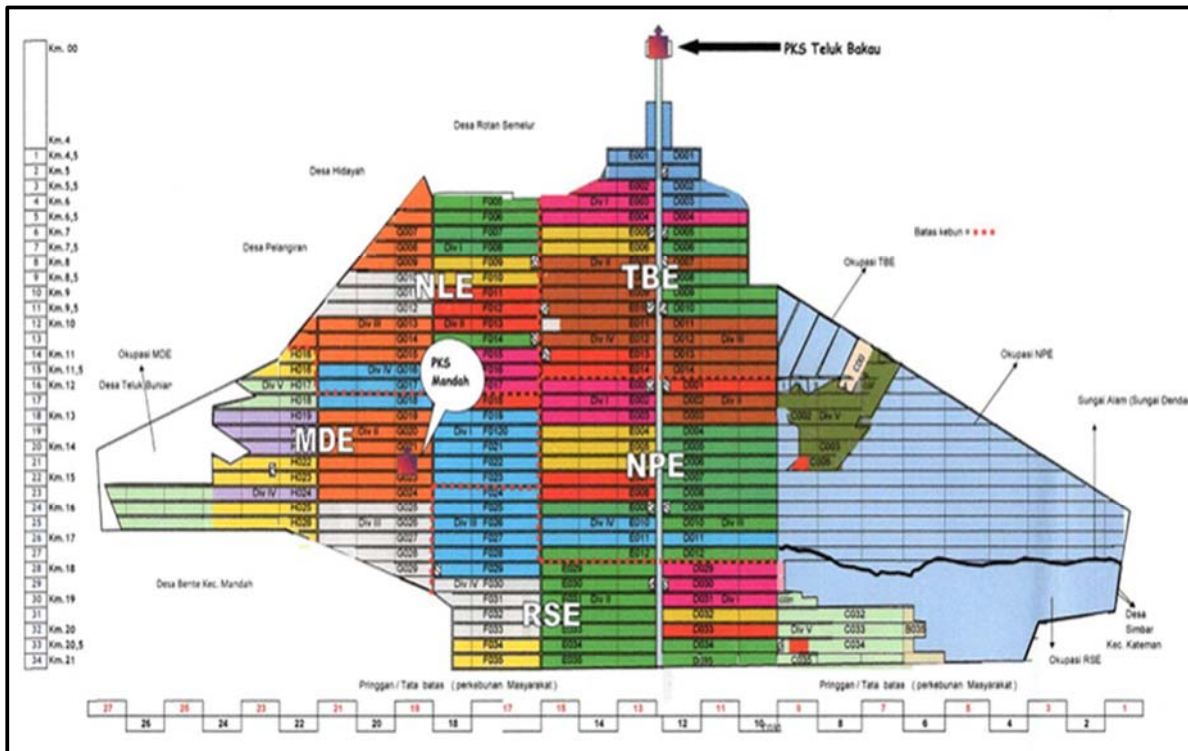


Figure 2. Operational Map of PT. Bhumireksa Nusasejati (Teluk Bakau Factory)



Abbreviations Used (Glossary)

ANDAL	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
BOB	:	<i>Barn Owl Box</i>
BOD	:	Biological Oxygen Demand
BRA	:	Bunch Reception Area
CH	:	Certification Holder
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Inform and Consent
FR	:	Frequency Rate
GHG	:	Green House Gas
GSEP	:	GAR, Social, and Environment Policy
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> / Building Title
HGU	:	<i>Hak Guna Usaha</i> / Land Use Title
HIRAC	:	Hazard Identification Risk Assessment and Control
HPO	:	Head Plantation Officer
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability & Carbon Certification
IUCN	:	International Union for Conservation of Nature and Natural Resources
LCC	:	<i>Land Cover Crops</i>
LSU	:	<i>Leaf Sampling Unit</i>
LUC	:	<i>Land Use Change</i>
MDE	:	Mandah Estate
MRC	:	Management Research Centre
MSDS	:	Material Safety Data Sheet
NLE	:	Nusa Lestari estate
NPE	:	Nusa Perkasa Estate
OER	:	Oil Extraction Rate
OFI	:	Opportunity for improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
P & C	:	Principle & Criteria
Permen LHK	:	Peraturan Menteri Lingkungan Hidup dan Kehutanan (Regulation of the Ministry of Environment and Forestry)
PK	:	Palm Kernel
PMU	:	Performa Monitoring Unit
PIC	:	Person In Charge
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labor Agreement)
PMNP	:	Plantation Monitoring and Planning
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personnel Protective Equipment
PQMS	:	Plantation Quality Management System

PT	:	<i>Pekerja Tetap</i> (Permanent Worker)
RKL RPL	:	<i>Rencana Pengelolaan Lingkungan – Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RSE	:	Rotan Semelur Estate
RTE	:	Rare, Threatened, Endangered
RTRWP	:	<i>Rencana Tata Ruang Wilayah Provinsi</i> Province Spatial Plan
RSPO	:	Roundtable on Sustainable Palm Oil
SEL	:	Environmental Evaluation Assessment (<i>Studi Evaluasi Lingkungan</i>)
SHM	:	<i>Sertifikat Hak Milik</i>
SIA	:	Social Impact Assessment
SMD	:	Senior Managing Director
SOP	:	Standard Operational Procedure
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
TBE	:	Teluk Bakau Estate
TBF	:	Teluk Bakau Factory
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Berhad	
1.2.2	Contact person	Alagendran Maniam	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street 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.simedarbyplantation.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	07 September 2004 (1-0008-04-000-00)	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	One Palm Oil Mill and supply bases: Teluk Bakau Factory (TBF), Teluk Bakau Estate (TBE), Nusa Lestari Estate (NLE) and Nusa Perkasa Estate (NPE)	
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
	Teluk Bakau Factory	Rotan Semelur Village, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 15' 23"E 103° 35' 20"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Teluk Bakau Estate	Rotan Semelur Village, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 11" 33"E 103° 35' 49"
	Nusa Lestari Estate	Rotan Semelur Village, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 11" 07"E 103° 34' 05"

	Nusa Perkasa Estate	Rotan Semelur Village and Penjuru Village, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0°07" 02"	E 103° 36' 19"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		25,683.99 Ha		
	• Community		- Ha		
*Total land use title area of PT Bhumireksa Nusasejati is 25,684 Ha. The rest of area (12,366.18 Ha) under scope of Mandah Factory					
1.5.2	Area Statement				
	Description	Teluk Bakau Estate (Ha)	Nusa Lestari Estate (Ha)	Nusa Perkasa Estate (Ha)	Total (Ha)
	Total area	4,025.07	3,456.74	5,836.00	13,317.81
	Mature Area	1,873.76	1,903.81	2,379.35	6,156.92
	Immature Area	1,463.18	1,087.99	1,347.35	3,898.52
	Drains	302.66	383.15	355.02	1,040.83
	Buildings	51.53	25.51	28.68	105.72
	Palm Oil Mill	25.49	-	-	25.49
	Conservation	-	-	10.69	10.69
	Occupation	197.09	-	1,692.14	1,889.23
	Nursery	30.30	-	-	30.30
	Others/Encumbrance	81.06	56.28	22.77	160.11
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Teluk Bakau Estate	Nusa Lestari Estate	Nusa Perkasa Estate	TOTAL (Ha)
	2009			423.37	423.37
	2011			56.26	56.26
	2013	376.75			376.75
	2014	472.42	409.74	420.29	1,302.45
	2015	230.71	405.73	528.41	1,164.85
	2016	400.36	269.29	399.49	1,069.14
	2017	122.14	413.17	275.69	811.00
	2018	271.38	405.88	275.84	953.10
	Mature Area	1,873.76	1,903.81	2,379.35	6,156.92
	2018	530.96	436.76	1,347.35	2,315.07
	2019	410.29	326.82		737.11
	2020	521.93	324.41		846.34
	2021	530.96	436.76	1,347.35	2,315.07
	Immature Area	1,463.18	1,087.99	1,347.35	3,898.52
	Total	3,336.94	2,991.80	3,726.70	10,055.44
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 (%)
	Teluk Bakau Factory	45	115,074.50	25,706.51	22.34	4,645.39	4.04
	*Production data source from February 2022 – January 2023						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/yr)	Yield (ton/ha/yr)	Supplied to Mill	
						FFB (ton/year)	%
	Teluk Bakau Estate	4,025.07	1,873.76	40,616.46	21.68	40,616.46	100.00
	Nusa Lestari Estate	3,456.74	1,903.81	33,179.29	17.43	33,179.29	100.00
	Nusa Perkasa Estate	5,836.00	2,379.35	42,837.60	18.00	39,492.47	92.19
	TOTAL	13,317.81	6,156.92	116,633.35	18.94	113,288.22	97.13
	*Production data source from February 2022 – January 2023						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)	Type of Organization	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tones/year)		
	Rotan Semelur (RSPO Certified)	Subsidiary of Sime Darby	-	2,125.33	679.21		
	PT. Oscar Investama (non-certified)	Outgrower	-	-	1,089.90		
	PT. Riau Sawitindo Abadi (non-certified)	Outgrower	-	-	210.23		
	TOTAL					1,263.98	
	*Production data source from February 2022 – January 2023						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Actual production in February 2022 to January 2023 (MT)		
	FFB Processed		127,329		113,967.42		
	CPO Production		27,405		25,862.41		
	Palm Kernel (PK) Production		5,001		4,997.28		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year February 2022 to January 2023 (MT)				
	CSPO sold as RSPO certified product		850.07				
	CSPK sold as RSPO certified product		2,118.99				
	CSPO sold under another scheme		0				
	CSPK sold under another scheme		0				
	CSPO sold as conventional		23,815.26				
	CSPK sold as conventional		2,650.11				
1.8.3	Estimate of Certified FFB Claim						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)		

	Teluk Bakau Estate		4,025.07		1,873.76		46,000		24.55
	Nusa Lestari Estate		3,456.74		1,903.81		37,000		19.43
	Nusa Perkasa Estate		5,836.00		2,379.35		46,000		19.33
	TOTAL		13,317.81		6,156.92		129,000		20.95
	*Projected FFB production for 12 months of certificate								
1.8.4	Estimate of Certified Palm Product Claim								
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module	
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)		
	Teluk Bakau	45	129,000	29,000	22.50	5,400	4.20	MB	
	*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications								
	ISO 9001:2015				-				
	ISO 14001:2015				-				
	ISO 45001:2018				-				
	ISCC				-				
	ISPO				MUTU-ISPO / 078 valid until 04 April 2027				
1.10	Time Bound Plan								
1.10.1	Time Bound Plan for Other Management Units								
	Management Unit				Time Bound Plan	Location		Status	
	Mill	Time bound	Estate (Supply Base)						
	INDONESIA								
1	Sekunzir. PT. Indotruba Tengah	2010	Sekunzir		2010	Seruyan and West Kotawaringin District – Central Kalimantan		Certified	
			Seruyan		2010			Certified	
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1		2010	Rokan Hilir District – Riau		Certified	
			Manggala 2		2010			Certified	
			Manggala 3		2010			Certified	
3	Bukit Ajong PT. Sime Indo Agro	2010	West		2010	Sanggau District –West Kalimantan		Certified	
			West (HGU on process)		2019			-	
			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		Certified	
			Pinang Sebatang		2011			Certified	
			Aneka Persada		2011			Certified	
5	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang		2012	Musi Rawas District – South Sumatera		Certified	
			Sungai Pinang (HGU on process)		2023			-	
			Bukit Pinang		2012			Certified	
			Bukit Pinang (HGU on process)		2023			-	
6	Pemantang. PT. Teguh Sempurna	2011	Pemantang		2011	Seruyan and East Kotawaringin District – Central Kalimantan		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	Certified
8	Teluk Bakau. PT. Bhumireksa Nusasejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusasejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
10	Angsana. PT Ladangrumpun Suburabadi	2011	Rotan Semelur	2011	Tanah Bumbu District – South Kalimantan	Certified
			Angsana	2011		Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Rotan Semelur	2011	Tanah Bumbu District – South Kalimantan	Certified
			Angsana	2011		Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
12	Gunung Aru. PT Bersama Sejahtera Sakti	2011	KKPA-4 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
			Mustika	2013		Certified
			KKPA-2 PT.SHE	2013		Certified
			KKPA-3 PT.SHE	2013		Certified
			KKPA-5 PT.SHE	2013		Certified
13	Bebunga. PT. Langgeng Muaramakmur	2011	SAP 1	2023	Kotabaru District – South Kalimantan	-
			Gunung Aru	2011		Certified
			Gunung Kemas	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
14	Sukamandang PT Kridatama Lancar	2011	KKPA BSS	2023	Kotabaru District – South Kalimantan	-
			Bebunga	2011		Certified
			Bakau	2011		Certified
15	Pondok Labu. PT Paripurna Swakarsa	2011	Sungai Cengal	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Sukamandang	2011		Certified
			Sapiri	2011		Certified
			Barasdanum	2011		Certified
16	Rantau. PT Laguna Mandiri	2012	Kuala Kuayan	2011	Kotabaru District – South Kalimantan	Certified
			Binturung	2012		Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
17	Betung. PT Laguna Mandiri	2012	Sesulung	2012	Kotabaru District – South Kalimantan	Certified
			Rantau	2012		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
18	Ungkaya. PT Tamaco Graha Krida	2012	Lanting (PT LMR)	2012	Kotabaru District – South Kalimantan	Certified
			Betung	2012		Certified
			Sekayu	2012		Certified
19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
			Plasma TGK	2023		-
			Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Ladang Panjang (HGU on process)	2023		-
			Plasma BGR	2023		-
			Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	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 East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
			Awatan	2014		Certified
			Karya Palma	2023		-
			KKPA SNP	2023		-
			Pelanjau (PT BAL)	2019		Certified
			Sungai Putih (PT BAL)	2023		-
			Baturus (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 SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	Bkt Kerayong	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified

	SOU 7		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	Keviang, 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
			Karaususu	2008		Certified
			Moroa	2008		Certified
			Bilomi	2008		Certified
			Loata	2008		Certified
			Haella	2008		Certified
			Garu	2008		Certified
			Daliavu	2008		Certified
			Sapuri	2008		Certified

7			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) Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008	Certified
			LSS Kapiura (847 Smallholders)	2008	Certified
			VOP Kapiura (551 Smallholders)	2008	Certified
			TBP on June 2022.		
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:					
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 Outrowers for Certifiable Standard				
	The Certificate Holder did not have associated with scheme smallholders.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 2.1	<p>1. Moh. Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor course in 2014, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO and ISPO Lead auditor refresher course in 2021 etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, TBP, Partial certification, environment aspect, waste management, GHG and conservation.</p> <p>2. Rindu Galih Rezza Rachmansyah (Auditor) Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP & NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During the audit, he verified worker welfare, SCCS and social aspect.</p> <p>3. Sentot Adi Subandono (Auditor). Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2021, and SMETA training awareness. During this assessment, verified the aspects of Best Management Practices, Transparencies and OHS Aspect.</p> <p>4. Alfiyany Sukmawati (Auditor Trainee). Indonesian Citizen. Bachelor of Public Health, major in Environmental Health, University of Indonesia. Has experience working in as HSE specialist for 5 years. Has attended training in AMDAL A & B, ISO 14001 auditor training, OSHAS, ISPO by LPP, Lead Auditor ISO 9001:2015, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 45001, and Awareness ISO 19011. Has participated in several simulations of audit activities related to the certification system for sustainable palm oil plantations with environmental aspects. During the audit, she verified environment aspect, waste management, GHG and conservation aspect under 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 2.1	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for ASA 2.1 onsite audit: 4 days</p> <p>Number of working days for ASA 2.1 onsite audit: 12 working days</p>
2.2.2	Assessment Process
ASA 2.1	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Bhumireksa Nusasejati Teluk Bakau POM Unit Certification based on:</p> <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 <p>PT Bhumireksa Nusasejati (PT BNS) it's a subsidiary of Sime Darby Plantation Berhad, that consisting of two Mills (Mandah POM and Teluk Bakau POM) and five Estate (Teluk Bakau Estate; Mandah Estate; Rotan Semelur Estate;</p>

Nusa Perkasa Estate and Nusa Lestari Estate). Both mills have been certified RSPO with the scope of certification are:

- Mandah Palm Oil Mill with Supply base Mandah Estate and Rotan Semelur Estate
- Teluk Bakau Palm Oil Mill with Supply base Nusa Lestari Estate; Teluk Bakau Estate and Nusa Perkasa Estate

The ASA 2.1 Teluk Bakau Audit POM has been carried out simultaneously with ASA 1.4 Mandah POM. This is conducted together due to the two certification units are one entity (PT Bhumireksa Nusasejati), so the documents related to legal, social, environmental, CSR, SOP/work instructions, and company policy are the same. the difference between both certification units is related to the field implementation. in addition, every work agreement with an external party is made on behalf of PT Bhumireksa Nusasejati

The audit program is included in Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors was covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross-check the information; and (3) field observation, aiming to directly observe the sufficiency of implementation on site.

The team auditors started their trip from Jakarta to Batam and continued to the site on 05 February 2023. The opening meeting carried out on 06 February 2023 was attended by the Area Controller, Estate Manager, Mill Manager, Senior Assistant, Assistant, the Head of Administration, Sustainability staff, and other related personnel. The closing meeting was on 11 February 2023 attended by the same participants as the opening meeting. Management PT BNS accepts all recommendations in accordance with auditor recommendations.

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

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

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

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

For the assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA 2.1	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>PT BNS (Teluk Bakau POM)</p> <ul style="list-style-type: none"> • Grading Station. Observations and interviews related work procedure, safety aspect, worker welfare etc. • Loading Ramp Station. Observations and interviews related work procedure, safety aspect, worker welfare etc.

- **Weighbridge station.** Interview with 1 worker related to supply chain aspect and worker welfare.
- **Hazardous waste storage.** Observation about storage condition, hazardous waste stock, emergency response facility, and waste management.
- **Oil storage.** Observation about storage condition, OHS implementation, emergency facility, and material stock.
- **General storage.** Observation about condition, PPE stock, emergency response and OHS implementation.
- **Chemical warehouse.** Observations and interview with worker regarding to implementation of procedure, manpower, OHS, environmental aspect.
- **Post Security.** Observation and interview with security officer regarding to implementation of emergency response, payments and complain mechanism.
- **Fire Fighter Pump and Hydrant Simulation.** Observation regarding to devices readiness and emergency team.
- **Security.** Observation and interview with worker related to incoming FFB activity, OHS, company code of ethics, and worker welfare aspect.
- **Grading Station.** Field observations and interview with management representative related to working procedure, OHS, PPE, worker, ethical, and social aspect.
- **BRA (Bunch Reception Area).** Field observations and interview related to working procedure, OHS, and PPE aspect.
- **Hoisting Crane Station.** Field observations and interview related to working procedure, OHS, and PPE aspect.
- **Sterilizer Station.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Kernel Station.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Engine Room.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Boiler Station.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Workshop.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Water Treatment Plant.** Observations and interviews on clean water treatment, OHS and environmental aspects.
- **Wastewater Treatment Plant.** Observation about condition and interview with WWTP operator about his job description and its management.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **POME Disposal Outlet.** Observation related to POME management and potential environmental pollution.
- **Empty Bunch Management.** Observations regarding procedures, OHS, and the environment.
- **Water Intake.** Observations regarding procedures, OHS, and the environment.

PT BNS (Teluk Bakau Estate)

- **HGU Pole No. 01; 118 and 10.** Observation related legal boundaries and potential land dispute
- **Occupation Area next to Block D0009,** Field observations to see potential conflicts and management of the occupation area carried out by the company.
- **Encumbrance Area Block D0009,** Field observations regarding buffer area between replanting area and community farms to prevent pest infestation
- **Water Gate Block D0009.** Observation related water managements in peat area.
- **Spill Way KM 00** Observation related water managements in peat area.
- **Pesticide/Chemical Warehouse.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Spare Parts & Logistics Warehouse.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Workshop.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Warehouse for Oil and Diesel Tanks.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.

- **Generator House.** Observations and interviews related to work procedures, employment systems, OHS, environmental aspects and grievance mechanisms.
- **Primary Clinic (Level 1 Health Facility).** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Residential Complex Area Division 1.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Landfill Division 1.** Observations related to domestic waste management.
- **Child Daycare Division 1.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **BSS and BMS (Block Spraying/Manuring System) House Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Hazardous Waste Temporary Storage in Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Nurseries, Block E06 Division 2.** Field observations and interviews regarding work procedures, OHS, PPE, labor, and social aspects.
- **Harvesting, Block E05, Division 2.** Field observations and interviews regarding work procedures, OHS, PPE, labor, and social aspects.
- **Barn Owl Box, Block E06 Division 2.** Field observation on the implementation of integrated pest control.
- **Subsidence Pole, Block E06 Division 2.** Field observation of the implementation of peat management.
- **Manual maintenance and immature area (2020), Block E07 Division 2.** Observations and field interviews regarding work procedures, OHS, PPE, labor, and social aspects.
- **Fertilization, Block D13 Part 3.** Field observations and interviews regarding work procedures, OHS, PPE, labor, and social aspects.

PT BNS (Nusa Lestari Estate)

- **HGU Pole No. 107; 105 and 114.** Observation related legal boundaries and potential land dispute
- **Housing Complex (Lembayung Complex).** Observation related worker facility and environmental aspects
- **Daycare.** Observation and interview related to work procedure, employment, and grievance mechanism.
- **Planting Year 2021 Block G007.** Observation about replanting activity
- **Fire Monitoring Tower Block F006 and G009.** Observation regarding emergency respond preparedness and fire monitoring
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and OHS implementation.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel and Oil Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect
- **Sparepart and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Harvesting Block F014 Division 2.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Spraying Block F011 Division 2.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Landfill Area.** Observation of domestic waste management.
- **Subsidence Poles.** Observation subsidence in plantations with varying peat qualities, depths and drainage circumstances
- **Piezometer Poles.** Water level observation
- **Firefighting Equipment Storage.** Observation and interview with worker related to hazardous waste management, OHS, and environmental aspects

PT BNS (Nusa Perkasa Estate)

- **HGU Pole No. BNS 20.** Observations related to the legality boundaries of the company's operational land.
- **HCV-3 Wildlife Ecosystem Area in Block E011.** Observations related to conservation area management.
- **Planted Area TM-1 in Block E011.** Observations related to the most recent management of the planted area after the replanting activities were carried out in 2019.
- **Fire Tower in Block E011.** Observations related to land fire infrastructure owned by the company.
- **Residential Complex Area Division 3 and Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Landfill at Division 3.** Observations related to domestic waste management.
- **Child Daycare (Tempat Penitipan Anak / TPA).** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Employee Cooperative Shop in Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Warehouse for Oil and Diesel Tanks.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Generator House.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Hazardous Waste Temporary Storage.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Workshop.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Labor Union Office (SPSI).** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Pesticide/Chemical Warehouse.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Spare Parts Warehouse and Logistics.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Fertilizer Placement Area.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.
- **Landfill Block C02 Division 5.** Observations related to domestic waste management.
- **Employee Housing Division 5.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Harvesting, Block D08, Division 3.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Fire Tower, Blok C02, Division 5.** Field observation about fire extinguishing means and OHS aspect.
- **Circle path spraying, Blok D07 Division 3.** Field observations and interview related to working procedure, OHS, PPE, worker, and social aspect.
- **Barn Owl Box, Blok D07 Division 3.** Field observation about integrated pest management implementation.
- **Subsidence Pole, Blok D07 Division 3.** Field observation about peat management implementation.
- **Piezometer, Blok D07 Division 3.** Field observation about peat management implementation.
- **Overflow, Block C02 Division 5.** Field observation about peat management implementation.
- **Turnera subulate and Antigonon leptopus, Branch Canal Block D03 Division 2.** Field observation about integrated pest management implementation.

2.3 Stakeholder Consultation and Stakeholders Contacted
2.3.1 Summary of stakeholder consultation process.

ASA 2.1 Summary of stakeholder consultation process
Consultation of stakeholders for PT Bhumireksa Nusasejati was held by:

	<ul style="list-style-type: none"> • Public Notification on MUTU Website on 23 January 2023 • Public consultation with NGOs (by email) on 01 February 2023 • Public consultation meeting with government institution 06 February 2023 • Public consultation meeting with communities on 06 and 08 February 2023 • Public consultation meeting with internal stakeholders and contractor 06 – 08 February 2023
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-2.2) will be conducted eight (8) months to twelve (12) months after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Teluk Bakau POM – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Berhad operation consisting of one (1) mill and four (3) oil palm estates.

During the assessment, there were one (1) nonconformity were assigned against minor Compliance Indicators; and five (5) 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.

MUTUAGUNG LESTARI found that Teluk Bakau POM – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Berhad operation complied with the requirements of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The unit of certification has a list of information/documents that can be accessed and/or shared with stakeholders such as government agencies, external audits and NGOs listed in the SOP Request for Information (RSPO/1.1/PI) dated 01 June 2014. The document contains 15 types of documents that can be accessed by stakeholders, including the following:</p> <ul style="list-style-type: none"> • Social and Environmental Documents: Environmental impact analysis documents, HCV identification reports, SIA identification reports, community empowerment program reports, procedures for handling social conflict, continuous improvement program documents, complaints and dissatisfaction reports. • Legality Documents: Evidence of ownership of land rights, Human Rights policy documents, RSPO and ISPO audit report documents. • Employment Documents: Work health and safety implementation plan documents, number of employees and list of basic wages as well as <i>BPJS</i> payment receipts, <i>NPWP</i> and tax data, and Occupational Health and Safety Advisory Committee Reports. <p>Meanwhile, documents that cannot be accessed by the public which are company secrets include: financial data such as expenses and income, as well as details related to customers and/or suppliers as well as data related to individual privacy. In addition, there are several other documents that can be accessed publicly and reported periodically to relevant government agencies such as <i>RKL-RPL</i> reports, fire handling reports, waste management and so on.</p>	
1.1.2	<p>Based on document verification, all public documents (explained in 1.1.1) are accessible to relevant stakeholders by submitting an official letter of request for information. All information is provided in Bahasa.</p> <p>The company has also reported several mandatory reports on environmental, manpower, legality and other aspects, for example:</p> <ul style="list-style-type: none"> • Reporting of Employment Report for PT Bhumireksa Nusasejati (Teluk Bakau Factory) in 2022 via online on 04 February 2023 and must be reporting back on 04 February 2024. • Reporting of Employment Report for PT Bhumireksa Nusasejati (Teluk Bakau Estate) in 2022 via online on 06 April 2022 and 	

must be reporting back on 06 April 2023.

- Reporting of Employment Report for PT Bhumireksa Nusasejati (Nusa Lestari Estate) in 2022 via online on 14 April 2022 and must be reporting back on 14 April 2023.
- Reporting of Employment Report for PT Bhumireksa Nusasejati (Nusa Perkasa Estate) in 2022 via online on 15 April 2022 and must be reporting back on 15 April 2023.

OHS Committee reporting to the Riau Province Manpower and Transmigration Office, who have answered OFI audit before, as follows:

Teluk Bakau Factory

- Quarterly Report 2 of 2022 on 07 February 2022
- Quarterly Report 3 of 2022 on October 6, 2022
- Quarterly Report 4 of 2022 on February 4, 2023.

Teluk Bakau Estate

- Quarterly Report 2 of 2022 on 26 July 2022
- Quarterly Report 3 of 2022 on November 15, 2022
- Quarterly Report 4 of 2022 on February 03, 2023.

Nusa Lestari Estate

- Quarterly Report 2 of 2022 on 13 July 2022
- Quarterly Report 3 of 2022 on October 06, 2022
- Quarterly Report 4 of 2022 on January 10, 2023.

Nusa Perkasa Estate

- Quarterly Report 2 of 2022 on 25 July 2022
- Quarterly Report 3 of 2022 on October 25, 2022
- Quarterly Report 4 of 2022 on January 24, 2023.

As an effort to improve from the previous assessment, companies can show logbook documents, balance sheets and manifests that are in accordance with the reporting period made, namely the period 2022 quarter I - IV. Reporting is done every 3 months to the *DLHK* of Indragiri Hilir District, with an example of proof of receipt of the Quarter IV Hazardous Waste Report for several units;

- Teluk Bakau Factory on January 12, 2023 No. 027/BNS-TBF/01/2023,
- Teluk Bakau Estate on January 20, 2023
- Nusa Perkasa Estate on January 9, 2023 No. 007/LB3/BNS/NPE/II/2023
- Nusa Lestari Estate on January 11, 2023 No. 012/BNS-NLE/II/2023

1.1.3

From the results of the document review on the recording of incoming and outgoing mail logs from PT Bhumireksa Nusasejati – Teluk Bakau Factory Unit in 2022, there were some requests for information requested from the public and institutions those who entered have been responded to directly according to the date. For example replies and responses to requests for information submitted by the agency, they have adjusted the following:

- Letter No. 010/DISBUN-PRASAR/VII/2022/377 dated 12 July 2022 from the Department of Plantation of the Indragiri Hilir Regency to the Leaders of Companies throughout the Indragiri Hilir Regency, in which there is a list of companies which have taken ISPO certification and which have not. One of the companies in it is PT Bhumireksa Nusasejati which already has an ISPO certificate with a validity period from 04 April 2017 to 03 April 2022 (the certificate has expired). This letter is based on letters submitted by the Provincial Office and the Governor, as follows:
 - Letter No. 526/DISBUN-PUP/4647/2022 dated 30 June 2022 from the Riau Province Plantation Service to the Head of Plantation Services throughout Riau Province regarding Warnings to Plantation Companies regarding the Obligation to Have an ISPO Certificate.
 - Letter No. 526/DISBUN/2862 dated 29 October 2021 from the Governor of Riau to Regents/Mayors throughout Riau Province regarding Warnings to Plantation Companies regarding the Obligation to Have an ISPO Certificate.
- The company has responded to the letter by sending evidence that PT Bumireksa Nusasejati has received a new ISPO Certificate

for the period 16 May 2022 to 4 April 2027 issued by PT Mutuagung Lestari. This response was sent via email to the Plantation Service of Indragiri Hilir Regency on 14 July 2022. This was confirmed by the Service during a public consultation held on 06 February 2023, which the company had responded to the request for information within the specified timeframe.

1.1.4

The unit of certification already has an SOP Request for Information (RSPO/1.1/PI) approved by the Mill and Estate Manager on June 1, 2014 which explains that the letter requesting information that comes to the unit is addressed to the operational unit manager, then the operational unit manager will make an answer and approved by the Head of department and/or related Department will be returned to the operational unit. The Operational Unit Management will send a response letter to the parties in accordance with the sufficient contents of the request and the incoming document stored in the main office.

Based on interviews with the PIC who handles requests for information, it is stated that procedures related to requests for information have been disseminated to relevant stakeholders on a regular basis which is carried out in with the annual SIA review. Based on interviews with the Head of Makmur Jaya Hamlet and the Environmental Agency of Indragiri Hilir Regency, they stated that they had understood the communication and consultation mechanism. Usually, the village or community head will send a letter as a form of communication.

1.1.5

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

Status: Comply

1.2

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

1.2.1

The Certification unit had a policy concerning on the ethical codes in all operational activities and transactions. This policy is stated in the Code of Business Conduct (CoBC) of Sime Darby Plantation which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. This policy generally explained that their ethical code is here as follows:

- Collaborating, respecting each other, equal opportunity, non-discrimination, and protecting human rights.
- Avoid conflicts of interest.
- Avoid bribery and corruption.
- Ensuring the confidentiality of the information and preventing the abuse of obtained information through the company's operational activities.

In the above policy document, matters related to the code of ethics have been explained for example, the principles of the code of ethics; conflict of interest; accurate report; bribery & illegal acts or unethical trade practices; entertainment and gifts; abuse of office; insider trading; confidentiality; limitation of application; media relations; and others.

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

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

1.2.2

The certification unit has a several methods to monitor compliance and the implementation of overall ethical business policies and

practices, such as internal audit and field monitoring. Every contractor has received a socialization regarding the policy of the code of ethics given at the time of signing the works agreement and the contractor has a Vendor Integrity Pledge, in which it is committed to comply with all applicable codes of ethics in the company.

In addition, there is also a whistleblowing mechanism listed in the Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. This mechanism can be used by workers to ensure that the identity of the complainant does not want to be known. This policy establishes the flow of complaints/reports of violations in which Sime Darby Group employees, without worrying, are willing to convey the possibility of fraudulent practices occurring within the certification unit. The policy explains the reporting mechanism, namely reporting directly to superiors.

Based on the results of interviews with workers in the sampling units such as plantation (harvesters, manurers, and sprayers) and mill (operators and security) who stated that all of them was aware of Whistle Blowing A system that has been implemented and can be accessed by all workers, including contract workers. In addition, there are statements from third parties (contractors) in collaboration with the certification unit, namely that they have been given socialization related to the code of ethics and the Whistle Blowing System before ratifying the cooperation agreement. This is done to ensure that before collaborating with the certification unit, his party does not commit a violation or can report a violation when a certification unit commits a violation during the collaboration.

During the past year there have been no reports related to violations committed by internal/external parties and this is evidenced by the results of a document review related to reporting documentation for the Whistle Blowing System via email or telephone indicated by the Internal Audit, Management or Complaint System.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

Teluk Bakau POM certification unit is under the company PT Bhumireksa Nusasejati, in compliance with the compliance, the company has complied with all relevant laws and regulations, namely by having the following documents:

Compliance with Legality Regulation:

Unit management shows evidences related to legality implementation, includes:

- Land Use Title Certificate:
 - HGU certificate No. 01 of 1996 for an area of 13,900 Ha
 - HGU certificate No. 02 of 1996 for an area of 11,762 Ha
 - HGB certificate No. 01 of 2000 for an area of 88.125 Ha
 - HGB certificate No. 02 of 2000 for an area of 13.179 Ha
- Plantation Business Permits
 - Plantation Business Registration Letter Number No: HK.350/184/Bun.5/III/2001 dated 16 March 2001 for the area covering 25,662 Ha and mill capacity 30 Tons FFB / hours (Teluk bakau Factory)
 - Letter from head of licensing, investment, and promotion agency district of Indragiri Hilir No. 503/BP2MPD-IUP-PK/XII/2014/1 dated 19 December 2014, concerning mill extension capacity of PT Bhumireksa Nusasejati – Teluk Bakau Factory, from 30 Tons of FFB/hour to 60 Tons of FFB/Hour.
 - Letter from head of licensing, investment, and promotion agency district of Indragiri Hilir No 503/BP2MPD-IUP-P/VIII/2013/1 dated 22 August 2022 regarding the granting of Plantation Bussines Permit – Processing with capacity 45 Tons of FFB/Hour.

Compliance with Manpower Regulation

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

- Reporting of Employment Report for PT Bhumireksa Nusasejati (Teluk Bakau Factory) in 2022 via online on 04 February 2023 and must be reporting back on 04 February 2024.
- Reporting of Employment Report for PT Bhumireksa Nusasejati (Teluk Bakau Estate) in 2022 via online on 06 April 2022 and must be reporting back on 06 April 2023.
- Reporting of Employment Report for PT Bhumireksa Nusasejati (Nusa Lestari Estate) in 2022 via online on 14 April 2022 and must be reporting back on 14 April 2023.

- Reporting of Employment Report for PT Bhumireksa Nusasejati (Nusa Perkasa Estate) in 2022 via online on 15 April 2022 and must be reporting back on 15 April 2023.
- The implementation of the minimum wage in 2022 is in accordance with the Minimum Wage Decree that has been established by the Governor of Riau in 30 November 2021.
- Payment of overtime wages to workers in accordance with Government Regulation No. 35 of 2021.
- Implementation of the wage, structure and scale of wages for all levels of workers in accordance with Government Regulation No. 36 of 2021.

Compliance with OHS and BMP Aspect

- The CH has carried out rejuvenation without burning and planted oil palm using certified seeds.
- The CH controls weeds and pests using pesticides registered with the Directorate General of Fertilizers and Pesticides, such as Metaprima 20 WG with RI register number 01030120031897 which is valid until 05 December 2027.
- The CH already has a factory machine license and is subject to periodic inspections by the competent authority, such as license deed no. 03.E/0035 for Steam Vessel No. 1. The last inspection was carried out on August 20, 2019 and recommended for a re-examination on August 20, 2023.
- Related the previous OFI, Teluk Bakau Mill has 3 engine room operators and 4 boiler operators (steamers). The results of the auditor's verification revealed that there were still 1 engine room operator and 2 boiler operators (steamers) who did not yet have a K3 license. In this regard, the company has registered operators who do not yet have a license for K3 license certification, as stated in the statement letter from PJK3 PT Arpindo Multi Utama dated 10 February 2023 regarding K3 license registration. Based on the letter, the training plan will be held in May and August 2023. This is an opportunity for improvement (OFI) in indicator 3.7.1.
- The results of the document review revealed that all units (Mill and Estate) already have a OHS Organization structure as stipulated in the RI Manpower Regulation Number Per. 04/MEN/1987, but based on the results of the document review it is known that there has been a change in the OHS Organization structure at Nusa Perkasa Estate due to a change in the management (chairman) and is currently in the process of submitting for approval. During the audit process, a letter of submission can be addressed to the Riau Province Manpower and Transmigration Office on February 3, 2023. This is an opportunity for improvement for the company to obtain an OHS Organization Approval Decree according to existing personnel. **OFI**

Compliance with Social and Environment Regulation:

- The results of the environmental assessment are in the form of an Environmental Impact Analysis (AMDAL) document in 1996 for the PT BNS Oil Palm Plantation with an area of 25,662 Ha and a processing plant with a capacity of 60 tons of FFB/hour. The document has been approved by the Ministry of Agriculture, Agency for Agribusiness with ratification document number 07/BA.5.3/V/1996 on 17 May 1996. The document is also accompanied by RKL-RPL which has also been approved by the Minister of Agriculture based on decree number 093/ RKL-RPL, dated May 14, 1996.
- The 2006 RKL-RPL addendum document. The scope of the latest RKL-RPL study is still the same as the previous one, which is 25,662 ha and a processing plant with a capacity of 60 tons/hour, but there are additional components for fire management, subsidence, and the construction of a jetty. The document has been approved by the Head of the Environmental, Mining and Energy Office of Indragiri Hilir District by Decree No. 11/IH/RKL-RPL/V/2006 dated 3 May 2006.
- Permit for Disposal of Wastewater to Water Sources for PT BNS based on DPMPSTSP Decree of Indragiri Hilir District Number 503/DPMPSTSP-IPAL/02 which was legalized on March 15, 2018 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environment Agency number Rek-TTDLHK/II/2018/03 dated 26 February 2018.
- The company already has a Surface Water Utilization Permit for PT BNS Teluk Bakau Factory unit based on the Decree of the DPMPSTSP Indragiri Hilir District Number 503/DPMPSTSP-SIPAP/X/2020/04 on 19 October 2020 and is valid for 2 years. In the document there is a provision for a quota of surface water intake of 1,782 m³/day with a production time of 15 hours/day.
- Hazardous and Toxic Waste Management Permit for PT BNS Teluk Bakau Factory unit based on DPMPSTSP Decree of Indragiri Hilir District Number 503/DPMPSTSP-IPL.B3/XII/2019/16 dated December 20, 2019 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environmental Service number 660.3/DLHK-PPKL/Rek/XII/22 dated December 13, 2019. The permit is valid for 1 hazardous waste warehouse located at Teluk Bakau Factory.
- Hazardous and Toxic Waste Management Permit for PT BNS (Teluk Bakau Estate, Nusa Lestari Estate, Nusa Perkasa Estate, Rotan Semelur Estate, and Mandah Estate) as DPMPSTSP Decree of Indragiri Hilir Regency Number 503/DPMPSTSP-IPSL.B3/2 dated 15 March 2018. The permit is valid for 5 years from the date of stipulation, that is, until 2023. The type of waste that is allowed to be stored according to the permit is in the form of; used oil, used batteries, used filters, used LED lamps, used rags, hazardous contaminated waste, and used hazardous packaging. Based on interviews with management, the company will extend

the hazardous storage permit as well as add infectious medical waste items to the permit. Therefore, companies are encouraged to ensure that the permit is in accordance with the type of waste that is allowed to be stored. **OFI**

2.1.2

The certificate holder has a documented system to ensure legal compliance listed in the Legal Requirements Procedure, dated on May 1, 2017. The procedures include explaining that regulations can be obtained and updated by contacting government and non-government agencies to ensure that the latest regulations apply, including international, national, and local and actively visit related websites. company have shown list of updated regulation related to the field of worker welfare aspect are

- Government regulations No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- Government regulations No 36 of 2021 concerning Wages

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted in December 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 and SCCS was conducted on 05 – 09 December 2022

In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, and etc, its described-on indicator

2.1.3

The procedure of boundary pole maintenance is still the same as the previous assessment listed on procedure of Boundaries Pole (HGU) Maintenances (No. 6/BNS-PPHGU/VII/15 dated 4 July 2015). On the procedure described the maintenance carried out by each unit and monitoring carried twice a year.

During audit the unit of certification presented document of boundaries monitoring where the last activity conducted in December 2022 and based on monitoring all boundaries are available and the conditions was good. Based on observation to in poles sample (Poles No 114, 105 and 107 in Nusa Lestari Estate; 30 Nusa Perkasa Estate and Poles No 001; 118 and 10 Teluk Bakau Estate) it was known that Boundaries poles were satisfactory maintained and easy to identify. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by Land Agency.

Status: Comply

2.2

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

2.2.1

In monitoring the use of third parties (contractors, FFB suppliers, transporters and others) for plantation and mill activities, the certification unit has well documented the list of third parties, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 20 third parties (Contractor, Transporters for CPO/PK, Health Laboratory, Hazardous Waste Transport, Testing Company and any others), 11 local Suppliers (material, food, and others) and 2 FFB Suppliers (PT Oscar Investama and PT Riau Sawitindo Abadi) that has been cooperate with certification unit. These contractors collaborate in the activities of civil/mill activities such as construction of housing/infrastructure and mill maintenance.

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

- Letter of Agreement No. C031/Rumah&Sekolah/BNS-TBE&NLE/VIII/2022 dated 24 March 2022 with PT Sumber Teknik Berdikari for the Construction of School Buildings and Workers' Houses, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.
- Letter of Agreement No. 016/Rumah/BNS-MDF/IX/2022 dated 12 September 2022 with CV Riau Sinergi for the Development of

2 blocks of G6 Permanent Houses, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.

- Letter of Agreement No. 003/SPK/BNS-MDE/II/2022 dated 14 February 2022 with PT Mitra Karya Jaya Perdana for the Replanting Activities (relining stakes, planting stakes and road compaction), in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.

For CV Riau Sinergi and PT Mitra Karya Jaya Perdana, the contractors always cooperate with PT Bumireksa Nusasejati every year. In the 2022 period, the two contractors have collaborated in each existing unit (TBF, MDF, TBE, MDE, RSE, NPE and NLE). However, at the time of the audit, the two contractors only had ongoing cooperation agreements with the MDF and MDE units' yang sebelumnya telah selesai melakukan kerjasama dengan unit TBF/TBE/NLE/NPE. Therefore, in this case, the example of the work agreement used is an updated work agreement but is still in the context of an audit.

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

2.2.2

In each work agreement between the certification unit and the third parties, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the third parties. Some of these obligations are related to, ethical codes, child labor, forced labor, insurance, OHS, and other obligation.

To ensure compliance above with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work. The results interviews with contractor (PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi) revealed that workers had received wages accordance with the minimum wage, were registered in the *BPJS* program, have a legality document, and the worker have been given the standard PPE. This result is in line with the results of the document review which proves that the wages of contractor workers are above the minimum wage, fulfilling tax payments, *BPJS*, standard PPE and other requirements. The unit of certification has demonstrated the results of its evaluation related to compliance with laws and regulations carried out by third parties, for example:

- Evidence of fulfillment of third-party legality (PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi) such as Deed of Establishment (*Akta Pendirian*), NIB (Business Identification Number), NPWP (Taxpayer Identification Number) and others.
- List of third-party workers, for example PT Sumber Teknik Berdikari has 6 workers, CV Riau Sinergi has 7 workers and PT Mitra Karya Jaya Perdana has 12 workers. None of these workers are under 18 years of age. In addition, it can also be shown that there is a work agreement between a third party and the workers during the project period.
- Proof of *BPJS* card ownership for third-party workers (PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi) and proof of payment of the last contribution for ongoing projects (last payment made for contributions in December 2022). Therefore, it can be ensured that all *BPJS* owned by workers from third parties are still valid at the time the audit activity takes place.
- List of wages for third-party workers in December 2022, where the total wage for that month is in accordance with the government's 2022 minimum wage.

In addition, the certification unit can show evidence in the form of monitoring the legal compliance of third parties that work with them every year using List of laws and regulations owned by the company updated monitoring for contractor was carried out on 25 December 2022 and the monitoring will be updated again on December 2023. Unit certification shows third party legal compliance monitoring for PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi where the monitoring has listed a law register that must be fulfilled by a third party.

Of all the regulations mentioned above, PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi have complied with all of these regulations in 2022 which were evaluated on 25 December 2022. Based on the explanation and evidence shown, it can be concluded that certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations, and are shown by the relevant third party.

2.2.3

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

The results of the document review of the list of contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of interviews with contractors (PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi) stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

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

Status: Comply

2.3

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

2.3.1

The unit of certification can present list of FFB supplier that accepted by mill are originally from estate under PT Bhumireksa Nusasejati and Outgrowers, as described below

- **Own Estate**
 - Nusa Perkasa Estate
 - Teluk Bakau Estate
 - Nusa Lestari Estate
 - Rotan Semelur Estate
- **Outgrowers**
 - PT Oscar Investama
 - PT Riau Sawitindo Abadi

Based on explanation above it was known there are two outgrowers which delivered FFB Teluk Bakau Factory. To identify the FFB legality, the company conduct traceability assessment which is expressed in Report of Responsible Sourcing Guideline (RSG) for 3rd Party FFB. On that's reports described profile of FFB Supplier, Maps of FFB Suppliers, Risk Assessment of Suppliers, total area, , year of planting and land rights that owned. During the audit process, evidence of legal compliance from each supplier can be shown, in example for PT Oscar Sawitindo Abadi

- Legal documents: Business Identification Number No 9120300112297 and Location Permits No No. 503/BP2MPD-IL/IV/2013/05, dated 30 April 2013
- Address: Village eritip, Bandar Srigemilang, Tagaraja, Amal Bakti, Penjuru and Kuala Selat, Subdistrict of. Kateman, District of Indragiri Hilir, Riau Province
- Plantation Area: 1,564.43 Ha
- Planting Years: 2015 – 2019
- Coordinate : 0036533 S and 0346478 N

2.3.2

As describe on indicator 2.3.1 there is no middleman, indirect suppliers or agents which delivered FFB to Teluk Bakau Mill. All FFB accepted by mill are originally from estate under PT Bhumireksa Nusasejati and Outgrowers.

Status: Comply

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

3.1

There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.
3.1.1

The CH has prepared a Management Plan in the PT BNS Business Plan document which is approved by the SQM Head for a 5 year planning period (2022 to 2026) which includes projected FFB production, CPO and PK production, CPO and PK revenues, CPO and PK production costs, CPO and PK net income, total plantation costs, total factory costs, management costs, profit/loss, and replanting. An example of a projection for 2023 is as follows:

- FFB Production: 232,596 tons
- CPO: 51,620 tons
- PK: 10,683 tons

3.1.2

The CH shows the projected annual rejuvenation program for at least the next five years, listed in the 2020 – 2026 Replanting Plan document. For example, in 2023 it is planned to replant an area of 755 ha, with identification of peat, using heavy equipment for enumeration. This has been regularly reviewed in periodic management reviews.

Based on the results of field visits in the TM 1 (mature) area block D08 Division 3 NPE, TBM 1 area (immature), TBM 2 area (2020) Block E07 Division 2 TBE, which did comply with the plan and no burning residue was found. In addition, based on the results of interviews with the Indragiri Hilir Regency Plantation Office, it was also stated that there were no reports of land burning activities or a history of land fire incidents.

The results of the document review revealed that for the replanting plan in the peat area a drainability assessment has been carried out which has been discussed in indicator 7.7.5.

3.1.3

The CH has conducted regular management reviews. The year 2022 is set forth in the Budget Achievement Evaluation document which was carried out on January 5, 2023 which was attended by the Area Controller, managers and related staff. Matters discussed include area statements, plant maintenance, production, operational costs, processing, factory machine maintenance, etc.

The CH also conducted an internal audit as indicated in the Examination Conclusion Working Sheet document, carried out on 13 – 21 April 2022, for the 2022 inspection period. The audit subject for the inspection was the tender committee area at PT BNS.

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

Regular operational and sustainability audits have been carried out, to ensure the implementation of procedures and policies in the company so that the company can be sustainable. It has been shown the results of the most recent internal audit examination on 13 - 21 April 2022 which have been discussed in indicator 3.3.3. It has also shown the results of the RSPO internal audit which was carried out 05 - 09 December 2022 and the score has been determined for the application of each principle and indicator

3.2.2

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

Name of RSPO Member	: PT Bhumireksa Nusasejati
RSPO Membership Number	: 1-0009-04-000-00
Name of Certified Unit	: Teluk Bakau
Name of Certification Body	: Mutu Certification International
RSPO PalmTrace ID Number	: RSPO_PO1000000318
Number of Mills	: 1
Number of Estates	: 3
Production Area (ha) - Estate	: 6,156.92 Ha

Certified Area (ha) - Estate	:	13,317.81 Ha
High Conservation Value (HCV) Area (ha)	:	10.69 Ha
Peatlands - Planted (ha)	:	10055.44 Ha
Peatlands - Unplanted (ha)	:	0

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

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The CH has SOPs and work instructions for all plantation activities which are summarized in the Minamas Agricultural Reference Manual document consisting of 18 sections. The work instructions/SOP cover all plantation activities starting from land clearing, nursery practice, oil palm planting, LCC planting, maintenance and fertilization, pest and disease control, fruit harvesting to factories. The CH also has FFB processing procedures in the Palm Oil Mill Technical Guidelines consisting of the basics of palm oil processing, oil and palm kernel stockpiling, control of factory wastewater, water treatment and laboratory analysis and others. In the OHS aspect, operational activities also have LOTO procedures and work permits.

Based on field observations in Teluk Bakau POM, TBE, NPE, and NLE it is known that procedures have been implemented in every operational work.

3.3.2

Mechanism to check the implementation of procedures consistently, companies carry out internal audit activities. In addition, to carry out inspections of the implementation of procedures for work carried out by contractors/third parties, the company evaluates contractors and conducts inspections when submitting minutes of work completion for each stage of payment. The company also evaluates the contractors discussed in indicator 2.1.2.

For example, during field observations at POM it was found that every visitor who enters POM must use PPE according to their activities. The inspection is carried out by the POM security and safety officer.

3.3.3

The CH has maintained monitoring and follow-up records of the implementation of procedures in every aspect of operational work. The Plantation/Mill Internal Audit Report has been shown in the Worksheet document Conclusion of the inspection conducted April 13-21 2022, the 2022 inspection period, with the subject of examination of the tender committee area both in the estate and factory. The results of field observations at the TBE, NPE, and NLE estates on nursery work, harvesting, circle path spraying, and fertilization show that workers have carried out the work according to their procedures. The results of observations at the Mill, such as at the BRA (Bunch Reception Area) and boiler stations, also show that workers have carried out the work according to the procedures they have. The results of field observations for the performance of oil palm planting contractors in the unripe area which were observed during the audit found that the planting was in accordance with procedures.

Status: Comply

3.4

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

3.4.1

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

Environmental Impact Assessment (EIA)

The Teluk Bakau Factory certification unit is under the company PT Bhumireksa Nusasejati, the company already has an Environmental Impact Assessment (EIA) document that covers all areas that fall within the scope of certification and can be proven

based on the following documents:

- The results of the environmental assessment are in the form of an Environmental Impact Analysis (AMDAL) document in 1996 for the PT BNS Oil Palm Plantation with an area of 25,662 Ha and a processing plant with a capacity of 60 tons of FFB/hour. The document has been approved by the Ministry of Agriculture, Agency for Agribusiness with ratification document number 07/BA.5.3/V/1996 on 17 May 1996. The document is also accompanied by RKL-RPL which has also been approved by the Minister of Agriculture based on decree number 093/ RKL-RPL, dated May 14, 1996.
- Due to the addition of several social and environmental components that need to be monitored and managed, the company revised the initial RKL-RPL document. The scope of the latest RKL-RPL study is still the same as the previous one, covering an area of 25,662 ha and a processing plant with a capacity of 60 tons/hour, but there are additional components for fire management, subsidence, and construction of a jetty. The document has been approved by the Head of the Environmental, Mining and Energy Office of Indragiri Hilir District by Decree No. 11/IH/RKL-RPL/V/2006 dated 3 May 2006.

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

High Conservation Value Assessment (HCVA)

The certification unit has also conducted studies related to areas with high conservation value as evidenced by the 2009 HCV Study Results document conducted by an internal company led by Purwo Susanto. The HCV assessment was carried out in November and December 2009 for the scope of PT BNS as a whole, namely 5 Estates covering an area of 25,671 Ha, of which 3 Estates are the scope of certification for Teluk Bakau Factory with an area of 13,317.81 Ha. Based on the results of the HCV study, the HCV area was 0.55 Ha and the Potential HCV area was 1138.63 Ha in the occupation area. This study explains the impacts arising from plantation activities on the environment, social, and protected flora and fauna. The HCV assessment also involves several affected parties, both internal and external stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. A public consultation was also conducted on December 4, 2009 at Teluk Bakau Estate which was attended by relevant stakeholders. The report also contains a matrix of High Conservation Value Area Management and Monitoring Plans which contains recommendations for the management of all identified HCV areas.

There is a change in the area of HCV areas based on the results of the 2022 HCV Re-assessment, this is explained in more detail in indicator 7.12.2. This re-measurement was carried out internally with the result of increasing the reserve area of the conservation area which was previously 9.43 Ha to **10.69 Ha**. Based on the document verification, it can be concluded that all areas with high conservation potential and protected areas have been identified and their management recommended by referring to the relevant environmental management guidelines.

Social Impact Assessment (SIA)

The company already has a social impact identification document, namely the Social Impact Identification Study of PT BNS Plantation and Palm Oil Mill (SIA), 2010. The study was conducted in December 2009 by the Indonesian Sustainable Palm Oil Foundation involving affected parties as evidenced by the outreach meeting / Public Consultation Social Impact Assessment (SIA), on December 4, 2009 with 76 participants consisting of representatives from surrounding villages and sub-districts, community leaders and representatives from companies. Evidence of community involvement in the form of attendance lists, photos of implementation and examples of questionnaire attachments are included in the SIA document. The assessment method is carried out using a list of questionnaires that have been prepared through an interview system and measurable data collection.

The SIA study explains the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and culture of the villagers around the company, environmental management efforts in the social, economic and cultural fields as well as perceptions community about the existence and benefits of PT BNS. Social impact assessments are included as part of the complement of all environmental impact assessments. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. The report also contains a matrix of Social Management Plan and Social Monitoring Plan which contains recommendations for managing identified social impacts.

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

3.4.2

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage, and the post-operation stage. The unit of certification does not carry out new plantings or increase the scope of certification. Some of the documents held by the certification unit, include:

Environmental Impact Assessment (EIA)

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented. Certification unit has also evaluated for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the evaluation results it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations show no indication of environmental pollution in the area around the company, this is explained in each related indicator.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company Environmental permits for 1996 AMDAL for PT BNS Oil Palm Plantation with an area of 25,662 Ha and a processing plant with a capacity of 60 tons of FFB/hour. With the results of management and monitoring that have been carried out on the following aspects;

- Decreased Air Quality
- Changes in Soil Characteristics/Lowering of Peat
- Potential Forest and Land Fires
- Decreased River Water Quality and Disturbance to Water Biota
- Social Conflict

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

- Proof of receipt of PT Bhumireksa Nusasejati – Teluk Bakau Factory Environmental Management and Monitoring Implementation Report (RKL/RPL) for the 1st semester of 2022 No. 209/BNS-TBF/VII/2022 dated 04 July 2022
- Proof of receipt of PT Bhumireksa Nusasejati – Teluk Bakau Factory Environmental Management and Monitoring Implementation Report (RKL/RPL) for 2nd semester of 2022 No. 230/BNS-TBF/II/2023 dated 04 January 2023
- SIMPEL TTE proof for PT Bhumireksa Nusasejati – Teluk Bakau Factory Environmental Management and Monitoring Implementation Report (RKL/RPL) ID: 1675796824-7824 dated 08 February 2023.
- Proof of receipt of PT Bhumireksa Nusasejati HCV Management and Monitoring Implementation Report and RTE Monitoring for the 2nd semester year 2022 to BSKDA Riau Province BKSDA on 16 January 2023.

Social Impact Assessment (SIA)

The unit of certification has conducted a social impact assessment conducted in 2022 by the internal team, which is contained in the PT Bhumireksa Nusasejati Social Impact Assessment Review and Evaluation Document. The participant of study adequate compare their operational activities because already covered representatives from; affected parties, community leaders, and village around the plantations and mills, as well as internal company employee includes; gender committee, union, and residents in the employee housing area. Program planning was carried out based on the results of Focus Group Discussions which were held on 05 November 2022, 9 July 2022, 29 March 2022, 21 December 2021, 20 January 2023 and 31 January 2023 in which the document contains several social programs including routine social assistance for surrounding communities, economic improvement through cooperation with companies, opening job vacancies, and increasing welfare through community empowerment programs.

The results of potential and risk analysis with documentary evidence and absences are attached in the minutes. The program is a general plan that will be implemented by the company based on an analysis of stakeholder needs and mapping of stakeholders who are directly or indirectly related to the company. Thus, as far as possible, the planned programs are directed at strengthening company relations, communication and cooperation with all stakeholder.

The company also evaluates the Management Plan annually to monitor the development of program management referring to the 2022 Social Impact Management results document, this evaluation activity is also a reference in preparing the 2023 program which includes social, economic and environmental impacts. There were no new impacts identified by the company, so for the 2023 period it will continue all programs that have been determined in the previous year

Continuing from the previous assessment, regarding the area of occupation the company stated in SIA Document in 2010, this is still in the process of arranging the release of the *HGU* area which has been submitted to the Regent of Indragiri Hilir in 2021, and until 2.1 assessment held unit of certification is still in the stage of drafting a new *HGU* document.

Based on the results of interviews with representatives of the villages of Bente and Makmur Jaya, the company routinely provides assistance and creates transportation access to help the community, there tends to be little risk of social conflict between the company and the community. Access requests for information or complaints can be submitted through procedures that are understood by the community, usually through letters addressed to the unit office.

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

3.4.3

Environmental Impact Assessment

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

From the documents review related to environmental monitoring in the RKL-RPL document for the of 2nd semester of 2022, it is known that there are several measurement results that exceed the environmental quality standards. The certification unit has managed each of these parameters. Even though, the unit of certification has made several efforts to maintain its quality, such as;

- Carry out management of areas with high noise levels such as; use of earplugs/earmuffs in certain areas, periodic audiometry checks for employees who are directly exposed, perform maintenance on factory machines, and reduce other noise sources from operational activity.
- Management of peatlands, by maintaining the water level and not opening new land
- Management of water sources and surface water (Kateman River), periodically conducting water quality tests with PP 22 of 2021 quality standards.
- Conduct a review and collect aspirations from internal and external stakeholders to minimize social impacts that may arise.

Based on the results of an interview with the Indragiri Hilir Regency Environmental Service which has conducted a field visit around November 2022 periodically. Monitoring and management of environmental and HCV impacts is carried out in a participatory manner, and there are no pollution issues arising from PT Bhumireksa Nusasejati's operational activities.

Social Impact Assessment (SIA)

Regarding the social management and monitoring plan owned by the company, it has conducted a review and monitoring once every year.

Through the implementation of the SIA program, PT Bhumireksa Nusasejati applies the RSPO's 7 principles on responsible new plantation development. For this reason, company is currently carrying out the stages of the Free, Prior, Informed and Consent (FPIC)

program to comply with the 7 RSPO principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations in every aspect of activities that involve interaction with the community is contained in the company's commitment to sustainability and in the company's obligations as a member of the RSPO. The implementation of FPIC is a manifestation of the company's respect for community rights and other social components related to company activities.

Regarding OFI in the previous assessment, the unit of certification has completed documentation and records related to the SIA management activities that have been carried out. The stakeholders involved can be proven through examples minutes of socialization of SIA implementation, review and evaluation for 2022-2023 as well as implementation of CSR 2022, which was held on 05 November 2022, 9 July 2022, 29 March 2022, 21 December 2021, 20 January 2023 and 31 January 2023, examples from; representatives of the Gurah Baru Village, Belaras Barat Village, internal company employee, gender committee, worker union, representatives of women, migrants, and residents in the employee housing area.

Based on the explanation above, companies are encouraged to develop a comprehensive social monitoring and management plan by integrating between sections/departments that cover all impacts and represent a sample of affected parties

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2021-2022 written in Bahasa. In general, these procedures describe:

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

In addition to being publicly listed in Collective Labor Agreement, the certification unit has other procedures in the form of Policies, SOP, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Collective Labor Agreement and Company Procedure/Policy in 09 November 2022 which was attended by all workers on muster morning. For example, some procedures that are owned by the company include:

- Policy No. 431/HRM-RCT/07 and Procedure No. 431/HRM-RCT/07 related Employee recruitment
- Procedure/Memorandum No. 290/HRM-i3/VI/2015 and No.287-HRM-i1-V-11 related Career Path and Performance Assessment for Permanent Employee (SKU/PKWTT).

The certification unit did not have workers with contract status for daily/casual worker (BHL), but they still have contract worker (PKWT), the current employee status is permanent workers with Grade (from H to A8) and Staff. All the rights for each employment status have been distinguished. Based on the results of interviews with workers in the estate and mill units and representatives of the labor union, it is known that the workers have understood the recruitment, selection, promotion and other employment procedures contained in the Collective Labor Agreement and in other procedures.

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

3.5.2

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

- Employment Acceptance Document for workers with the initials AZR (harvester) starting with the Employment Application Letter to apply for a job as a Compound worker at PT Bhumireksa Nusasejati. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 01/BNS/PKWT-TBE/II/2023 dated 07 January 2023 for Harvesting workers.
- Employment Acceptance Document for workers with the initials RDW (harvester) starting with the Employment Application Letter to apply for a job as a Compound worker at PT Bhumireksa Nusasejati. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 03/BNS/PKWT-TBE/II/2023 dated 07 January 2023 for Harvesting workers.
- The certification unit has a worker promotion from a contract worker to a permanent worker. For example, a harvester (AMZ) who has received a performance appraisal in 2022 with a "B" result so that he is declared eligible to get a promotion a contract worker to a permanent worker (Grade H) in accordance with Decree 017/NLE/IV/2022/SK dated 01 April 2022 which Valid from 01 April 2022.
- The certification unit has a worker promotion from a contract worker to a permanent worker. For example, a harvester (RSL) who has received a performance appraisal in 2022 with a "B" result so that he is declared eligible to get a promotion a contract worker to a permanent worker (Grade H) in accordance with Decree 016/NLE/IV/2022/SK dated 01 April 2022 which Valid from 01 April 2022

The results of interviews with workers (harvesting, spraying and mill operators) in plantation and mill, explain that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion and retirement procedures in accordance with existing regulations, as well as all. The application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received position promotion / grade promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During 2022 there were no recruitment issues that occurred at certification unit, this was in accordance with the results of interview with the labor union, the Manpower and Transmigration Agency of Indragiri Hilir Regency which stated that the application of existing labor procedures certification unit is in accordance with the regulations and since 2022 (January-December) until now (January 2023) there have been no recruitment issues.

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

Status: Comply

3.6

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

3.6.1

Hazard Identification Risk Assessment and Control

The CH has an SOP for Hazard Identification, Assessment, and Control with code 7301/PSQM-ESH/11 dated July 7, 2011. The SOP serves as a guideline for, among other things, hazard identification, risk assessment, determination of risk control measures and work plans, and overall analysis. If a work accident occurs, this becomes material in the consideration of risk assessment and mitigation efforts. HIRAC describes Activities, identification of potential hazards (source/event, impact), existing controls, initial risk analysis (level of likelihood, severity, level of risk). The identified activities cover all operational activities at the estate and mill, such as manual maintenance, chemical application, fertilizing, harvesting, transporting FFB, sorting FFB, and processing it into CPO and Kernel. Identification has also been carried out for supporting activities such as pest and disease monitoring, BOB (Barn Owl Box) monitoring, HCV monitoring, Tower of Fire, etc. The CH has also evaluated the Identification of Environmental Impact and Material Risk and OHS Analysis documents taking into account work accidents, the addition of new types of work or the use of new equipment/technology.

OHS Program

OHS programs that have been implemented by The CH include monthly OHS Committee meetings, regular OHS Committee reports to the Manpower Office, safety inspections, periodic health checks, recording of work accidents, first aid inspections, PPE inspections, OHS training, emergency response simulations, socialization of SOPs, material handling toxic and dangerous, fire hazards, use of fire extinguishers, MSDS and symbols of hazardous materials and others.

The realization of the OHS plan

- Medical checkup: For the next 2022 period checkup, a periodic Health checkup will be conducted in November 2022. For information, the company plans to have 2 checkups a year. Records of periodic inspections explain that there were 543

employees of PT BNS who were examined, and from the results of the examinations, there were no employees with health problems.

- Inspection of OHS aspects: Includes inspection of vibrations at the Teluk Bakau Mill in semester 2 of 2022 with results still below the quality standards based on KepmenLH number 49 of 1996. Inspection of noise at the Teluk Bakau mill and surrounding housing in semester 2 of 2022. Results in Teluk Bakau Mill 83.55 dB above the 70 dB threshold according to Permenaker 5 of 2018. Observations at the POM found that the risk has been mitigated in that area by using ear plugs which can reduce noise by 15 dB. While in residential areas it is still below the threshold according to Minister of Environment Decree 48 of 1996.
- The company also periodically checks the completeness of PPE, periodically checks fire extinguishers, first aid kits including first aid bags periodically. There are daily, weekly and monthly checks. The official in charge is the secretary of the OHS Committee.
- OHS Training and Outreach: Routine briefings are carried out every morning. The themes discussed included the obligation to use PPE, safe working methods, handling work accidents, basic first aid training to outreach about the Covid-19 pandemic.
- Work accident monitoring: During the period January - December 2022 in the Teluk Bakau Mill, TBE, NPE, and NLE areas there were no fatal work accidents. Accidents that occur are controlled with first aid and treatment at the clinic.

3.6.2

The CH conducts periodic management reviews, including those related to sustainability. This activity was last carried out on January 5, 2023 which was attended by the controller area, managers and related staff. Discussions about achieving the budget included plant maintenance, production, maintenance of factory machinery, processing, and costs.

The CH also has an OHS Committee in each unit which is responsible for the implementation of OHS aspects. One of the activities of the OHS Committee is to conduct monthly evaluations regarding the implementation of the OHS program. For example, the meeting at the Teluk Bakau Factory on December 30 2022 discussed, among other things, evaluation of work accidents, efforts to reduce work accidents, and evaluation of employee safety conditions. For the OHS NPE Committee, the meeting which was held on 6 December 2022 discussed, among other things, HIRAC, handling and storage of chemicals, and first aid.

Status: Comply

3.7

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

3.7.1

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

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

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

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

As explained above, apart from having a training program for each worker according to the type of work, the company also regularly conducts refreshment training every year. This is proven by evidence of routine socialization which is considered to be still needed by workers. If the results of the performance evaluation conducted show that all workers have sufficiently understood their duties/responsibilities, the company will still carry out refreshments related to this matter so that the worker continues to have a sufficiently understanding every year. For the need for stakeholder understanding related to policies, procedures and new information related to the company (including matters related to the RSPO Principles & Criteria) it is also carried out routinely every year, this is done to maintain the understanding of these stakeholders.

Related to OFI in previous audits, is known
Regarding the OHS license it is known that

- Teluk Bakau Mill has 3 engine room operators and 4 boiler operators (steamers). The results of the auditor's verification revealed that there were still 1 engine room operator and 2 boiler operators (steamers) who did not yet have a OHS license. In this regard, the company has registered operators who do not yet have a license for OHS license certification, as stated in the statement letter from PJK3 PT Arpindo Multi Utama dated 10 February 2023 regarding OHS license registration. Based on the letter, the training plan will be held in May and August 2023. This becomes OFI for the company and will be check in the next audit.
- The company also has a certified welder that has been shown to the auditor.

Based on this explanation, it can be concluded that the certification unit has a documented training program for all staff, workers, smallholders and outgrowers taking into account specific needs related to gender and covering aspects of the RSPO Principles & Criteria in a form that they can understand and includes assessment of training.

3.7.2

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

- Training on generator operating procedures on 14 November 2022 for generator house operators.
- Zero penalty outreach training to all workers in all PT Bhumireksa Nusasejati units on 09 November 2022. This Zero Penalty is a new policy issued by Sime Darby Plantation that applies to all of its subsidiaries and for now is down in Inter Office Mail No. POD-SQM-001/X/2022 dated 31 October 2022. It explains that the prohibition of giving sanctions in the form of deductions from wages in any form is detrimental to workers except those that are clearly regulated in laws and regulations on employment.
- Firefighting simulation on 19 October 2022 which was carried out by the firefighting team and witnessed by all workers.
- Dissemination of understanding of SCCS (Supply Chain Certification Standard) to all personnel responsible for SCCS activities in plantations and mills on 28 and 29 September 2022.
- Training and socialization related to land and forest fires to the Fire Concerned Communities (MPA) around the company (Belaras Barat, Teluk Bunian, Rotan Semelur, Bente dan Makmur Jaya Village) on 05 November 2022.
- Outreach to the surrounding village community (Belaras Barat, Teluk Bunian, Rotan Semelur, Bente dan Makmur Jaya Village) regarding company policies, complaints/complaint mechanisms, communication and consultation procedures which were carried out from 05-12 November 2022 in stages.
- Dissemination and signing of the Vendor Integrity Pledge for all contractors who work with the company after signing the work agreement. An example is the Vendor Integrity Pledge for CV Riau Sinergi on September 12 2022, the document explains that the contractor must follow all company policies regulated in the Sime Darby Plantation Code of Business Conduct (COBC).

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

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

3.7.3

Training Program 2022 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2022 conducted on 28 and 29 September 2022. The training subjected to SOP of Supply Chain and Traceability of Palm products. Training attended by relevant personnel including mill assistant, laboratory, Senior Assistant, weighbridge clerk, production clerk and etc

Based on interview to the workers involved in SCCS operations, such as, weighbridge operator (for dividing amount of certified and uncertified sourced), and Administration Head (for recording and monitoring the MB data), known that the workers understood the

SCCS mechanism, and the MB record has conducted and monitored well.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1, 3.8.2

Formerly the mill implements SCCS Model IP, however since November 2022 based on Memorandum No 042/CEO-RSS/X/2022 dated 14 October 2022 Teluk Bakau Factory accepted FFB from non-certified RSPO producers (PT Riau Sawindo and PT Oscar Investama) and downgrade the SCCS Model from IP to MB. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources.

3.8.3

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

	Last Year Projected Certified Volume (MT)	Additional Quota (MT)	Total Projections (MT)	Actual production in February 2022 – January 2023 (MT)	Estimation for the next 12 months (MT)
FFB Processed	99,000	28,329	127,329	113,967.42	129,000
CPO Production	21,800	5,605	27,405	25,862.41	29,000
PK Production	3,950	1,051	5,001	4,997.28	5,400

Based on table above the actual production are exceed from the projections. Regarding those situation Teluk Bakau Mill has been requested additional quota to CB on 03 February 2023 about request of extension volume certified products with additional volume covering:

- FFB : 28,329 MT
- CPO : 5,605 MT
- PK : 1,051 MT

3.8.4

Teluk Bakau POM has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:

Member Information	
Member Name	Sime Darby Plantation - Teluk Bakau POM, PT BNS
Member ID	RSPO_PO1000000318
Member Country	Indonesia
Member Category	Oil mill
Core Product	Palm Oil

License Information	
License ID	CB133605
Issued By	PT Mutuagung Lestari
Issued On	06/01/22
Start Date	06/11/22
End Date	05/10/23
License Status	Active

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

Teluk Bakau Factory has had procedure for SCCS with RSPO Supply Chain Certification Manual (SCCS-Std/RSPO/PSQM/02, Revision 3, 01 December 2020) The procedure rules all element related SCC aspects covering the Inform flow chart of mill business process starting from FFB acceptance to CPO dispatch, internal audit, document retention period, certified CPO selling, logo and trademark use, business communication, product complaint mechanism, and management review etc. Based on document verification it was known the procedure has been referring to latest standard of SCCS. Furthermore, the procedure has covered all aspects in SCCS MB model. the results of interviews with Head of Administration and weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure

3.8.6

Internal Audit procedures are ruled in on RSPO Supply Chain Certification Manual (SCCS-td/RSPO/PSQM/02 rev 01 dated 02 July 2020) which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

Internal audit of RSPO supply chain conducted simultaneously with P&C audit on 05 – 09 December 2022. All of supply chain standard and rules on market communication and claim has been assessed, and the CARs have been complied.

Management Review of RSPO SCCS implementation conducted on 05 January 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement

3.8.7

Records of FFB acceptance from certified and uncertified FFB has been well documented by the company as described below:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Feb-22	7,392.44	-	7,392.44
Mar-22	10,057.35	-	10,057.35
Apr-22	7,397.28	-	7,397.28
May-22	8,597.95	-	8,597.95
Jun-22	11,109.31	-	11,109.31
Jul-22	11,232.94	-	11,232.94
Aug-22	12,347.51	-	12,347.51
Sep-22	8,540.10	-	8,540.10
Oct-22	8,724.66	-	8,724.66
Nov-22	7,715.39	88.26	7,803.65
Dec-22	11,651.70	535.55	12,187.25
Jan-23	9,200.78	676.32	9,877.10
Total	113,967.42	1,300.13	115,267.55

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table

	Last Year Projected Certified Volume (MT)	Additional Quota (MT)	Total Projections (MT)	Actual production in February 2022 – January 2023 (MT)	Estimation for the next 12 months (MT)
FFB Processed	99,000	28,329	127,329	113,967.42	125,000.00

CPO Production	21,800	5,605	25,862.41	25,429.97	129,000
PK Production	3,950	1,051	4,997.28	4,597.28	29,000

Based on table above the actual production are exceed from the projections. Regarding those situation Teluk Bakau Mill has been requested additional quota to CB on 03 February 2023 about request of extension volume certified products with additional volume covering:

- FFB : 28,329 MT
- CPO : 5,605 MT
- PK : 1,051 MT

3.8.8

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since February 2022 – January 2023 it was known there are 850.07 CSPO and 2,118.99 CSPK sold as RSPO certification product

Documents verification and interview the unit of certification can presented selling documents of certified products. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, in example

1. CSPO

selling document for shipping announcement with transaction id TR-c2c10399-8db8 for CSPO model IP with the volume 850.07 MT on 30 June 2022 with the buyer are PT Wahana Citra Nabati, the unit can present several documents as follows:

- The name and address of the buyer (PT Wahana Citra Nabati)
- The name and address of the seller (PT Bhumireksa Nusasejati – Teluk Bakau Factory)
- The loading or shipment / delivery date on 27 April 2022 as presented in the document minutes of loading CPO No 008/BNS-TBF/BAP-CPO/IV/2022 with quantity delivery product are 850 MT
- Delivery Order Documents as well as unique number No: 00515/00332/04/22/L-BNS-MKS
- RSPO certificate number (MUTU-RSPO/008);

2. CSPK

selling document for shipping announcement with transaction id TR-e405db19-9683 for CSPK model IP with the volume 850.07 MT on 19 October 2022 with the buyer are PT Teguh Sempurna – Pemantang Kernel Crushing Plant, the unit can present several document as follows:

- The name and address of the buyer (PT Teguh Sempurna – Pemantang Kernel Crushing Plant- Sampit);
- The name and address of the seller (PT Bhumireksa Nusasejati – Teluk Bakau Factory)
- The loading or shipment / delivery date on 03 June 2022 as presented in the document minutes of loading CPO No 004/BNS/TBF-MDF/BAP-IKS/VI/2022 with quantity delivery product are 450 MT
- Delivery Order Documents as well as unique number No: 0034/00198/05/22/L-BNS-IKS
- RSPO certificate number (MUTU-RSPO/008);

3.8.9, 3.8.10, 3.8.11

Teluk Bakau Factory doesn't outsource refining and crushing activity. The company uses third party contractors for CPO and PK transportation activities. For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are 3 contractors CPO.

Based on document review and interview of management representative, the physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK. The site has recorded the names and contact details of contractor used for RSPO certified oil palm products transport, such as:

- PT Quadra Samudera Perkasa (CPO Transporters)
- PT Pelayaran Sinar Pagoda (PK Transporters)
- PT Trasindo Bahari Perkasa (PK Transporters)

Since last assessment it was known there is no new contractors and all Certified product transportation under responsibility from buyers. The contractors and certified holder also have an agreement related to transparency of contractor operational mechanism, so the certification bodies can audit the contractors

3.8.12

Based on documents verifications and interviews with management it was known if all FFB processed are sourced from RSPO certified and non certified. Documentation for the Sustainable Crude Palm Oil (Sustainable CPO) consists of daily record of the FFB acceptance, the daily record of CPO production, which is classified as the CSPO, sale record, stock record that has been reconciled with the FFB acceptance, monthly production, and sale and annual recapitulation.

Crude Palm Oil

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	432.44						
Feb-22	1,777.13		1,777.13			1,000.00	1,000.00
Mar-22	2,354.91		2,354.91			1,250.06	1,250.06
Apr-22	1,718.05		1,718.05			2,999.86	2,999.86
May-22	2,000.95		2,000.95			-	-
Jun-22	2,597.00		2,597.00	850.07		1,600.05	2,450.12
Jul-22	2,596.07		2,596.07			1,064.41	1,064.41
Aug-22	2,734.34		2,734.34			1,100.24	1,100.24
Sep-22	1,840.89		1,840.89			5,600.19	5,600.19
Oct-22	1,766.91		1,766.91			2,100.41	2,100.41
Nov-22	1,647.70	18.85	1,666.55			2,299.90	2,299.90
Dec-22	2,376.09	109.21	2,485.30			3,100.14	3,100.14
Jan 23	2,019.94	148.48	2,168.42			1,700.00	1,700.00
Total	25,429.97	276.54	25,706.51	850.07		23,815.26	24,665.33
Grand Total (12 Months Period + Opening Stock)	25,862.41						

Palm Kernel

Period	CSPK production (MT)		Total	Cert CSPK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	414.21						
Feb-22	282.12		282.12			550.07	550.07
Mar-22	407.63		407.63			-	-
Apr-22	308.15		308.15			450.04	450.04
May-22	348.68		348.68			-	-
Jun-22	468.23		468.23	441.91		-	441.91
Jul-22	470.62		470.62	789.75			789.75
Aug-22	518.15		518.15	-			-

Sep-22	366.02		366.02	887.33			887.33
Oct-22	350.88		350.88			700.00	700.00
Nov-22	304.13	3.48	307.61			450.00	450.00
Dec-22	441.50	20.29	461.79			-	-
Jan 23	331.17	24.34	355.51			500.00	500.00
Total	4,597.28	48.11	4,645.39	2,118.99		2,650.11	4,769.10
Grand Total (12 Months Period + Opening Stock)	5,011.49						

3.8.13; 3.8.14

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production

3.8.15

Formerly the mill implements SCCS Model IP, however since November 2022 based on Memorandum No 042/CEO-RSS/X/2022 dated 14 October 2022 Teluk Bakau Factory accepted FFB from non certified RSPO producers (PT Riau Sawindo and PT Oscar Investama) and downgrade the SCCS Model from IP to MB. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources.

3.8.16

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since February 2022 – January 2023 it was known there are 850.07 CSPO and 2,118.99 CSPK sold as RSPO certification product

Regarding registration of transactions based on documents it was known the claimed RSPO product of CSPO is no longer than 3 months since the product delivered in example for shipping announcement with transaction id TR-c2c10399-8db8 issued on 30 June 2022 the product has been dispatch on 27 April 2022, however for CSPK it was known there were shipping announcements issued more than three months since the product was dispatched, for example, a shipping announcement with transaction id TR-e405db19-9683 on 19 October 2022 where the product shipped on 03 June 2022 (shipping announcement was issued after 4 months and 16 days since the product dispatch)

Regarding those situations, the management has identified the issues with the carried-out meeting between the SQM department and the Global Trade Marketing (GTM) department on 09 January 2023 with the conclusions of the meetings are:

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

Regarding this situation the company encouraged to ensure shipping announcement issued not more than three months since the product dispatch. OFI

Furthermore, the unit of certification can present document related claim product such as delivery order and weighbridge slip that informed CSPO products that sold. For the products that's sold as conventional the unit certification can present evidence if the

product has been remove or allocated to credit in the RSPO IT Platform (Palm Trace), that described in the following table:

Stock Transaction ID	Date	Product	Transaction Type	Volume (MT)
ST-TR-faec2398-5eea	07-02-2023	CSPK	Remove From Certified Stock	1,337.39
ST-TR-4307cd1e-7dee	07-02-2023	CSPO	Remove From Certified Stock	18,565.33

3.8.17

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

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

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 favorable 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.

Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit including contracted services such as security services that were contracted and others.

4.1.2

Based on interview with stakeholder such as communities surrounding the company (representative of Village of Teluk Bunian, Hamlet of Gurah Baru, Village of Belaras Barat, Village of Rotan Semelur (Hamlet of Parit Sabar Menunggu, Hamlet of Parit Sabar Menanti), Village of Makmur Jaya and Village of Bente), labor union, and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

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

Mechanism for consultation and complaints is listed in some procedure, such as:

- SOP for Handling Public Complaints (SPO/6.3/PKM) with document number SOP/005/BSC/2016 No. revision 01/Rev/RSPO/P&C/PPK dated November 1, 2016. This procedure explains that public complaints can be submitted by telephone at the contact number provided in each unit.
- SOP for Handling Employee Complaints (SPO/6.5/PKK) with document number SOP/006/BSC/2012 No. revision 01/Rev/RSPO/6.5/PKK dated November 1, 2012. The procedure explains that public complaints can be submitted by telephone at the contact number provided by the assistant at each emplacement location.

- SOP for Handling Stakeholder Complaints No. 001 revision 0 dated 31 October 2020. The procedure aims to ensure that the stakeholder complaint handling system (internal and external) can be understood by stakeholders including those who are illiterate. In the procedure it is explained that the company provides illustrated information regarding the submission of complaints.

The procedure above has explained about the person in charge of receiving and resolving complaints (external and internal officers including HRD), response timeframe, confidentiality of the reporter and whistleblower, until further handling of complaints is possible to a tripartite level. (Mediation and settlement by government). Procedure is available in Bahasa Indonesia and if there are any complaints/grievances that the resolution that has not found mutually, the complainants can bring that compliance to RSPO Complaints System.

All of the above procedures were made by the certification unit as a reference for carrying out communication activities, resolving complaints and conflicts that occurred during certification unit carrying out its operational activities. Although the procedure was made by the certification unit, parties who are relevant stakeholders such as the surrounding village communities have also been given socialization regarding this matter and since January until December 2022 there have been no problems in the procedure. This is in accordance with the results of interviews with Belaras Barat, Teluk Bunian, Rotan Semelur, Bente dan Makmur Jaya Village, which stated that the existing communication, complaint and conflict resolution procedures were deemed not burdensome to the village and its community. However, certification unit can show the documentation of socialization of Procedure to surrounding village in last year has been doing in 09 November 2022.

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

4.2.2

To ensure that everyone (people who cannot read and write) can understand the existing procedures in the system implemented by the company, which is to provide flexibility for stakeholders or employees to make complaints accompanied by representatives who can read and write. This procedure is a technical guideline in receiving various complaints submitted by stakeholders or other related parties. and the resolution process. The procedure also ensures that everyone (people who cannot read and write) can understand the procedures in the system implemented by the company, namely providing flexibility for stakeholders or employees to submit complaints accompanied by representatives who can read and write.

However, the results of interviews with representatives of surrounding communities (Belaras Barat, Teluk Bunian, Rotan Semelur, Bente dan Makmur Jaya Village), the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators.

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

4.2.3

Based on the results of a review of the external complaint register book document for the January-December 2022 period, it is known that during this period there were no complaints or grievance submitted by stakeholders to the company. This is in accordance with the results of interviews with related agencies in Indragiri Hilir Regency and the surrounding community (Belaras Barat, Teluk Bunian, Rotan Semelur, Bente and Makmur Jaya Village) which stated that during 2022 these stakeholders have never submitted complaints or complaints to the company.

In the explanation above, if certification unit has responded to the letter related to the land claim sent by the complainant and the response given along with the progress/decision on the response has been known by the reporting party. This is the same as the settlement of other claims/complaints apart from the examples given above, the certification unit has responded to every complaint/claim submitted to it in accordance with the provisions stipulated in the procedure and has been well documented and known by the parties in the in it.

In addition to complaints submitted by external parties, the company has also properly documented the handling of complaints internally. This is evidenced by the existence of a complaint book available in each unit, in which the book contains information regarding the complainant, the date, and the status of the complaint. For example, the following are the complaints in each unit, namely:

- Workers' complaint (AMR) on 15 November 2022 regarding a request for boards for road areas in workers' housing that are inundated with water. The company has provided its response directly when the complaint was submitted and provided building materials (boards) as a follow-up.
- Workers' complaints (DVS) on 10 December 2022 regarding requests for the procurement of a connecting bridge in Block F023 as access for workers and their families. The company has provided its response directly when the complaint was submitted and on 14 December 2022 the company immediately realized the procurement of the connecting bridge.

Based on the results of interviews with estate workers, mill and representatives of the labor union, it is known that the workers have a good understanding of the complaint submission procedures established by the company and every complaint submitted has been recorded in the complaint book in each unit. Every complaint submitted in 2022 is only in the form of complaints related to the facilities provided by the company.

Based on this, it can be concluded that the unit of certification has informed the progress of handling complaints to the parties, including the agreed time frame, and the results are available and communicated to the relevant stakeholders.

4.2.4

In Indonesia, giving freedom to the reporting party to obtain legal and technical assistance from an independent party is allowed and there is none regulation/procedure in certification unit that forbids it. An example is the resolution of the problem described above in which the company provides options/options to the heirs to obtain legal assistance from other independent parties.

Based on the results of document review, it is known that conflict resolution mechanisms can use the option to obtain legal and technical assistance from independent parties, this can be proven by the existence of conflict resolution related to land clearing and plasma land development between companies and communities involving NGOs and the RSPO, in addition, the company also has records regarding every progress of the conflict resolution process.

Results of interviews with Belaras Barat, Teluk Bunian, Rotan Semelur, Bente dan Makmur Jaya Village which stated that when their residents had disputes or land claims to the company in previous years, the community was given the freedom to ask for legal and technical assistance from independent parties such as lawyers. and other parties to manage this matter. This proves that the certification unit in general has carried out its procedures to give the reporting party the freedom to obtain legal and technical assistance from a third party in the event of a dispute.

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

Status: Comply

4.3

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

4.3.1

PT Bhumireksa Nusasejati already has a welfare improvement program for the surrounding community which includes all the general public. This program has been listed in the 2022/2023 CSR (Corporate Social Responsibility) Program, in which there are 4 (four) fields, namely Infrastructure, Education, Environment and Social Affairs. The program was made based on the identification results of the CSR Team which was carried out together to see the social impacts arising from the existence of the company on the surrounding village community, which was then formulated and made into a CSR program as a program to improve the welfare of the surrounding community.

The CSR program includes fields, activities, locations, budgets and timelines for each of the planned activities. Currently, the person

in charge at PT Bhumireksa Nusasejati is in the field of CSR. The company has also made regular reports once a month related to the realization of this CSR program and reported regularly to the relevant offices every 6 months along with reporting on the Plantation Business Activity Development Report (LPKUP).

Based on the results of interviews with the surrounding village community (Belaras Barat, Teluk Bunian, Rattan Semelur, Bente and Makmur Jaya Village), it is known that the company has routinely carried out social identification/assessments in the village on a regular basis along with its participation in the *Musrenbang*, where the results will be used as a reference for creating a CSR program whose target is the welfare of the surrounding community.

Based on this, it can be concluded that the company already has a program to improve the welfare of the surrounding community listed in the CSR program.

Status: Comply

4.4

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

4.4.1

PT BNS has obtained the location permit from the Level I Region Government (Now known as the Province) of Riau in the form of a Letter of the acceptance of Land Provision from the Governor of Level 1 Region of Riau: 525/Bappeda-FP/89/731 dated 14 March 1989 regarding land reserve for the area covering \pm 100,000 Ha. As for the land cultivation permit, PT BNS has owned the Plantation Business Permit as follows :

- Plantation Business Registration Letter Number No: HK.350/184/Bun.5/III/2001 dated 16 March 2001 for the area covering 25,662 Ha with mill capacity 30 Tons FFB / hours (Teluk bakau Factory)
- Letter from head of licensing, investment, and promotion agency district of Indragiri Hilir No. 503/BP2MPD-IUP-PK/XII/2014/1 dated 19 December 2014, concerning mill extension capacity of PT Bhumireksa Nusasejati – Teluk bakau Factory, from 30 Tons of FFB/hour to 60 Tons of FFB/Hour.
- Letter from head of licensing, investment, and promotion agency district of Indragiri Hilir No 503/BP2MPD-IUP-P/VIII/2013/1 dated 22 August 2022 regarding the granting of Plantation Bussines Permit – Processing with capacity 45 Tons of FFB/Hour.

Based on document verifications, and interviews with management, there are no changes related to land ownership and concession documents. The certificate holder has had land use rights covering 25,683.99 Ha in accordance with the Decree of Ministry of Agrarian Affairs / Head of National Land Agency No.70/HGU/BPN/95 dated 07 November 1995 regarding grating of land rights (HGU) covering 25,662 Ha; Decree No: 55/550/24.04/2000 dated 25 July 2000 regarding granting of Building Rights Covering 8,8125 Ha and Decree No: SK.104/550/24.04/2001 dated 23 August 2001 regarding granting of Building Rights Covering 13,179 Ha. Moreover, based on that's decree issued several lands and building certificate as follows:

- HGU certificate No. 01 of 1996 for an area of 13,900 Ha
- HGU certificate No. 02 of 1996 for an area of 11,762 Ha
- HGB certificate No. 01 of 2000 for an area of 8.8125 Ha
- HGB certificate No. 02 of 2000 for an area of 13.179 Ha

Based on that's explanation above the total area managed by PT BNS are 25,683.99 Ha. From the total area of PT BNS the area under scope certification of Teluk Bakau Factory (Teluk Bakau Estate, Nusa Perkasa Estate, and Nusa Lestari Estate) are 2, 13,317.81 Ha, and the rest of the area (12,366.18 Ha) under the scope of Mandah Factory (Mandah Estate and Rotan Semelur Estate)

4.4.2

Based on Minutes of B Committee available in the Decree of Ministry of Agrarian Affairs / Head of National Land Agency No.70/HGU/BPN/95 dated 07 November 1995 regarding grating of land rights (*HGU*) on behalf of PT BNS explained if the area formerly is state land which located in limited production forest (*HPT*) and Convertible Production Forest (*HPK*) that been released by Ministry of Forestry Republic of Indonesia No 98/KPTS-II/1993 dated 20 February 2023.

Even though the area of PT BNS was originally a forest area, the company has been carrying land compensation to the affected parties. Based on document verifications there are several land compensations that were carried out by the company for example during the period of 2003 – 2011. The CH has shown that land acquisition has been done through negotiation. Based on the results

of interviews with the Previous landowners as well as community representative from Village of Teluk Bunian, Hamlet of Gurah Baru, Village of Belaras Barat, Village of Rotan Semelur (Hamlet of Parit Sabar Menunggu, Hamlet of Parit Sabar Menanti), Village of Makmur Jaya and Village of Bente 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.

The company can show documentary evidence of land acquisition that has been carried out in the *HGU* area of PT Bhumireksa Nusasejati, for example:

- Minutes of Land Acquisition of Community Cultivation Inside the *HGU* Area of PT Bhumireksa Nusasejati Rotan Semelur Estate in Dusun II Dendan, Sungai Simbar Village, Kateman District, Indragiri Hilir District on July 29, 2003,
- Sungai Simbar Villages, Parit 14, 16 and 17. There were 11 location points belonging to the community which were compensated with a total area of 71.01 Ha on 19 February 2007,
- Sungai Simbar Village, Parit 14, 16 and 17. There were 5 location points belonging to the community which were compensated with a total area of 10 Ha on March 2010
- Records of land acquisition on May 12, 2011, covering an area of 8.13 hectares in Parit Gurah Baru, Teluk Bunian Village, Pelangiran Sub District, Indragiri Hilir District.

Although PT BNS has gained land rights legally, there are still many people using and cultivating in the permit areas, it's due to the owner not willing to be compensated. The company has had the Area Statement map that described various land use in permit Areas, including area width. Based on document verifications it was known the total of occupations area in the scope of certifications area is 1889.23 Ha. That's areas managed by the community are palm plantations, horticulture areas, and community settlements. In other information, there is no significant land conflict in PT. BNS related to the existence of arable areas in the company's permit area

Regarding the occupation area, currently, the company is in the process to relinquish the occupation area from legal documents that are owned. There are recommendations from the Regent of Indragiri Hilir Regency (No. 100/TAPEM/1779.119) on November 30, 2021, informing that the Regent of Indragiri Hilir, Riau Province recommended PT Bhumireksa Nusasejati to relinquish part of Land Rights that owned. Furthermore, on 18 October 2022 through letter Number 399/BNS/UM/PSD/X/2022 dated 18 October 2022, PT BNS proposed Application for Relinquishment of Land Rights (Occupational Area) through the subject of Land as an Object of Agrarian Reform (TORA) can be a fulfillment of the mandatory scheme smallholders' program in accordance with applicable regulations. Those letters have been replied to by the National Land Agency of Indragiri Hilir Regency on 22 November 2022 through Letter No MT.01.02/1126.14.04/XI/2022.

4.4.3; 4.4.4; 4.4.5

The company has consulted with the Bappeda of Indragiri Hilir District and made an overlay between the map of the location of the plantation and the Map of the Spatial Planning of the Regency of Indragiri Hilir 2014. Based on the overlay, it is known that the location of the plantation is in the area with the designation: Private Plantation Development.

As mentioned in indicator 4.4.2 PT BNS is a long-established company that has been started operationally in the early period of 1990, were on that's period, the FPIC concept was not yet available. However, based on interviews with management as well as previous landowner, obtained information if all compensation process has been held with transparent 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. Interview results with customary landowners found 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. Furthermore, they stated that Company never conducted any intimidation/coercion and never use paramilitary during the negotiation process. They have enough time to negotiate and meet the decision to become part of palm oil plantation development. The process has been made in Bahasa, Local Language, and provided by participatory mapping.

Based on document verifications as well as field observations it was known there are no indications if the company plant and maintain

oil palm outside the permits area.		
4.4.6 As mentioned in indicator 4.4.2 PT BNS is a long-established company that has been started operationally in the early period of 1990, were 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 finished in 201. Records of the land compensation process consist of documents of land identification and inventory, land location maps, statement of the release of land rights by the owner, Receipt of Payment, Minutes of compensation/Compensation, and witnesses. Besides that, the implementation of FPIC was demonstrated also in social impact assessment and HCV assessment.		
	Status: Comply	
4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.		
4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8 Based on document review of areal statement, interview with management, and field observation, it is known that there is no new planting activity after 1 January 2010. The planting year after 2010 is classified as second cycle.		
	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, There is no change from previous assessments related procedure of land acquisition (RSPO/6.5/PKK dated 15 September 2014). The Procedure explained the stages of land acquisition which include the principle of land acquisition; research, verification, and inventory data stages; the stage of submitting funds for payment of compensation/land acquisition; payment document verification stage; and document storage As mentioned in indicator 4.4.2 PT BNS is a long-established company that has been started operationally in the early period of 1990, were on that's period, the FPIC concept was not yet available. However, the procedure for calculating and distributing fair was conducted through the negotiation phase between the company and each landowner claiming the land and witnessed by various parties.		
4.6.3, 4.6.4 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 2009 and there's no scheme smallholder program for the local community. 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, 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 There is no change from previous assessments related procedure of land acquisition (RSPO/6.5/PKK dated 15 September 2014). The Procedure explained the stages of land acquisition which include the principle of land acquisition; research, verification, and inventory data stages; the stage of submitting funds for payment of compensation/land acquisition; payment document verification stage; and document storage		

Based on Minutes of B Committee that available in the Decree of Ministry of Agrarian Affairs / Head of National Land Agency No.70/HGU/BPN/95 dated 07 November 1995 regarding grating of land rights (*HGU*) on behalf of PT BNS explained if The area formerly is state land which located in limited production forest (*HPT*) and Convertible Production Forest (*HPK*) that been released by Ministry of Forestry Republic of Indonesia No 98/KPTS-II/1993 dated 20 February 2023.

Even though the area of PT BNS was originally a forest area, the company has been carrying land compensation to the affected parties. Based on document verifications there are several land compensations that were carried out by the company for example during the period of 2003 – 2011. The CH has shown that land acquisition has been done through negotiation Based on the results of interviews with the Previous landowners as well as community representative from Village of Teluk Bunian, Hamlet of Gurah Baru, Village of Belaras Barat, Village of Rotan Semelur (Hamlet of Parit Sabar Menunggu, Hamlet of Parit Sabar Menanti), Village of Makmur Jaya and Village of Benteobtained 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.

The company can show documentary evidence of land acquisition that has been carried out in the *HGU* area of PT Bhumireksa Nusasejati, for example:

- Minutes of Land Acquisition of Community Cultivation Inside the *HGU* Area of PT Bhumireksa Nusasejati Rotan Semelur Estate in Dusun II Dendan, Sungai Simbar Village, Kateman District, Indragiri Hilir District on July 29, 2003,
- Sungai Simbar Villages, Parit 14, 16 and 17. There were 11 location points belonging to the community which were compensated with a total area of 71.01 Ha on 19 February 2007,
- Sungai Simbar Village, Parit 14, 16 and 17. There were 5 location points belonging to the community which were compensated with a total area of 10 Ha on March 2010
- Records of land acquisition on May 12, 2011, covering an area of 8.13 hectares in Parit Gurah Baru, Teluk Bunian Village, Pelangiran Sub District, Indragiri Hilir District.

Although PT BNS has gained land rights legally, there are still many people using and cultivating in the permit areas, it's due to the owner not willing to be compensated. The company has had the Area Statement map that described various land use in permit Areas, including area width. Based on document verifications it was known the total of occupations area in the scope of certifications area is 1889.23 Ha. That's areas managed by the community are palm plantations, horticulture areas, and community settlements. In other information, there is no significant land conflict in PT. BNS related to the existence of arable areas in the company's permit area

Regarding the occupation area, currently, the company is in the process to relinquish the occupation area from legal documents that are owned. There are recommendations from the Regent of Indragiri Hilir Regency (No. 100/TAPEM/1779.119) on November 30, 2021, informing that the Regent of Indragiri Hilir, Riau Province recommended PT Bhumireksa Nusasejati to relinquish part of Land Rights that owned. Furthermore, on 18 October 2022 through letter no No 399/BNS/UM/PSD/X/2022 dated 18 October 2022 PT BNS proposed Application for Relinquishment of Land Rights (Occupational Area) through the subject of Land as an Object of Agrarian Reform (TORA) can be a fulfillment of the mandatory scheme smallholders' program in accordance with applicable regulations. Those letters have been replied to by the National Land Agency of Indragiri Hilir Regency on 22 November 2022 through Letter No MT.01.02/1126.14.04/XI/2022.

4.7.3

Until now, there is no expansion of the company area. This statement is supported by stakeholder community agencies.

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 a guide to the settlement of the land dispute, the company has a Procedure of Conflict Settlement (RSPO.2.2/PK dated 15

September 2014). BGA-SOP-GL-901.5-RO. The purpose of this procedure is to settle the issues or conflicts with the community in each operational unit.

Until this assessment, there were no open conflicts and land disputes within the certification area. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were no land conflicts in the company's operational area. The whole area that managed by the company has been compensated

Although PT BNS has gained land rights legally, there are still many people using and cultivating in the permit areas, it's due to the owner not willing to be compensated. The company has had the Area Statement map that described various land use in permit Areas, including area width. Based on document verifications it was known the total of occupations area in the scope of certifications area is 1889.23 Ha. That's areas managed by the community are palm plantations, horticulture areas, and community settlements. In other information, there is no significant land conflict in PT. BNS related to the existence of arable areas in the company's permit area

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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; 5.1.2; 5.1.3; 5.1.4; 5.1.5; 5.1.6; 5.1.8

The certification unit does not purchase FFB from independent or small holder schemes. The company only receives FFB from its own estate dan external suppliers ie PT Oscar Investama and PT Riau Sawitindo Abadi. Cooperation is regulated in a sale and purchase agreement that has been agreed upon by both parties, and also regulates price fixing.

- FFB Sale Purchase Agreement for PT Oscar Investama supplier No. 01/OCP/BNS-OSCAR/X/2022 on 24 October 2022
- FFB Sale and Purchase Agreement for supplier PT Riau Sawitindo Abadi No. 02/OCP/BNS-RSA/XII/2022 on 19 December 2022

5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by *DISDAGRI* Indragiri Hilir Regency. The certification unit has also shown documents on the weighbridge calibration, here are;

- Certificate of Test Results No. 510/SKHP/Disdagri-BIDKMET/XI/2022/331 Brand: GW-3015;161059 which was carried out on 30 November 2022, valid until 15 November 2023
- Certificate of Test Results No. 510/SKHP/Disdagri-BIDKMET/XI/2022/332 Brand: GSC;SGW-3015 S;07486 which was carried out on 30 November 2022, valid until 16 November 2023
- Certificate of Test Results No. 510/SKHP/Disdagri-BIDKMET/XI/2022/333 Brand: GSC;SGW-3015 S;06597 which was carried out on 30 November 2022, valid until 16 November 2023
- Certificate of Test Results No. 510/SKHP/Disdagri-BIDKMET/XI/2022/334 Brand: GSC;SGW-3015 S;07773 which was carried out on 30 November 2022, valid until 16 November 2023
- Certificate of Test Results No. 510/SKHP/Disdagri-BIDKMET/XI/2022/335 Brand: GSC;SGW-3015 S;04781 which was carried out on 30 November 2022, valid until 16 November 2023

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

5.1.9

The company has had SOP related to complaint mechanism in SOP Grievance Handling Mechanism/Consultation for All Parties & Community dated on 1 November 2012. The purpose of the SOP is to complete every internal and external complaint both quickly and well and to create a safe and prosperous atmosphere within the company and surrounding communities. In the SOP it explains objectives, responsibilities, procedures, documentation and exceptions. The period of complaint settlement is 2 (two) weeks for each part. Based on document review of complaint book, there is no complaint from contractor or vendors.

Status: Comply

5.2

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

5.2.1; 5.2.2; 5.2.3; 5.2.4; 5.2.5

Currently there are no scheme or independent smallholders in the vicinity of the company.

Based on interviews with village representatives (Rotan Semelur, Belaras Barat, Bente, Teluk Bunian Village), it is known that the village community has a livelihood by cultivating coconut plants. Currently, the community is not interested in planting oil palm because the peat conditions are quite difficult and the costs are not small.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

PT Bhumireksa Nusasejati have a Code of Business Conduct (COBC) of Sime Darby Plantation which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. It explains that the unit of certification is committed to providing equality in employment opportunities to every employee. Our beliefs and labor standards confirm that we will not discriminate when making decision to employees, promotion or retire works/candidates based on race, color, sex, age, social class, religion, sexual orientation, politics, or disability-only subject to the conditions attached to the role to be performed. The fundamental aims are to ensure diverse and representative profiles of workers through the promotion equality of labor.

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

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

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

These explanations can conclude that the certification unit has policy and treated all workers equally (based on skill, quality and eligibility) without discrimination based on gender, ethnicity, religion, health conditions or others and has carried out all recruitment

activities in accordance with applicable policies and procedures. owned without any act of discrimination.

6.1.2

In accordance with the explanation in indicator 6.1.1 regarding company policies and their implementation, during the audit process there were no discriminatory acts or issues that occurred in the certification unit during the past year. This is evidenced by the results of interviews with labor union representatives and the gender committee which stated that so far, the company has always been fair, there has been no discrimination against workers, starting from the local community, women and migrant workers (even though migrant workers are not owned). So far, the certification unit has also never charged a fee during the recruitment period. This is indicated by the announcement of job vacancies submitted to the surrounding community (Belaras Barat, Teluk Bunian, Rattan Semelur, Bente and Makmur Jaya Village based on interview), which includes the writing "Free Employee Acceptance". This was also informed by representatives of the surrounding community who stated that so far, the recruitment carried out by the company had never asked for a fee (it was free).

Based on the explanation above, it can be concluded that the unit of certification has proven that workers and groups including local communities, women and migrant workers are not discriminated against nor are there fees for recruiting workers.

6.1.3

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2021-2022 (Estate and Mill) written in Bahasa. In general, these procedures describe:

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

As evidence that the company has carried out recruitment selection activities, providing access to training, and promotions are carried out on the basis of skills, abilities, quality and medical eligibility as required for available jobs described in indicator 3.5.2 related to assessment/competence-based recruitment and in indicator 3.7.1 it is explained that the training is prepared/planned based on the competency/position/type of work of each worker. From these two indicators it has been stated that all selection, training, medical eligibility and other activities have been in accordance with the procedures owned, for example there are no workers under 18 years of age who work/are accepted, there is no acceptance that does not match their needs/abilities, and so forth.

Based on this, it can be concluded that the certification unit has proven that selection, recruitment, employment, access to training, and promotion are carried out on the basis of skills, abilities, quality, and medical eligibility as required for available jobs and are well documented.

6.1.4

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

6.1.5

Certification unit have gender committee and are still active until today in the certification unit which is chaired by the chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender

committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 09 November 2022 which was attended by all workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with maintenance workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (*posyandu*), women recitation weekly and others. Currently the certification unit is more focused on gender bias and equality for women because the most vulnerable parties in plantation operational activities are women, but this does not mean that the company does not focus on other genders. This is evidenced by the absence of any issues or incidents related to this from 2021 until now (December 2022).

6.1.6

Equal payment of wages has been made by certification unit properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, security (FZR & ASY), boiler operator (SLN & AJS), and harvester (AZR & RDW), who get wages in November and December 2022 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in an accordance with statements from workers who were interviewed with types of work as security, boiler operators, harvester and upkeep workers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

In addition, based on the results of interviews with labor union representatives, it was found that the certification unit already has a wage scale structure for each worker based on position, class, work performance, and not based on gender differences or origins. For example, the lowest wage scale is for permanent worker Grade H and the highest wage is permanent workers Grade A8.

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

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

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2021-2022 and others manpower procedures written in Bahasa. This Collective Labor Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The certification unit can show that the Collective Labor Agreement have been approved by the Manpower and Transmigration Agency of Indragiri Hilir Regency on 23 February 2021 with Decree No. 07/NAKETRANS-HISK/560.

At the time the audit activity took place (February 2023), the validity of Collective Labor Agreement 2021-2022 had expired since January 2023. The company can show that negotiations have been held for the drafting of Collective Labor Agreement 2023-2024 which has been mutually agreed upon and further elaborated on in Indicator With the completion of the drafting of the Collective Labor Agreement for the 2023-2024, the company has registered the draft with the Manpower and Transmigration Agency of Indragiri Hilir Regency on 03 February 2023 (proof of receipt). As long as the registration period is in progress and there is a Decree issued by the relevant agency, the Collective Labor Agreement for the 2021-2022 period is still declared valid until the new Collective Labor Agreement is issued/registered.

The Collective Labor Agreement has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 09 November 2022 which was attended by all workers on muster morning. The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and labor union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. In addition, the payslip also contains some information that is well understood by workers, such as basic wages, fixed benefits, overtime, premiums, wage deductions (fines, taxes, and others). Workers' wages in 2022 have been accordance with the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the November and December 2022 wage document for harvester, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, security (FZR & ASY), boiler operator (SLN & AJS), and harvester (AZR & RDW) have a different based on wage scale structure 2022.

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

6.2.2

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

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

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

- Governor of Riau Decree No. 1272/XI/2021 dated 30 November 2021 concerning Regency/City Minimum Wage in Riau Province for 2022. The Appendix states that the Minimum Wage for Indragiri Hilir Regency is IDR 2,984,696.63 and will take effect from 01 January 2022.
- Inter Office Mail No. 041/HRM-i6.1/XII/2021 dated 27 December 2021 issued by the Head of Human Resources Management (HRM) regarding the 2022 SKU Employee Pay Structure and Scale for PT Bhumireksa Nusasejati. This document refers to the Decree of the Governor of Riau No. 1272/XI/2021 and the determination of the implementation of wages in 2022 are described as follows:
 - ❖ As of January 1, 2022, the lowest SKU wage setting is IDR 3,020,000/month and this lowest SKU is a permanent worker who has just been hired as a permanent worker with a working period of less than one year.
 - ❖ The structure and wage scale for SKU workers in 2022 are described in 8 Grades and groups A-H with the lowest scale, namely SKU Grade H of IDR 3,020,000/month, while the highest wages are for SKU Grade A8 workers.
- The Collective Labor Agreement for the 2021 – 2022 period, article V concerning Wages explains that permanent daily workers and monthly workers are given wages and natural rice supply allowances every month with a calculation of 15 kg for male/female workers, 9 kg for wives/husbands who do not work and for each child (maximum 3 person) is 7.5 kg.

When the audit activity was carried out, the auditor conducted sampling for the audit period from January to December 2022, this was because in the January 2023 period the certification unit had not finished closing financial books and completing payroll activities for that month (payroll is done between the 5th and 10th of each month) so it could not be used as sampling for audit activities. However, in determining the minimum wage for 2023, the company has set it based on the determination of the minimum wage for 2023.

Since 2022 there has been no change in policy, but what has changed is the decision related to the minimum wage which has changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and labor union representatives who are clear about any changes in the minimum wage every year.

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

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

6.2.3

In accordance with the explanation in the previous indicator (6.2.2), the unit of certification already has references/procedures governing regular working hours, deductions, overtime, sick leave, right to holidays, maternity leave, reasons for dismissal, notice period before dismissal, and other employment provisions. This is stated in the Collective Labor Agreement and other documents. The unit of certification has also been able to prove that all of these provisions have been implemented fairly well, including:

- November and December 2022 salary slips for, security (FZR & ASY), boiler operator (SLN & AJS), and harvester (AZR & RDW) have a different based on wage scale structure 2022 and all wages above the minimum wage.
- Overtime payment in November and December 2022 that has been accordance with applicable laws for security (FZR & ASY) and boiler operator (SLN & AJS).
- List of women workers that has been given maternity leave and pregnant workers in January until December 2022.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Proof of granting annual leave to payroll worker (TDN) on 24 December 2022 for 3 days starting from 27-29 December 2022. The application letter has been known by HR Group and approved by the Mill Manager.
- Proof of granting annual leave to bookkeeper (STT) on 03 January 2023 for 8 days starting from 09-17 January 2023. The application letter has been known by HR Group and approved by the Estate Manager.
- Etc.

A review of the November and December 2022 wage document for harvesters, sprayers, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

6.2.4

Based on the results of the document review, it is known that the company already has several welfare facilities for workers and their families who are currently in a fairly decent condition. These infrastructure facilities include:

- Permanent, semi-permanent and timber housing.
- Places of worship such as mosques, churches and prayer rooms.
- Vehicles that shuttle workers (ships, boats and pompongs) to access the existing canal lines. This shuttle is for working facilities, picking up school children, public transportation and so on.
- Sports fields such as tennis, volleyball, football and others.
- Provision of clean water.
- Provision of electricity.
- Availability of Primary Clinics and First Aid Post units in each unit.

- Availability of TPA (Child Care Center) in each unit.
- Availability of school facilities such as 5 Kindergartens (TK), 5 Elementary Schools (SD Dwimas 020, 021, 022, 025 and 026), 1 Junior High School (SMP Dwimas) and 1 Senior High School (SMA Dwimas).

Based on the results of field observations at housing locations, sports facilities, prayer facilities (mosques), clinics, TPA, and other facilities in plantations and factories it is known that all of these facilities are in good condition and can be used by all workers and their families. This is in line with the results of interviews with worker representatives and trade union representatives who stated that the welfare facilities provided by the company in the form of housing, sports facilities, prayer facilities (mosques), clinics, TPA, and others, can be used by all workers and their families.

In the previous assessment there was an **Opportunity for Improvement** related to housing facilities owned by the company. Where the company has monitored, repaired and built permanent houses over the past year (January-December 2022) in each unit. Based on updated data on residential buildings/assets in the form of workers' houses in the January 2023 period, there have been significant changes from the previous assessment, namely:

- Housing data for April 2022 is 1,117 housing units consisting of permanent, semi-permanent and wooden houses. In January 2023, there was the addition of 253 new permanent houses from before and these houses replaced houses that were no longer fit for habitation or were badly damaged. So that for now the number of permanent houses has increased to 696 units from previously 443 housing units.
- For the number of semi-permanent and wooden houses monitored in January 2023, there were still 38 semi-permanent houses (out of a total of 186 units) and 352 wooden houses (out of a total of 488 units) which were damaged. Repairs and efforts to immediately replace the damaged houses have also been planned for 2023 to 2028 with a target of building 138 new permanent housing units in 2023 and a target for the 2024-2028 period to realize 690 housing units.

From the explanation above, it is concluded that currently the realization of additions and repairs to new houses that have been planned since 2022 has been carried out well.

Opportunity for Improvement (OFI)

At the time the audit assessment was carried out, the company was able to show progress in the "1,000 Door Permanent Housing Development Program" which had been planned from 2022 to 2028. This progress could be proven since the previous assessment, where in 2022 to January 2023 the condition of workers' homes had experienced a lot of repairs and in 2023 to 2028 new constructions have been planned to replace the old house with the following description:

- For the period 2022 to 2023 (January) 100 new permanent houses have been built to replace semi-permanent and wooden houses whose conditions are damaged.
- In the 2023 period (January-December) it is planned to add 72 permanent houses of the G6 type (12 G6 units) in each unit with the following description, 3 G6 units in Nusa Perkasa Estate, 4 G6 units in Nusa Lestari Estate, 2 G6 units in Teluk Bakau Estate, and 3 G6 units in Teluk Bakau Factory.
- In the 2024-2028 period it is planned to add as many as 462 permanent houses of the G6 type (a total of 77 G6 units), in each unit with the following description, 30 G6 units in Nusa Perkasa Estate, 18 G6 units in Nusa Lestari Estate, 26 G6 units in Teluk Bakau Estate, and 3 G6 units in Teluk Bakau Factory.

Based on the results of field visits and interviews with residents of housing and workers in each unit, it is known that workers have known since 2022 that the company has a "1,000 Door Permanent House Development Program" which is planned to be completed in 2028 and is currently still in stages for construction. Currently there are still a number of old houses (semi-permanent and wooden) whose condition has started to deteriorate, but the residents of the housing understand this well because the new permanent houses are still being gradually realized by the company. The company is also still making makeshift repairs to the damaged houses, at least ensuring that workers can still live in them until they get a new house.

The company has the opportunity to ensure that the realization of new housing construction in all units runs according to a predetermined timeframe.

6.2.5

Certification unit has made it easier for workers and their families to obtain food sources by providing easy access that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area. In addition, there are also workers who

open small business stalls to sell daily necessities in each housing. Based on interviews with workers (harvesters, sprayers, upkeep and mill operators), housing residents, labor union and Gender Committee, it is known that workers have no difficulty in getting food sources because the certification unit has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with less difficult access (there are traders who sell by using pompons/vessels to open their sales every day regularly moving from one division to another).

6.2.6

In Indonesia there is no set standard of living wage, so the certification unit still applies the national minimum wage for all workers. In addition to the payment of the minimum wage, the unit of certification has an assessment of the implementation of applicable wages and benefits in kind provided to workers in the unit of certification which are in line with the RSPO Guidelines for Implementing Living Wages.

The certification unit has the determination of assessment prevailing wage and all kind of benefits for Living Wage simulation in 2022. The calculations of prevailing wages refer to RSPO Guidance on Calculating Prevailing Wages (11 November 2019) which included in the calculation of main wage, worker status, housing facility, education, electricity, water sources, healthcare, and others. The results of these calculations it was known that the in kind of benefit given by the certification unit is 60 % above the stipulation of the minimum wage.

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

6.2.7

In the previous assessment there was an **Opportunity for Improvement** related to the use of contract workers (PKWT) in permanent jobs in each plantation unit, but the company has planned to appoint them as permanent workers (SKU/PKWT) in 2022. From the results of the study of the list of staff work and the realization of hiring contract workers (PKWT) who work in permanent jobs, it is known that currently all of these workers have become permanent workers (SKU/PKWT). The following are the results of the verification carried out:

- Teluk Bakau Estate which previously had 36 contract workers (PKWT) to related jobs such as loaders, replanting workers, grading, barge operators, & water machine operators and has been planned to be appointed from June-December 2022. Currently all contract workers (PKWT) are permanent workers (SKU/ PKWT) and the last appointment was made for a total of 11 replanting workers on 01 December 2022.
- Nusa Lestari Estate, which previously had 26 contract workers (PKWT) to related jobs such as harvesting & transportation and planned to be appointed from June-December 2022. Currently all of these contract workers (PKWT) have become permanent workers (SKU/PKWT) and the last appointment was made for as many as 3 harvest workers on 11 July 2022.
- Nusa Perkasa Estate, which previously had 14 contract workers (PKWT) to related jobs such as harvesting and planned to be appointed from July 2022. Currently all of these contract workers (PKWT) have become permanent workers (SKU/PKWT) and the last appointment was made for 8 harvest workers on 11 July 2022.

From the verification results above, it is known that all contract workers (PKWT) who were previously scheduled to be appointed as permanent workers (SKU/PKWT) have been properly realized. In accordance with the labor list document for the January 2023 period, the company still has 166 contract workers (PKWT) out of 2,139 total workers at PT Bhumireksa Nusasejati. There are still 4 contract workers (PKWT) who work in permanent jobs (harvesting) in Teluk Bakau Estate and 4 contract workers (PKWT) in Nusa Perkasa Estate. Apart from the 8 contract workers with PKWT status, the rest are contract workers (PKWT) who work in jobs that are not permanent/seasonal, such as TBM (Immature Plants) upkeep work and in replanting activities (planting and upkeep). Regarding the recording and registration of contract workers (PKWT) with the Department of Manpower and Transmigration of Indragiri Hilir Regency.

Opportunity for Improvement (OFI)

At the time the audit was carried out the company still had contract workers (PKWT) as much 166 out of 2,139 total workers at PT Bhumireksa Nusasejati. There are still 4 contract workers (PKWT) who work in permanent jobs (harvesting) in Teluk Bakau Estate and 4 contract workers (PKWT) in Nusa Perkasa Estate. Apart from the 8 contract workers with PKWT status, the rest are contract workers (PKWT) who work in jobs that are not permanent/seasonal, such as TBM (Immature Plants) maintenance work and in

replanting activities (planting and upkeep). In contrast to the previous assessment, when using contract workers (PKWT) for permanent work (harvesting), the company has currently made a proposal to appoint contract workers (PKWT) to permanent workers (SKU/PKWTT) simultaneously when workers start work. This is done so that the contract workers (PKWT) immediately become permanent workers (SKU/PKWTT) after the agreement period ends (3 months).

The results of interviews with management stated that every PKWT worker employed in (permanent) harvest work, since the previous assessment, will always be submitted for appointment to become permanent workers (SKU/PKWTT) with an estimated time of around + 3 months after undergoing the contract period (PKWT contract validity period is 3 months). at the company. If this is considered and reviewed, there has been a significant improvement in the use of contract workers (PKWT) by the company since the previous assessment. But the use of contract workers (PKWT) is still used in work that is permanent (harvesting).

The company has the opportunity to ensure that the use of contract workers (PKWT) is no longer used for permanent jobs (harvesting) in accordance with the provisions stipulated in Government Regulation No. 35 of 2021 so that in the next assessment the recruitment system for permanent jobs is appropriate.

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

PT Bhumireksa Nusasejati has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. Point 5.7 on Human Rights in the section "Respecting Freedom of Association" explains that the company is committed to respecting workers' rights to join and form organizations of their choice and to bargain collectively. In addition, certification unit has a Collective Labor Agreement which states that workers have the right to establish trade unions and become members / leaders of labor unions in accordance with applicable regulations. The information on freedom of association listed in the Collective Labor Agreement was carried out regularly and the last socialization was held on 09 November 2022.

As proof that the policy has been implemented properly, the certification unit has seven (7) active labor union to date. Every labor union has been registered to Manpower and Transmigration Agency of Indragiri Hilir Regency, such as:

- Proof of Reporting Changes in Management No. 560/Disnakertrans-HISK/I/2020/02 dated 18 January 2021 from the Department of Manpower and Transmigration of Indragiri Hilir Regency for Changes in Management of the PUK-SPSI Teluk Bakau Factory (TBF).
- Proof of Reporting Changes in Management No. 560/Disnakertrans-HISK/I/2018/01 dated 10 January 2018 from the Department of Manpower and Transmigration of Indragiri Hilir Regency for Changes in Management of the PUK-SPSI Teluk Bakau Estate (TBE).
- Proof of Reporting Changes in Management No. 560/Disnakertrans-HISK/IX/2018/02 dated 19 September 2018 from the Department of Manpower and Transmigration of Indragiri Hilir Regency for Changes in Management of the PUK-SPSI Nusa Perkasa Estate (NPE).
- Proof of Reporting Changes in Management No. 560/Disnakertrans-HISK/IX/2018/01 dated 09 September 2018 from the Department of Manpower and Transmigration of Indragiri Hilir Regency for Changes in Management of the PUK-SPSI Nusa Lestari Estate (NLE).

Based on interviews with labor union representatives, it is known that currently have a union that sufficient to accommodate all the aspirations of the workers in the estate and mill units. This was further in accordance with interviews with estate and mill workers who stated that the current labor union had adequately carried out its duties and responsibilities and that workers were given the freedom to choose their representatives to participate in the management of union in estates and mills. In addition, the certification unit has given freedom to all its workers if they really want to associate or join the management of the labor union and this has been routinely socialized every year.

Based on the explanation above, it can be concluded that the unit of certification has published a statement recognizing freedom of association and the right to collectively bargain in the national language which has been properly understood, understood and

implemented.

6.3.2

The certification unit has a list of workers who have joined the labor union and the last update was carried out in December 2022 for Mill and Estate. In addition to properly documenting the list of members, the certification unit also has records of meetings between labor union and Management Representatives as well as with internal union. The following are examples of records of meetings conducted by labor union in 2022, namely:

- A meeting between all labor union management representatives at PT Bhumireksa Nusasejati on 08 February 2023, which discussed the problem of delays in the arrival of rice procurement, declining quality of rice and waiting for the realization of solutions provided by the company. The meeting was attended by 14 participants from each unit in the company.
- A meeting between all labor union management for the RSSJ Region (South Riau, South Sumatra and Jambi) on 07 June 2022 at the BW Luxury Jambi Hotel which discussed bonus permanent workers, employee leave and premium increases the following year. The meeting was attended by all labor union representatives at PT Bina Sains Cemerlang, PT Bahari Gembira Ria, PT Bumireksa Nusasejati and PT Guthrie Peconina Indonesia.
- Meeting of all labor union management for the RSSJ Region (Riau Selatan, South Sumatra and Jambi) with company management (PT Bina Sains Cemerlang, PT Bahari Gembira Ria, PT Bumireksa Nusasejati and PT Guthrie Peconina Indonesia) on 19 January 2023 which discussed the final meeting drafting and signing of the Collective Labor Agreement for the 2023-2024 period. The meeting was attended by all labor union representatives and company management, totaling 30 participants.

Based on the results of interviews with labor union representatives and their members who are workers in each unit, it is known that the union holds meetings every month with those accommodated in Bipartite meetings between worker representatives and management representatives. In discussing meetings between workers' union officials and company management, if there are matters that are not resolved in the discussions, a tripartite settlement will be carried out accompanied by the Manpower and Transmigration Agency.

Based on this explanation, it can be concluded that the certification unit has minutes of meetings between the certification unit and labor unions or workers' representatives who are freely chosen by workers, in the national language and well documented.

6.3.3

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

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

Status: Comply

6.4

Children are not employed or exploited.

6.4.1

PT Bhumireksa Nusasejati has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. In Point 5.7 in the section "Protecting Children's Rights" the company is committed to supporting children's welfare, and protecting them from all forms of inappropriate treatment or exploitation, including sex on children, child trafficking, child labor and child pornography. From this policy, the company has shown its commitment openly (this policy can be accessed online on the Sime Darby Plantation website) and has socialized it to relevant stakeholders (workers, trade unions, surrounding communities to contractors).

Based on the results of the review of the cooperation agreement document with the contractor for examples is PT Sumber Teknik Berdikari, PT Mitra Karya Jaya Perdana and CV Riau Sinergi, it is known that in the agreement has a separate clause to ensure that

the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers.

6.4.2

The results of the verification of employee list in December 2022 revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor.

Based on field visits and interviews with workers (labor union representative, harvester, pesticide operator, upkeep and mill operators) in plantation and mill, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 18 years when entering work.

Apart from that, in terms of the employment computerized system that is used, it is completely locked to the benchmark age of workers over 18 years. Where when there are new prospective workers who will register under the age of 18, the worker will not be automatically processed and the data will not be read by the system. Based on this explanation, it can be concluded that the unit of certification has documented evidence regarding the fulfillment of the minimum age requirements for workers in accordance with applicable regulations and age requirement verification procedures.

6.4.3

Based on the results of field visits and interviews with estate and mill workers, it is known that currently the unit of certification is not using young workers (Field Work Practice – *Praktek Kerja Lapangan* / PKL) at the time of the audit activities. Apart from that, the list of workers for the December 2022 period did not find this. Because of this, this indicator is not applicable.

6.4.4

PT Bhumireksa Nusasejati has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. In Point 5.7 in the section "Protecting Children's Rights" the company is committed to supporting children's welfare, and protecting them from all forms of inappropriate treatment or exploitation, including sex on children, child trafficking, child labor and child pornography. From this policy, the company has shown its commitment openly (this policy can be accessed online on the Sime Darby Plantation website) and has socialized it to relevant stakeholders (workers, trade unions, surrounding communities to contractors).

Based on field visits and interviews with workers (union representative, harvester, pesticide operator, upkeep and mill operators) in plantation and mill, it is known that socialization of these policies has been carried out so that workers know that workers underage is prohibited, dangerous and knows the reasons why they must be protected. This has also been conveyed well by contractor workers, contractors and the surrounding village community who were interviewed.

Based on this, it can be concluded that the unit of certification has proven the delivery of a 'no child labor' policy and information regarding the negative impacts of child labor practices, as well as support for child protection to supervisors (supervisors) and other key staff, smallholders, FFB suppliers, and community where workers live.

Status: Comply

6.5

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

6.5.1, 6.5.2 & 6.5.3

PT Bhumireksa Nusasejati has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. In Point 5.3 regarding Harassment and Violence which explains that the company is committed to prohibiting all acts of harassment and violence that exist within the company's operational environment. This includes, among other things, degrading comments based on gender, characteristics or race or ethnicity, sexual misconduct, spreading malicious rumors, voice messages or communication channels for sending degrading or discriminatory material. This policy can be easily accessed online on the website and the company has routinely disseminated it to stakeholders (workers, trade unions,

local communities to contractors) every year.

The management has carried out an assessment of the needs of young mothers by asking for their opinions, as well as taking actions to meet the needs that have been identified, which are shown as follows:

- Assessment for New Mothers, on January 2021 in the PT Bhumireksa Nusasejati Mas conducted by medical personnel (doctors, midwives and nurses)
- Minutes of the Action Plan Meeting on the Needs of New Mothers After Childbirth at PT Bhumireksa Nusasejati, which among other things explain the following:
 - ❖ Give permission to mothers who breastfeed while working with an adjusted time.
 - ❖ Make a place for breastfeeding in the Childcare ("Ruangan ASI") for female employees and make attendance for every mother who breastfeeds as monitoring by management.
 - ❖ Analyze the needs of mothers and babies such as daily needs (milk, diapers, baby clothes and other equipment) and their availability in the company's operational environment or in their surroundings (there is workers cooperative with easy and close access).

Based on interviews with female workers and gender committee, the policy had disseminated to workers through socialization with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights. Based on the field visit to the housing complex show that to accommodate the needs of new mothers in breastfeeding, breastfeeding corners have been provided in the office area and child care area. The availability of daily needs for mothers and their babies is also very easy to access, namely in shops around the company (there are workers cooperative about 15-30 minutes away from workers' housing that provide these needs).

Based on the explanation above, it can be concluded that the certification unit has policies related to preventing harassment, sexual violence, protection of reproductive rights and identifying the needs of new mothers, all of which have been implemented properly and proven according to the results of field observations and interviews with workers.

6.5.4

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

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

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

PT Bhumireksa Nusasejati has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. Point 5.7 concerning Human Rights in the section "Eliminating All Forms of Exploitation" explains that the company's commitment to eradicate/eliminate all forms of forced or bonded labor, slavery, human trafficking and sexual exploitation in all company work operations. Based on the results of interviews with workers, trade unions and gender committees in plantations and factories, there were no issues of coercion, slavery and labor trafficking as well as all forms of exploitation.

There are no migrant workers who work in the company's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in Collective Labor Agreement, and in work agreements. Based on employee list and observation in field known that there are no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:

- There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such

as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract.

- The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings.
- There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation and the company also does not prohibit this.

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

There are no significant obstacles related to employment or violations of Collective Labor Agreement. For example, for the harvesters works daily based in 6 days a week and 40 working hours a week. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list on November and December 2022, the harvesters have earned in accordance with the minimum wage.

6.6.2

In accordance with the explanation in indicators 6.2.7 and 6.6.1, where it has been explained that currently the unit of certification no longer has workers with daily contract status (BHL) and migrant workers. Based on this, the unit of certification does not own and carry out implementation related to contract workers and migrant workers.

For contract workers (PKWT), currently it is still owned by the company and this is only implemented for local workers or temporary/seasonal work. Further explanation regarding this can be seen in indicator 6.2.7. Until the audit activity took place, the recruitment of workers with contract status (PKWT) had been carried out in accordance with statutory provisions, where there was no withholding of important documents, fees were collected, and all rights/obligations of workers and employers had been clearly stated in the work agreement. There were no violations committed by the company in this regard. This is consistent with the results of interviews with union representatives as well as workers who stated that the recruitment system carried out was in accordance with laws and regulations and there was no use of forced or other labor during the recruitment activities.

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

OHS organization

The certification unit already has an OHS organization in the form of an OHS committee as follows:

- Teluk Bakau POM
Ratification number KEP.297/Disnakertrans-PK/SK-P2K3/IX/2022 dated 13 September 2022, with the initials of the Chairperson JS and the initials of the Secretary KK. The P2K3 Secretary has attended training on General OHS Expert Certification from the Ministry of Manpower of the Republic of Indonesia and has been shown the designation General OHS Expert number 5227/PK3/AJ/31/2020/P2 which is valid until 27 November 2023.
- NLE
Ratification number KEP.110/Disnakertrans-PK/SK-P2K3/IV/2022 dated 13 April 2022, with the initials of the Chairperson HM and the initials of the Secretary LES. The P2K3 Secretary has attended training on General OHS Expert Certification from the Ministry of Manpower of the Republic of Indonesia and has been shown the designation General OHS Expert number 14927/PK3/AJ/31/2020/P2 which is valid until 27 November 2023.
- NPE
The submission process to the Riau Provision Manpower and Transmigration Office is on February 3, 2023 due to a change in unit leadership in early December 2022. (OFI)

- TBE
Ratification number 350/NAKERTRANS-HISK/P2K3/II/2023 dated 10 February 2023, with the initials of the Chairman BS and the initials of the Secretary KK. The P2K3 Secretary has attended training on General OHS Expert Certification from the Ministry of Manpower of the Republic of Indonesia and has been shown the designation General OHS Expert number 5227/PK3/AJ/31/2020/P2 which is valid until 27 November 2023.

Periodic OHS meeting

The CH has an OHS Committee in each unit which is responsible for the implementation of OHS aspects. One of the activities of the OHS Committee is to conduct monthly evaluations regarding the implementation of the OHS program. For example:

- NPE OHS Committee meeting on 6 December 2022 with discussions including HIRAC, handling and storage of chemicals, and first aid.
- The Teluk Bakau Factory OHS Committee meeting on 30 December 2022 with discussions including evaluation of work accidents, efforts to reduce work accidents, and evaluation of employee safety conditions.

6.7.2

The CH representative explained that there have been no changes to the emergency response procedures and work accidents. The documents for emergency preparedness and response procedures are available in Indonesian, including:

- Accident First Aid Procedure, AMF/SOP.ESH/07, April 9, 2010.
- Emergency Response Procedure, AMF/SOP.ESH/14, April 8, 2010.
- Fire control No. 727/TQEM-ESH/10 dated 01 April 2010.
- Identification and evaluation of potential emergency 724/TQEM-ESH/10 dated 01 April 2010.
- Earthquake 746/TQEM-ESH/10 April 01, 2010.
- Evacuation 726/TQEM-ESH/10 April 01, 2010.
- Response to the explosion of 728/TQEM-ESH/10 April 01, 2010.
- Emergency drill 733/TQEM-ESH/10 April 01, 2010.
- Emergency preparedness and response and recovery 725/TQEM-ESH/10 dated 01 April 2010.

First Aid Officer

The CH has a doctor with the initials dr. ZAH, which already has a Hiperkes Certificate issued by the Minister of Manpower and Transmigration, was stipulated in March 2007. It has also been shown the Decree of the Director General for the Development of Labor Inspection and OHS number 5/5156/AS.01.04/V/2022 regarding the appointment of an OHS examining doctor for Dr. ZAH in May 2022, and is valid for 3 years.

The CH also has first aid licensed officers in the unit, such as at the Teluk Bakau Factory with the initials MZH who attended training on 25-27 October 2019.

Based on field observations, such as during harvesting and fertilizing activities, it is known that the foreman carries a first aid kit/bag. The results of the interviews revealed that they had received first aid training and were able to explain the names and functions of the first aid kits.

Based on field observations at Teluk Bakau POM and the factory office, it is also known that there is an evacuation route that leads to the gathering point in case of an emergency. Fire extinguishers and hydrants are available ready to use. The results of the hydrant test are known to function properly.

Records of work accidents

As stated in the OHS Committee report and the monthly monitoring of work accidents carried out by the OHS committee secretary, it is known that during 2022 there will be no work accidents at factories. Meanwhile in the NPE and NLE, during 2022 there will be no work accidents. In TBE there were 4 work accidents that caused 33 lost working days which did not cause disability or death. One of the incidents was a slip and fall on the Bargas (kind of pontoon boat but small in size, which is used to transport FFB with a capacity of around 2 tons) while loading FFB which caused a 20-day LTI of recovery.

6.7.3

The CH has an SOP for Personal Protective Equipment with code SOU 20-APD/X/2017 revision 01 published on 29 October 2017. The scope of this SOP covers all stages of processing in plantations, factories and others. support units. The procedure also regulates

the identification of PPE per activity, specification, replacement, reporting of the results of monitoring the use of discipline, imposing sanctions and rewards. The results of interviews with spray workers during field observations showed that every morning they were informed about the use of PPE. Tiered sanctions are given by the Chair of the OHS Committee starting from a warning, warning letter (SP) 1, SP 2, and SP3. Regarding the sanctions, it has been stated in the CLA article XXII concerning Obligations of Companies and Workers, which states that workers are obliged to carry out orders from their superiors and are obliged to take good care of, use and manage company property, companies entrusted to him, as well as sanctions.

Based on observations in the warehousing area, it is known that each unit has a rinse house which functions as a place to wash spray equipment and PPE after spraying, store PPE and spray equipment, clean yourself, and wear clean clothes before going home. The results of interviews with sprayers in Block D07 NPE and Block F11 NLE found that workers understood the procedure for washing PPE and working tools, as well as storing PPE in the rinse house.

Based on field observations and interviews with plantation and factory employees, it is also known that the unit of certification has provided PPE to employees in accordance with the risk assessment that was previously carried out. The results of interviews with workers also found that PPE can be replaced if the PPE used is damaged.

6.7.4

The company already has a list of employees which also includes *BPJS Ketenagakerjaan* and *Kesehatan* participant numbers for a total of 2,139 employees (TBF, TBE, NPE, NLE, MDF, MDE and RSE). This number does not include the number of workers with staff status and above. Based on a review of the company's employee list documents for December 2022 and proof of payment for *BPJS Ketenagakerjaan* and *Kesehatan* for the same period, it is known that the company has registered and paid all of its employees in the *BPJS Ketenagakerjaan* and *Kesehatan* programs, which consist of Work Accident Insurance (*JKK*), Death Insurance (*JKM*), Old Age Security Insurance (*JHT*) and Pension Guarantee/Insurance (*JP*) via Bank Transfer, with proof of payment as follows:

- Proof of payment for *BPJS Ketenagakerjaan* for PT Bumireksa Nusasejati (TBF, TBE, NPE, NLE, MDF, MDE and RSE) on the December 2022 period which was paid for a total of 2,139 workers on 06 January 2023 via bank transfer.
- Proof of payment *BPJS Kesehatan* for PT Bumireksa Nusasejati (TBF, TBE, NPE, NLE, MDF, MDE and RSE) on the January 2023 period which has been paid for a total of 2,139 workers on 06 January 2023 via bank transfer.

Based on the results of interviews with union officials in each unit as well as workers in the plantations (harvester, manurers and sprayers) and mill (process operators) it is known that the certification unit has provided health insurance to workers and their families (wives and children) and insurance employment for all workers. If there is a work accident that occurs to the worker, this will be taken care of completely free of charge in accordance with the provisions stipulated in the Employment BPJS, and if the worker is disabled as a result of work, he will receive compensation.

From the results of a review of work accident recapitulation documents in plantations and factories, there have been several incidents of accidents that have occurred and these incidents have been properly reported to *BPJS Ketenagakerjaan* in accordance with applicable regulations. One example is a work accident (getting a welding splinter while assisting with welding work) that occurred at the pompong/school boat operator (HRM) on 04 January 2023, which has been reported in the KK1-KK3 documents to *BPJS Ketenagakerjaan* according to the existing timeline.

Based on the foregoing, it can be concluded that the company already has a list of employees participating in the *BPJS Ketenagakerjaan* and *Kesehatan* program along with proof of payment every month.

6.7.5

As stated in the OHS Committee report and the monthly monitoring of work accidents carried out by the OHS committee secretary, it is known that during 2022 work accidents only occurred at TBE with 13 incidents causing 64 lost work days which did not cause disability or death. For the period January – March 2022, it has been examined in the previous audit. For the April – December 2022 period, one of the accidents is slipping on the Bargas while loading FFB. The CH has submitted the work accident report in routine reporting to the local Manpower Office.

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

Procedures related to pest monitoring and control are contained in the Agricultural Reference Manual (ARM) document No. Policy 110/EST-ARM/13 Section 15 on crop protection. These procedures include explaining:

- Oryctes on oil palm tree
- Control of bag worms and needle worms
- Use of beneficial plants for natural leaf pest control
- Rat control in oil palm plantations
- Utilization of owls for rat pest control
- Control of root rot and stem end rot caused by Ganoderma.
- Best practice certification to minimize Ganoderma Inoculum in oil palm replanting.
- The use of Arvicular mycorrhizal fungus for controlling root rot disease.

Based on the records of the pest and disease census for December 2022, it is known that there is an attack by the horn beetle in NLE with attack criteria above the threshold, and control measures have been demonstrated. The company also showed a letter from the Minamas Research Center explaining that the company's area is endemic to horn beetles and apagonia. However, the results of the field visit at the audit assessment location found no signs of pest attack, but in the Mess/TBE housing area several horn beetles were found at night.

7.1.2

Invasive species in Indonesia refer to Minister of Environment and Forestry Regulation number P.94 of 2016. From field observations at TBE, NPE, and NLE, it is known that there are no invasive species.

7.1.3

The results of document review and interviews with company representatives found that the pests found in the company area were Horn Beetles and Apagonia. A written explanation has been shown from the MRC that the PT BNS area is endemic to horn beetles and apagonia. The results of the December 2022 census, for example in the NLE there is an attack of horn beetles above the threshold. Control is carried out using urine by spraying it, and not using fire. The results of field observations on circle path sprayer activities in Block D07 Division 3 NPE found no use of fire. Based on this, it is known that there is no application of fire in controlling pests and diseases at PT BNS.

Status: Comply

7.2

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

7.2.1

The results of the document review on beetle spray in NLE work using cypermethrin pesticides with the Kencis brand. The basis for the use of specific pesticides against target pests/weeds has been shown by the company in the Minamas Agricultural Reference Manual document in the Plant Protection chapter.

7.2.2

The CH has maintained records of pesticide use. It has been shown in the Pesticide Data document which contains the brand of the pesticide, the active ingredient, LD50, and the use of the active ingredient per hectare. For example, cypermethrin, with an LD50 of 1,800 mg/kg with an active ingredient of 568.44-liters for 29,917.89 ha.

7.2.3

The CH has a commitment to minimize the use of pesticides and has the IPM concept, which is contained in the Minamas Agricultural Reference Manual document in the Plant Protection chapter and has been active since 01 September 2013. In this document, integrated pest and disease control is conveyed using biological and chemical controls. The results of the document review revealed that there was a tendency for the use of pesticides to increase and decrease according to the results of the census and the age of the plants. Documents on maintenance of beneficial plants such as *Turnera subulata* have also been shown. BOB monitoring is also shown, for example a total of 65 units in the NPE. The results of field observations also revealed that there are BOBs in Block E06 TBE, Block D07 NPE, and Plants *Turnera subulata* in Block D03 NPE.

7.2.4

The results of interviews with representatives of the Minamas Research Center, it is known that the PT BNS area is an endemic area of Horn Beetles and *Apagonia*. A certificate from the MRC has also been shown stating that the PT BNS area is endemic for these 2 pests. The results of observations in the TBE housing area, there are horn beetles that come to the light at night. The results of the document review also revealed that the application of pesticides to control horn beetles and apagonia was based on recommendations from ARM and MRC.

7.2.5

There is no use of pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat. The results of field observations showed no pest control activities, but weed control in circle path sprayer activities in Block D07 Division 3 NPE, it was found that the herbicide used was methyl metsulfuron which was WHO class III. The results of the document review also note that the pesticides and herbicides used in 2022 include class O glyphosate and class III methyl metsulfuron.

7.2.6

Pesticide applications have been carried out by persons who have completed the necessary training, and have been applied according to the product label. The results of interviews during field observations at circle path spraying activities in Block D07 Division 3 NPE, it is known that one of the herbicides used is Methyl metsulfuron. The results of the interviews also revealed that the workers had been able to explain the safe handling of pesticides according to procedures. Informed by informants that they have received training in handling pesticides from the company. The results of field observations also show that workers have implemented safe work techniques. The results of the document review revealed that pesticide training had been held at the company, on 14 May 2022 and 09 August 2022 at TBE.

7.2.7

The storage of pesticides at the company complies with best practices. The results of field observations in the Pesticide Warehouse area at TBE, NPE, and NLE found that pesticides have been grouped by type, there is an MSDS in a language understood by workers, symbols for hazardous and toxic substances, in a place with good air circulation and sufficient lighting. The warehouse is locked and there is a limited area warning and the use of PPE when accessing it. The results of interviews with workers revealed that workers could explain and demonstrate safe work techniques in that area.

7.2.8

The certification unit has procedures related to hazardous waste management including pesticide waste which are contained in the several document, there are;

- SOP for handling Hazardous and Toxic Materials with Number 7306/AIP-ESH/10 dated 2 August 2010 which describes procedures for managing and storing chemicals, using chemicals, transferring, leaking or spilling chemicals, vessels or tanks exposed products, expired products, first aid, training programs. The things that must be considered in order to avoid chemical spills/leaks, storage of the required packaging and diesel tanks.
- The company also has Socialization of the prohibition the use of hazardous and toxic waste packaging, for example on the date 01 October 2022 and 4 May 2022 for hazardous storage operator in TBE.

From the results of observation in housing area at Teluk Bakau Estate and Nusa Lestari Estate, it was found that there were no traces of chemical packaging used as water reservoirs or other purposes in housing activities. In the storage area for hazardous waste in each estate, it is also known that pesticide storage areas are well managed and recorded according to their type and hazard, this result are in line with the documents review, in the form of waste manifests and log book.

Based on interviews with agrochemical storage operator in F011 Nusa Lestari Estate, it is known that all pesticide packaging is collected at the designated storage area and then will be given to licensed waste parties and not be used for purposes other than pesticide application activities.

7.2.9

The results of document review and interviews with company representatives found that the pests found in company areas, for example in NLE, were horn beetles with conditions above the threshold. Control is carried out using Cypermethrin by spraying using

a knapsack sprayer. The results of field observations on circle path sprayer activities in Block D07 Division 3 NPE, it is known that no air spray applications were found. Based on this, it is known that there is no application of pesticides through the air.

7.2.10

The company already has a plan for medical examinations for all employees, both periodic health checks for all workers and special examinations contained in the 2023 MCU activity schedule document, approved by company doctors and managers on 10 February 2023. This document informs plans for carrying out periodic medical examinations, and specifically for all employees which is planned 2 times a year so that all workers can carry out health checks. For the next 2023 period 2 inspection, periodic health checks will be carried out in November 2023. Records of periodic inspections explain that there were 543 employees who were examined, which consisted of spray, fertilizer, harvest, and PKS workers. The results of the examination showed that there were no employees with health problems. For spraying carried out including physical examination, spirometry, blood, and urine.

7.2.11

The results of field observations at Circle Path Spraying activities in Block D07 NPE and Block F11 NLE found that there were no female workers who were pregnant and/or breastfeeding, or with medical limitations. The results of the interviews revealed that women workers who were pregnant or breastfeeding, or workers with medical limitations were transferred to non-pesticide jobs. Based on this, it is known that there are no workers who are pregnant, or breastfeeding, or with medical limitations who apply pesticides.

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 unit of certification already has documents identifying the source of waste from the operational processes in factories and plantations, grouped based on activities that produce waste, name, code, type of solid or liquid, and its management. In this regard, the unit of certification has procedures related to the management and utilization of waste which are listed in several documents, including:

- Palm oil mill technical guidelines II (Utilization of shells, fiber and EFB) Number 120/POD-FAC/07 dated 26 July 2010.
- SOP for POME Management Number 000/BNS-LBH/12 dated 14 May 2019.
- SOP for Hazardous Waste Handling (SPO/P&C/PLB3) was ratified by Mill and Estate Manager on 27 May 2013. The procedure explains the types of waste according to their source, including hazardous waste from unspecified, specific sources, from expired chemicals, spills, used packaging, and product disposal that does not meet specifications. In addition, the hazardous waste handling flow includes sending waste to the storage area equipped with a Used Goods Delivery Note (*NPBB*), after the waste is received by the warehouse staff and handling the waste based on the type and recording into the log book.
- Work Instructions for handling hazardous waste in accordance with the type of waste produced in the attachment to the SOP for Hazardous Waste Handling (SPO/P&C/PLB3), including:
 - **Used Pesticide Packaging**
Used pesticide packaging is sent to the washing place, rinse the packaging until it is clean (minimum 3 times rinse), used washing water flows into a reservoir and is used again for spraying, send packaging waste to a licensed storage, then process/dispose/destroy the used pesticide packaging according to regulations .
 - **Hazardous Waste (Solid and Liquid)**
Collect the waste in a container that has been given identification, symbols and labels, sent and stored, then sold to a licensed parties with a *NPBB* and Manifest.
- Medical Waste Management SOP No. 005/SOP-clinic/IX/2022 dated 01 October 2022
- Domestic Waste Handling SOP No. 012/SOU/IV/2014 dated April 4 2014

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

Hazardous and Toxic Waste

Unit certification has a temporary storage permit for hazardous and toxic waste for each unit, there are;

- **Teluk Bakau Factory**

Permit for Hazardous and Toxic Waste Management for PT BNS Teluk Bakau Factory unit based on DPMPSTSP Decree of Indragiri Hilir Regency Number 503/DPMPSTSP-IPL.B3/XII/2019/16 dated 20 December 2019 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environmental Service number 660.3/DLHK-PPKL/Rek/XII/22 dated 13 December

2019.

- **5 Estates at PT BNS (Teluk Bakau Estate, Nusa Lestari Estate, Nusa Perkasa Estate, Rotan Semelur Estate, dan Mandah Estate)**

Permit for Hazardous and Toxic Waste Management for PT BNS based on DPMPSTSP Decree of Indragiri Hilir Regency Number 503/DPMPSTSP-IPSL.B3/2 dated 15 March 2018 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environment Agency number Rek-TTDLHK/III/2018/04 dated March 16 2018.

The type of waste that is allowed to be stored according to the permit is in the form of; used oil, used batteries, used filters, used LED lamps, used rags, hazardous contaminated waste, and used hazardous packaging.

The results of field observations at the Hazardous Waste Storage in all units show that the building is permanent with good ventilation, protected from rainwater ingress, and a waste symbol is provided on the outside/wall. The floor of the is watertight and a spill tank is provided. Other facilities available include waste balances, dry powder fire extinguishers, alarms and emergency/eye wash.

Based on interviews with management, the company will extend the hazardous storage permit as well as add infectious medical waste items to the permit. Therefore, companies are encouraged to ensure that the permit is in accordance with the type of waste that is allowed to be stored as explained in indicator 2.1.1

In the management, utilization and/or processing of waste unit of certification collaborated with licensed parties, which is carried out regularly named PT Global Marindo Perkasa with contract agreement No. 001/SPK-Pengangkutan-dan-pemusnahan-LB3/BNS/III/2022 dated 14 March 2022. Each units has recorded well so that waste can be easily traced, both in the log book, balance sheet, and last manifest on March 3, 2022. Whereas for the management, utilization and/or processing of waste, PT Global Marindo Perkasa cooperates with a licensed party, namely PT Desa Air Cargo Batam, with cooperation agreement document Number 445/DACB/VII/2021 dated on March 31, 2023. The agreement also explains that the types of waste to be submitted are used oil, used batteries, used LED lamps, used rags, used filters, and other hazardous waste.

Solid Waste

The solid waste produced by the company is shell, fiber and empty fruit bunch. The management plan is carried out by reusing solid waste such as shells, fiber, and EFB to be reused as boiler fuel. Solid waste utilization data is explained in more detail in indicator 7.9.1.

Liquid Waste (POME)

Liquid waste generated from the factory is discharged into water bodies before being managed first at the WWTP with the aim that the quality of the liquid waste is in accordance with the provisions. POME management is explained in more detail in indicator 7.8.3.

Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills. Transportation of non-hazardous waste from employee housing or the emplacement area is carried out 2 times a week and immediately disposed of in the landfill, and when the landfill is full, stockpiling and installation of signboards marking the opening and closing dates will be carried out. The company has a policy regarding the prohibition of burning waste, including in landfill areas.

Based on the results of field visits to the TBE, NLE, and NPE housing areas, there are no traces of burning waste. There is a trash can in every house. However, domestic waste is still found scattered in the area behind the employee housing in NPE Division 3 and TBE Division 1, also landfill conditions in the NPE unit already full and there is trash scattered around. This has become a non-compliance with indicator 7.3.2.

7.3.2

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

- Document of hazardous waste source identification results for the 2023 period which provides information regarding the sources of hazardous and toxic waste that have been identified by the company, either from the plantation or from the mill.
- Balance Sheet and Logbook for storing hazardous and toxic waste at the storage area.
- Conducting socialization of hazardous and toxic waste management to employees

- OHS Completeness Monitoring Document for the period 2023 which informs the condition and completeness of emergency response facilities in storage areas, such as first aid kits, eye wash and shower checks, fire extinguishers, spill kits, and alarms. The monitoring results show that all equipment is in good condition and in accordance with company SOPs.

From the results of the document review by comparing the balance sheet and logbook, the submission of waste to storage for 03 March 2022 appropriate and there was no difference in the amount submitted.

From the results of document verification it is known that the company already has a waste disposal procedure, such as;

1. Medical Waste Management SOP No. 005/SOP-klinik/IX/2022 dated 01 October 2022 which explains the management of medical waste, namely
 - The resulting solid medical waste is put into a yellow plastic bag with the symbol "Biohazard", while the liquid medical waste is sent directly to the WWTP, making sure the plastic bag container has no leaks.
 - Medical bags that have been filled ¾ full no later than 12 hours are transferred to TPS LB3.
 - Storage of B3 medical waste for a maximum of 2x24 hours at room temperature.
 - Storage can be carried out for 90 days at temperatures below 0°C or less.
 - Medical waste that has been bound is disinfected when it is to be transported to the processor.
2. SOP for Handling Domestic Waste with No. 012/SOU/IV/2014 dated April 4 2014 which explains the management of domestic waste, namely:
 - Domestic waste is collected in bins that have been provided in residential areas or work locations.
 - If the landfill is already full, then it will backfilled and marked, a new TPSA is made.
 - Garbage is only disposed of in the space provided.

Based on the results of the field visit, it is known that there is waste that is not in accordance with the procedures owned, namely;

- At hazardous storage in NLE there were 4 packs of infectious medical waste plastic bags placed together with stacks of ex-agrochemical containers, without labels and identification of the waste.
- Domestic waste scattered in the area behind the employee housing of NPE Division 3 and TBE Division 1.
- Landfill in NPE unit already full and there is trash scattered around.

From this description, it can be concluded that the company has not carried out waste management as a whole in accordance with the procedures it has. **This has become Non-conformity No. 2023.01 with Minor Category**

7.3.3

The unit certification does not use open burning for waste disposal. It can be proven through document review and management interviews, that the company has a Domestic Waste Management Procedure document with No. 012/SOU/IV/2014 rev. 00. The scope of this procedure is for factories, estates, housing, and offices at PT Bhumireksa Nusasejati, as a reference for handling domestic waste prohibited disposal by burning.

It is also proven through the observation result in TBE and NLE housing area. Waste in housing areas is collected in each house and transported by officers on a regular basis to be disposed of in the landfill area in each estate. At the several area there is also indirect socialization in the form of installing a sign board prohibiting burning trash. Interviews with employees who live in the housing estate explained that waste transportation is carried out routinely twice a week by company officers and does not burn due to company commitment.

7.3.2	Status: Non-conformity No. 2023.01 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

There is no change in fertilization procedures at the company. Procedures related to fertilization activities are contained in the Agricultural Reference Manual (ARM) document (No. Doc. 110/EST-ARM/13) Section 8 concerning Fertilizing Oil Palm Plants which includes technical fertilization of TBM and TM fertilization, fertilizer placement and fertilization application. As a basis for fertilization

recommendations, analysis of leaf tissue is carried out every year and analysis of soil tissue through semi-detailed soil and land suitability surveys is carried out every 5 years. SOP implementation is monitored regularly by operational audits or Plantation Advisors. In addition, the implementation of fertilization is supervised by the foreman, assistant and re-evaluated by the manager. Based on field observations on fertilizing activities in Block D13 Division 3 TBE found that workers had applied fertilizer according to the procedure.

7.4.2

The latest records of soil and leaf tissue analysis are available, as follows:

- Soil analysis is contained in the semi-detailed soil survey report and land suitability for the period 2018 – 2023 issued by Minamas Research Centre. The parameters analyzed included depth, pH, organic C, total N, total P, etc.
- 2022 NLE Leaf Analysis published by Minamas Research Center for a total of 15 samples. The parameters analyzed include ash, N, P, K, Mg, Ca, and Fe.
- 2022 NPE Leaf Analysis published by Minamas Research Center for a total of 31 samples. The parameters analyzed include ash, N, P, K, Mg, Ca, and Fe.
- 2022 TBE Leaf Analysis published by Minamas Research Center for a total of 20 samples. The parameters analyzed include ash, N, P, K, Mg, Ca, and Fe.

7.4.3

There is no change in the company's fertilization procedure. The procedure related to fertilization activities contained in the Agricultural Reference Manual (ARM) document (No. Doc. 110 / EST-ARM / 13) Section 8 concerning the Fertilization of Oil Palm Crops which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants, fertilizer placement and fertilizer application of 'focal feeding' on marginal soils. The implementation of the SOP is monitored periodically with an operational audit or Plantation Advisory. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager.

7.4.4

The CH has maintained records of the use of fertilizers that have been applied to the estate. For example, the recording of seeding in the NLE for the period from January to December 2022, the MOP application has been applied 100% of the recommended 833 tons, the RP application has been applied 100% of the recommended 294 tons, and NPK 65 has been applied 100% of the 1,635.5 tons program.

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

The unit of certification can show maps that identify marginal and fragile soils, including land with steep slopes listed in the Semi Detailed Soil Survey and Land Suitability for Oil Palm Plantation period 2018-2023. Among others:

Nusa Lestari Estate

- The 2018 Semi Detailed Land Map with a scale of 1:60,000 describes the land type of Nusa Lestari Estate Typic Haplohemist covering an area of 3,183.04 Ha (100%).
- The 2018 Land Slope Class Map with a scale of 1:60,000 describes the land slope class of Nusa Lestari Estate 0-4% Level (Flat) covering an area of 3,183.04 Ha (100%).

Nusa Perkasa Estate

- The 2018 Semi Detailed Land Map with a scale of 1:60,000 describes the soil type of Nusa Perkasa Estate Typic Haplohemist covering an area of 3,779.10 Ha (100%).
- The 2018 Land Slope Class Map with a scale of 1:60,000 describes the land slope class of Nusa Perkasa Estate 0-4% Level (Flat) covering an area of 3,779.10 Ha (100%).

Teluk Bakau Estate

- The 2017 Semi Detailed Soil Map with a scale of 1:60,000 describes the soil type of Teluk Bakau Estate Typic Haplohemist covering an area of 3,461.14 Ha (100%).
- The 2018 Land Slope Class Map with a scale of 1:60,000 describes the land slope class of Teluk Bakau Estate 0-4% Level (Flat) covering an area of 3,461,014 Ha (100%)

7.5.2

The Document of Semi Detailed Soil Survey and Land Suitability for Oil Palm Plantation Period 2018-2023 informs that PT. BNS has a flat topography with a slope of 0 – 4%. Elevation at PT. BNS ranges from 1 to 447 meters above sea level (3 to 1,467 feet), namely in TBE 3,461.14 Ha, NPE 3,779.10 Ha and NLE 3,183.04 Ha. Based on the description above and the results of direct observations in TBE, NPE and NLE there is no replanting area with steep slopes.

7.5.3

The Document of Semi Detailed Soil Survey and Land Suitability for Oil Palm Plantation Period 2018-2023 informs that PT. BNS has a flat topography with a slope between 0 – 4%. Elevation at PT. BNS ranges from 1 to 447 meters above sea level (3 to 1,467 feet), namely in TBE 3,461.14 Ha, NPE 3,779.10 Ha and NLE 3,183.04 Ha. Besides that, PT. BNS has not carried out new plantings and is currently in the process of replanting since 2013. Based on the description above and the results of direct observations in TBE, NPE and NLE that PT. BNS is no longer planting new oil palm.

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 Document of Semi Detailed Soil Survey and Land Suitability for Oil Palm Plantation Period 2018-2023 informs that PT. BNS has a flat topography with a slope of 0 – 4%. Elevation at PT. BNS ranges from 1 to 447 meters above sea level (3 to 1,467 feet), namely in TBE 3,461.14 Ha, NPE 3,779.10 Ha and NLE 3,183.04 Ha. TBE, NPE and NLE have Typic Haplohemist soil types. In addition, PT. BNS has not carried out new plantings and is currently in the process of replanting since 2013. Based on the above description and the results of direct observations in TBE, NPE and NLE that PT. BNS is no longer planting new oil palm.

7.6.2

Consistent with indicator 7.6.1 that PT. BNS units TBE, NPE and NLE have Typic Haplohemist soil types and have slopes between 0 – 4%. Besides that, PT. BNS has not carried out new plantings and is currently in the process of replanting since 2013.

7.6.3

In line with indicators 7.6.1 and 7.6.2 that PT. BNS units TBE, NPE and NLE have Typic Haplohemist soil types and have slopes between 0 – 4%. Besides that, PT. BNS has not carried out new plantings and is currently in the process of replanting since 2013 and based on field observations that the company only replants and does not build new drainage and infrastructure. Land and topographic survey information serves as a guide for water management in the company's operations.

Status: Comply

7.7

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

7.7.1

Based on field observations, no new planting areas were found in the company area. Currently being carried out is the process of replanting. The results of document reviews and interviews with company representatives also revealed that the company was carrying out a replanting process and there were no new plantings. This has been discussed in indicator 7.6.

7.7.2

The CH has shown the peat inventory document that was reported to the RSPO on 14 November 2019, with information including the reported peat area in TBE, NLE, and NDP covering an area of 10,391.97 ha. The most recent basic information during the replanting process found that the area of TBE, NLE, and NDP was 10,054.44 ha. This is because the reporting of peat inventory refers to measurements of area in 2018. For return reporting, companies have time between 5 November 2022 to 6 November 2023 using the latest Google form according to the RSPO announcement on 19 September 2022.

7.7.3

The CH has measured peat subsidence every 6 months for 15 subsidence poles for a peat area of 10,055.44 ha. Referring to the RSPO peat audit guidance, the subsidence pole needs as many as 40 points. The CH shows recommendations for determining

subsidence poles in the company area taking into account the characteristics of the area and the same type of peat so that 15 points are determined. This was also corroborated by the MRC representative during an interview with the auditor regarding the determination of the number of subsidence poles.

The results of measurements from semester 1 2019 to semester 2 2022 have been shown with a decrease of 5.4 cm or 1.35 cm/year. The results of field observations in Block E06 Division 2 TBE and Block D07 Division 3 NPE, it is known that there has been a subsidence pole with a well-maintained condition and given a safety fence.

7.7.4

The CH has a water management program and has implemented it. A map of the water gates has been shown throughout the PT BNS area which regulates that water is maintained in the company area. The company also implements an overflow system in water management in the company area. The surface water level in the main and branch canals is monitored, as well as the ground water level inside the block using a piezometer and logger. The results of field observations show that there is an overflow dam in Block C02 Division 5 NPE and a water gate in Block D09 TBE which is well maintained. The results of periodic surface water level measurements have been shown. For example, in October 2022, the water level in the entire PT BNS area is between 6 cm - 24 cm from the ground surface with an average rainfall of 47 mm with 23 rainy days.

The CH also has a land cover program, such as a legume-at-planting program. The results of field observations in the immature area are known to have legumes in the planting area. In addition, the company maintains land cover by maintaining *Nephrolepis Bisserata*, Beneficial Plants, soft weeds and selective weed control

7.7.5

The CH shows an Inter-Office Letter from the Head of the Minamas Research Center regarding the PT Bhumireksa Nusasejati Peatland Drainage Study Report No. MRC/Head-MRC/Mgr-Est/0103/V/2020 dated 28 May 2020. Document on Peatland Drainage Study of PT Bhumireksa Nusasejati, Indragiri Hilir Regency, Riau Province prepared by the Minamas Siak Agronomy Research Centre, in May 2020. This is in accordance with the RSPO Drainability Assessment Procedure version 1.1, 30 November 2019. The report contains the following technical conclusions from the results of peat soil testing, including:

- To maintain the position of the water at an optimal height, the water gate needs to be lowered \pm 40-50 m.
- From observational data on the rate of subsidence at PT Bhumireksa Nusasejati conducted at 10 subsidence points with an average of 1.1 cm/year, it can be concluded that the groundwater table at PT Bhumireksa Nusasejati is generally at an optimum level for oil palm plantations.
- Fields B035, C034 and C035 have the fastest flow time limits, namely around 93 years, 101 years and 101 years.
- Based on the calculation of the threshold for 2x planting cycles, the study location has not reached the threshold, so that replanting activities can be carried out with due regard to water management.

Referring to the RSPO drainability assessment procedure version 2.0, 26 October 2021, it was explained that if a company is going to replant oil palm, the report on draining peatlands must obtain approval from the RSPO Secretariat which has become an OFI in the previous audit. The CH has shown a recording of an email communication with RSPO, which shows RSPO approval regarding the implementation of replanting at PT BNS on 11 January 2021.

7.7.6

The CH has been monitoring surface water levels and TMAT using a piezometer. The surface water level has been discussed in indicator 7.7.4, while for the ground water level The CH refers to the Minutes of the Meeting of the Peat Ecosystem Recovery Plan Document Assessment Team, Determination of Manual Groundwater Level Monitoring Points, Installation Points of Automatic TMAT Measuring Devices (loggers) and rainfall monitoring point number BA-01/PEG/PKG/2/2019 dated February 7 2019 totalling 95 compliance points and 6 loggers. The results of field observations show that the piezometer in Block D07 Division 3 NPE and in NPE is well maintained. The results of the document review revealed that the monitoring results of 15 piezometers at NLE week 1 and week 2 December 2022 showed that the groundwater level was between 18 and 41 cm, while the logger monitoring data was 21-28 cm.

For fire prevention and control, The CH has posted fire hazard warnings in office areas, residential areas, and canal edges. FDRS (Fire Danger Rating System) has been installed in the office area. The results of field observations also revealed fire monitoring towers in Blocks F06 and G09 NLE and Block C02 NPE. The results of observations at the fire department warehouse, it is known that they already have a ready-to-use water pump machine. The results of field observations also revealed that there were no *dayongloblique* trees in the immature and young mature areas.

7.7.7

The results of a review of basic info documents, The CH has a conservation area in NPE covering an area of 10.68 ha. Based on field observations, it is known that the area in Block E11 NPE has an HCV area signboard installed.

The TBE, NPE and NLE units have Typic Haplohemist soil types and have a slope of between 0 – 4%. In addition, the unit of certification has not cleared new land and is in the process of replanting since 2013. Based on field observations, the company has managed its operational areas well, including maintaining conservation areas, selective weed control, and reducing the use of material pesticides and optimizing biological pest control, monitoring the water level and the level of subsidence of peat soil on a regular basis.

Status: Comply

7.8
Practices maintain the quality and availability of surface and ground water
7.8.1

Based on the 2006 RKL-RPL Addendum document, the 2009 HCV identification results, as well as the map of river flow and water sources, it can be seen that there are no water sources in the operational area but only artificial canals. Based on this document, it is known that the water source management plan is to test the quality of surface water in the upstream and downstream of the canal every 6 months and drilled wells every 1 year. All tests are carried out by a KAN accredited laboratory (LP-547-IDN). In this regard, the company shows the results of surface water quality testing for the second semester of 2021 to be carried out on December 15, 2022. The company conducted surface water tests with 34 indicators which were carried out at 3 sample points, namely at the WWTP outlet, as well as 100 meters before and after the point WWTP outlet on the Kateman river.

If referring to the quality standards used by the testing laboratory (*PP No. 22 Year 2021 Attachment IV*), there are result that are not in accordance with the applicable quality standards. This is due to the natural characteristics of peat water which contains a lot of organic matter and high iron, tends to be acidic, has a low pH (3 - 5), low hardness level, red, brown or black in color and the activities of the community and industry in the upper reaches of the Kateman river. In addition, as a form of preventive action in environmental management and monitoring to prevent and reduce the concentration of parameters that are not in accordance with quality standards, the company carries out several management activities, including:

- Planting natural vegetation on the edges of river banks and planting erosion-resistant plants on river banks that have the potential for erosion.
- Conduct outreach to the community, employees and contractors in the company area
- Installing information boards for limited activities, such as warnings against fishing and maintaining cleanliness
- Periodic monitoring of river water quality.
- Ensuring best practices in waste management by no waste spills over to the environmental agency directly, ensuring that domestic liquid waste is managed and that several management activities are in accordance with the company's management plan.

The results of interviews with workers from TBE, NPE and NLE stated that there were never any complaints about river water, they only used the river for transportation and not for consumption or daily needs. The results of interviews with the community around the company and related agencies also did not reveal any negative issues related to the condition of the river water.

Drinking water testing was also carried out by the company to see the quality of drinking water taken from drilled wells which was carried out by a KAN accredited laboratory (LP-547-IDN) on October 9, 25 2022. The results of drinking water quality testing also showed that all parameters of the test results were still in accordance with the applicable quality standard is Regulation of the Minister of Health Number 32 of 2017.

Based on the results of field observations in the Teluk Bakau housing areas and Nusa Lestari Estate as well as interviews with spray workers in Block F011 Division 2, and harvest workers in Block F014 Division 2, information was obtained that clean water facilities for housing were obtained from drilled wells and rainwater storage facilities. Therefore the unit of certification has made efforts to manage water sources for continuous availability and avoid negative impacts. Access to clean water is also adequate and not restricted for workers and residents of housing who have met the requirements for water sanitation hygiene and are suitable for use.

7.8.2

The unit of certification already has procedures related to the identification, management and maintenance of water sources and quality listed in several procedures, including:

- SOP No. 724/TQEM-SPMS/09 dated 25 March 2009 concerning Guidelines for Sustainable Plantation Management which includes protection of river banks (large rivers: 100 m and small rivers 50 m).
- SOP Number 01/BNS/III/09 dated 25 March 2009 concerning Water Management. The SOP document contains guidelines for managing spillways, dams, measuring water levels in all types of canals, managing floodgates, rainfall, and conservation.

Unit of certification has also identified water sources in the company's area with the identification results in the form of canals. This can also be proven through a map of water sources with a scale of 1:110,000 which was made in 2020 which was approved by the Manager. The map clearly describes the location and position of water bodies in the company area. Based on the map, it shows that the entire company area does not have natural water flows but artificial canals with closed access which are used entirely for transportation routes.

As a form of protection, it includes maintenance and restoration of the riparian zone of the unit of certification already has a surface water quality monitoring program contained in the 2022 *RKL-RPL* which is managed and reported periodically, for the July-December 2022 period carried out on December 15, 2022. Geographically PT Bhumireksa Nusasejati is adjacent to the Kateman River in the Teluk Bakau Estate unit to in actual management it is added to the HCV 4 potential of 3.79 Ha. From the documents shown, it is known that several activities have been carried out by the management unit to manage water and maintain water sources, including:

- Training for employees regarding management of conservation areas including riparian areas for activities to prohibit spraying and not to dispose of waste into rivers.
- Planting trees on river banks, as a form of managing areas with erosion potential.
- Conduct periodic monitoring of surface water quality in the upper, middle and lower reaches of the canal.
- Installation and maintenance of warnings/signboards and boundary markers.
- Security and protection of the area by means of security patrols which are conducted every semester
- Surface water quality testing is carried out by a laboratory that has been accredited by KAN (LP-547-IDN), at three (3) sampling points, namely the upstream and downstream of the Kateman River and spill way outlets with Quality Standard PP No 22 of 2021. (explained in indicator 7.8.2)

Based on the results of field observations in the Kateman River area, it has been equipped with a warning against fishing and maintaining cleanliness.

7.8.3

Management of POME from oil palm processing from the Teluk Bakau Factory with totaling 12 waste ponds with a single-feeding which is then processed to reduce pollutant elements so that they are suitable for disposal into water bodies. Based on these data, and when compared with the responsibility contained in the Permit document from DPMPTSP Indragiri Hilir Regent No. 503/DPMPTSP-IPAL/02 indicates that the company has complied with. Before being wasted, the liquid waste is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l. POME is managed in accordance with applicable national regulations, according PermenLH No. 5 2014 attachment III regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet then discharged into an artificial canal in the company area.

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month and land application monitoring well. The test is carried out by the KAN accredited laboratory. Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD) and for waste water utilization to be applied to land its does not cause pollution to the environment.

The results of interviews with workers and the surrounding community also obtained information that there were no complaints regarding the waste produced by the company. This is also in line with the results of interviews with DLH Indragiri Hillir Regency.

7.8.4

The certification unit already has a surfacewater utilization permit based on the DPMPTSP Indragiri Hilir District dated 06 December 2022 by OSS System. Based minutes of field observation No. 09/DPMPTSP-INHIL/BA.LAP-TT-SIPAP/IX/2022 on September 19, 2022. The water source is taken from the upstream of the company's canal which is the Guntung Kateman River area in Rotan Semelur Village, Pelangiran, Indargiri Hillir, Riau Province.

The water usage for FFB processing has been monitored and documented. The document of water usage in period of January – December 2022 shown that the water usage ratio in the range of 1.32 m³/ton of FFB, this range is still in accordance with the water quotas that can be utilized and in accordance with the quota on the budget determined by the company, namely 1.35 m³/ton. The unit certification also paid of water usage retribution every month for the entire scope of certification

From the results of field observations to the Water Treatment Plan (WTP) and Water Intake in Teluk Bakau Factory shows that the flowmeters used are still functioning properly. The results of interviews with the operator also show that he understand about work procedure and record flowmeter data everyday.

Status: Comply

7.9

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

7.9.1

The unit of certification using of fossil fuels to increase the efficiency and to optimize monitored and renewable energy. This can be proven by recording documents on the application of the use of shells, fiber and 60 % EFB from the rest of the mill production process as renewable fuel for boiler purposes in 2022. Currently, the company has not utilized methane gas to produce electricity-producing biogas.

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells, fiber and EFB is used to substitute diesel fuel, this utilized and the usage data recorded in detail and traceable for the period 2022. From data shows, it is known that the company has saved 24.4% of diesel fuel, of the total diesel that should have been used as evidence of energy efficiency produced from use of renewable energy.

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

Status: Comply

7.10

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

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

The reduction of fossil fuels in the Teluk Bakau Factory has been carried out by using fiber and shells for fuel substitution. The company also conducted wastewater testing monitoring with the results meeting the applicable quality standards. Based on document review for example: pesticide use monitoring, diesel fuel monitoring, HCV identification and others it was found that accurate data has been entered into RSPO GHG Calculator version 4.0. The summary of GHG emissions for the July 2021-June 2022 period is as follows:

General Information

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	4	112,461.199	14,078.02
Group Plantation	0	0.00	0.00
3rd Party	1	623.80	0.00
Total	5	113,085.00	14,078.02

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	23.07	tCO ₂ e/tProduct	Oil palm planted on mineral soil	0.00	Ha
PK	23.07	tCO ₂ e/tProduct	Oil palm planted area on peat	14078.02	Ha
PKO	0	tCO ₂ e/tProduct	Total oil palm planted area	14078.02	Ha
PKE	0	tCO ₂ e/tProduct	Conservation area (Forested)	10.69	Ha
OER	22.49	%	Conservation area (non-Forested)	0.00	Ha
KER	4.07	%	FFB Production per hectare	10.52	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂ e	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	22166.58	0.20	PK from own mill	0.00
Fuel Consumption	830.94	0.01	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	22997.52	0.20		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	101540.23	0.00	0.00	101540.23
CO2 Emissions from Fertilizer	38413.68	0.00	0.00	38413.68
N2O Emissions from Peat	73650.72	0.00	0.00	73650.72
N2O Emissions from Fertilizer	8707.79	0.00	0.00	8707.79
Fuel Consumption	2591.80	0.00	0.00	2591.80
Peat Oxidation	537197.17	0.00	0.00	537197.17
Crop Sequestration	-92097.98	0.00	0.00	-92097.98
Sequestration in Conservation Area	-90.22	0.00	0.00	-90.22
Total	669913.18	0.00	76.10	669989.28

Palm Oli Mill Effluent Treatment

Description	Unit	Value
Diverted to Compost	%	0
Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0
Total N ₂ O emission from POME	tCO ₂ e/yr	0.23

*POME is only processed in WWTP

Based on the results of the data analysis above, it can be seen that the value of emissions from CPO and PK production is quite high, namely 23.07 tCO₂e/tProduct with the same results as the assessment in the previous period. This result was due to replanting activities on most of the company's land which caused a decrease in FFB supply, so there is no significant change from the previous operating hours. The large value of these emissions is due to the fact that the entire planting area of the company is on peat land.

7.10.2

There have been no new developments since 2014 in the operational area, but the company still manages GHG by taking an inventory of emission sources. They can show identification documents of activities that generate emissions for the period 2022 for Mills and Plantations. This is done to estimate carbon stocks in the management area and potential sources of emissions that can occur directly due to the management. A plan to minimize these emissions is drawn up and implemented.

7.10.3

The unit of certification has identified source of waste pollution and emissions from Estate and Mill activities for the period 2022, through the procedure document No. 700/PSQM-GRK/12, dated 1 March 2012. Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP. In addition, the company also conducts tests related to odor and noise tests in work and residential areas.

Fossil fuel reducing have been implemented on Teluk Bakau POM by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Monitoring for emission and pollutants (air emission and air ambient) from Estate and Mill was done periodically and comply with the standards quality, it's covered on RKL/RPL implementation report and reported to Environmental Agency of Indragiri Hilir Regency.

From the results of the RKL/RPL report for period 2 of 2022, it is known that the test parameters include air emissions in boilers, incinerators, generators, and ambient air, as well as odor testing in accordance with quality standards, however for noise measurements there are still several areas that are above the threshold value. For areas with noise test results above the Threshold Limit Value (TLV), the company has also made management efforts and mitigation plans to reduce pollution from immovable disturbances, including:

- Using ear plugs or earmuffs for processing factory workers, or in activities that are close to pollutant sources that exceed the threshold.
- Conduct direct socialization for workers to use work safety equipment, especially in rooms with high noise, also through safety signs posted at operational stations.
- Conduct periodic inspections of the hearing organs of employees working on instruments with a fairly high noise level
- Perform maintenance on factory machines

Therefore, it can conclude that the plans to reduce or minimize the pollutants are implemented and monitored well by management.

Status: Comply	
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7.11

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

7.11.1

Based on the results of the document review and interviews with the company's management, it is known that the company has a policy stated in the procedure document regarding land clearing without burning, such as;

- SOP No. SPO/B.5.2/BNS dated 01 May 2013 concerning prevention and management of land fires
- SOP No. 01/BNS-PPAPAR/III/16 dated 01 March 2016 concerning management and monitoring of emergency response facilities.
- SOP No. 110/EST-ARM/13 dated 20 December 2012 concerning new land clearing procedure.

This procedure includes efforts planning, prevention, response, post-fire management and reporting and coordination of fire fighting work. Land preparation, where the procedure explains that land clearing is done by mechanical (chipping method) and Zero Burning.

Based on the results of field observations in the replanting area at Teluk Bakau Estate, information was obtained that there were no signs of land clearing by burning. All land clearing activities were carried out mechanically.

7.11.2

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

- The existence of document procedure for land fire control
- There is a trained fire team, contained in the Organizational Structure of the Emergency Response Team at PT Bhumireksa Nusasejati for each unit (TBE, NLE, and NPE). The organizational structure of the firefighting team, consist with a total core team of 75 personnel, a support team of 10 personnel, and an auxiliary team of 14 personnel which was approved by the South Riau Area Controller in 2022.
- Socialization of land fire prevention to workers and community around.
- Conducting patrols/monitoring of fire-prone areas (hotspots).
- Installing a Fire Danger Index (FDI) in every units.
- Carry out water management.
- Forming Fire Concerned Communities (Masyarakat Peduli Api) in the villages around the company.
- The company has carried out emergency and fire simulations attended by firefighting team, for example on 05 November 2022.
- The company also has a system for detecting early fires using hotspot monitoring technology via deep-processed satellite NOAA18.
- Monitoring the list of facilities and infrastructure owned by referring to the standardization of equipment in Ministerial Regulation 5 of 2018, which is listed in the List of Fire Fighting Equipment and Other Equipment with the latest update in 09 January 2023. The company also has a budget plan to continue to completing the needs of team personnel who stated in the 2023 budget. For example, includes a budget related to procurement, repair and maintenance of fire fighting facilities and infrastructure in each estate.
- Report on Land Fire Prevention and Management for Semester II of 2022 to the Department of Plantation of Indragiri Hilir Regency on January 25 2023. In addition, it is known that there were no fire incidents at PT BNS.

Based on the results of field observations at fire fighting warehouses in all plantation units, it is known that the fire control facilities and infrastructure are in accordance with the list that has been shown consisting of individual extinguishing equipment, teams, hand tools, water pumps and accessories, data processing and communication facilities, as well as means of transportation. Based on the results of the fire simulation shown, it is known that the fire control facilities and infrastructure owned are in good condition and fit for use.

7.11.3

The unit certification also involves the community in monitoring fire prevention as a preventive and control measure, due to SOP No. SPO/B.5.2/BNS, dated 01 May 2013 concerning prevention and management of land fires which states that fire management is carried out for a radius of 5 km from the company boundary.

Fire Prevention and Fighting commitment between company and surrounding village community to prevent, monitor, and manage fire incidents consists of 3 squads, each has 10 personnel. The assisted villages involved consisted of 2 hamlets, namely Parit Sabak Jantan and Parit Gurah Baru from Teluk Bunian Village.

The results of interviews with the village representative stated that regularly involved in socialization concurrently with the management of SIA, HCV and also emergency response simulations held on 05 November 2022.

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; 7.12.8

PT Bhumireksa Nusasejati cleared the land without prior HCV assessment, so remediation and compensation procedures apply. The company has carried out an HCV assessment for the PT BNS area with an area of study that is 25,671 Ha. In this regard, the company has sent Disclosure of Liability and LUCA to RSPO Compensation Plan on 27 August 2018. And get approval from RSPO by email (indrawan.suryadi@rspo.org) on April 25th 2022 stated that "The LUCA status is Pass, with Final Conservation Liability 0 ha, and Environmental Remediation Area 0 ha. In other words, the company has no obligation to continue to the Remediation and Compensation Procedure (RaCP) stage.

7.12.2

PT Bhumireksa Nusasejati has identified areas of high conservation value in several stages, including;

- The HCV study for PT Bhumireksa Nusasejati was carried out by the *Yayasan Kelapa Sawit Berkelanjutan Indonesia* (YASBI) chaired by Purwo Susanto using the 2008 HCV toolkit. The HCV identification assessment was carried out for the scope of PT Bhumireksa Nusasejati which consisted of 2 POMs (Teluk Bakau and Mandah Factory) and 5 Estates (TBE: Teluk Bakau Estate, NLE: Nusa Lestari Estate, NPE: Nusa Perkasa Estate, RSE: Rotan Semelur Estate, MDE: Mandah Estate), with a total study area of 25,671 Ha. The identification result stated that the total potential HCV area of 1,138.63 Ha consisting of a Conservation Area Reserve, peat ecosystems, riparian Dendan and Kateman Rivers, and definitive 0.55 Ha in the form of a public cemetery.
- Then, the results of the 2009 HCV study concluded that HCV 1 and 3 were not found at PT Bhumireksa Nusasejati, but only potential HCV 1 was found with a total area of 1,047.80 Ha in the form of a peat ecosystem and a Conservation Area Reserve as well as potential for HCV 3 with a total area of 1,038, 37 Ha. However, the existence of the potential for HCV 1 has overlapped with the potential for HCV 3 so that it cannot be accumulated.
Regarding the HCV Potential area with an area of 1,138.63 Ha, not all of it can be managed by the company even though its location is within the Land Use Title of Company, this is because almost the entire area has been controlled by the community in the form of occupation and enclave since ±1980. This is also the consideration of the HCV assessment team to determine the area as a potential HCV. Based on the results of interviews with the company and BPN, it was stated that the company was in the stage of releasing the occupied HGU.
- HCV Re-Assessment Report which was conducted on 11 – 14 December 2020 by the company's internal Sustainability & Quality Management (SQM) team. The assessment team consisted of Nur Aidah Ab. Ghani (Lead Assessor), Alagendran Maniam (HCV Assessor) and Mohd Zahlan Mohd Zaki (GIS & HCS practitioner), and Lee Swee Yin as Peer Review. Based on the results of the reassessment, an actual HCV area of 99.71 Ha was obtained consisting of a Forest Conservation Area (HCV 3) covering an area of 9.43 Ha and Kateman River Riparian covering an area of 3.79 Ha, Dendan River Riparian in NPE covering an area of 27.01 Ha, and Dendan River Riparian in RSE (HCV 4) covering an area of 59.38 Ha.
- The 2021 HCV management carried out by the company still refers to the 2009 HCV identification results for Definitive and Potential areas, but only in several HCV areas that are within the company's operational scope, namely public cemeteries and conservation area reserves (Reverse Conservation Area) with a total of 9.98 Ha. Meanwhile, other HCV areas cannot be managed because they are occupied areas and are already in the initiation stage of HGU release.
- In 2022, HCV data was realigned as an effort to improve from the previous assessment to harmonize HCV data in the PT Bhumireksa Nusasejati HCV Management Evaluation Report semester 2 of 2022. This re-measurement was carried out internally with the result of increasing the reserve area of the conservation area which was previously 9.43 Ha to **10.69 Ha**. However, the actual management is added to the HCV 4 potential in the form of the Kateman River carried out as a corporate responsibility to the environment (which is outside the company's operational scope but borders the Teluk Bakau Estate) covering an area of 3.79 Ha, as a corporate responsibility to the environment, the actual total area managed is 14.48 Ha.

7.12.3

Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

7.12.4

The unit of certification has carried out activities in order to maintain protected areas and High Conservation Values which have been included in the 2021-2026 HCV Management Plan document with management scope and targets every year which implemented in line according to the 2023 HCV management and monitoring plan period also reviewed periodically every year involved consultation with relevant stakeholders such as villagers around.

Unit of certification also has an HCV management plan document for the 2023 period in accordance with the results of the review in 2022. The following HCV area management programs are listed, including:

- Conduct training and designation of HCV officers according to the appointment decree
- HCV management by making boundary markers according to identification results, not constructing roads or other infrastructure in HCV areas, implementing zero burning

- Application of fire risk control methods in the plantation area, by controlling weeds and building fire watch towers
- Enrichment of forest plant species
- Socialization directly or indirectly through notification boards of HCV area management and management of endangered, threatened and or protected species
- Maintenance of HCV attributes by making, installing and maintaining boundary signs, boundary markers and carrying out monitoring and maintenance of information boards.
- HCV monitoring by conducting surveys to inventory flora and fauna.

The company has carried out activities in order to maintain protected areas and High Conservation Values which can be shown in the 2022 HCV Area Management Report, some of the activities include:

- HCV Patrol Report for the 2022 period on the Nusa Perkasa Estate to ensure the Signboard and condition of the HCV area against illegal hunting and logging.
- Socialization to workers and the community.
- Monitoring of HCV attributes every 3 months.
- PT BNS flora and fauna monitoring reports conducted every 6 months.

Based on the results of field observations in the HCV Nusa Perkasa Estate Block E011 area, which is a reserve forest area, it is seen that there are information signs on the HCV area, protected fauna information board, coordinates point and types of HCV, there is a spray boundary board placed on the right and left of the river.

7.12.5

The unit of certification has also considered various land management and tenure options to protect HCV areas in a way that also protects the rights and livelihoods of local communities. Because the entire area managed by the company is an area already planted with oil palm that is not directly adjacent to settlements, the level of potential conflict between HCV areas and the community is quite low.

The company has approached related stakeholders, including:

- Submit a list of protected species found in the BKSDA Riau Province area.
- Provide executive summary to related parties such as local government and surrounding communities.
- Socialization regarding HCV is carried out periodically to determine the extent of community understanding of the existence of HCV in the PT BNS area.
- Installation of sign boards as an indirect socialization effort in areas that are often passed by the community.
- Make an agreement with the surrounding villages to protect the HCV areas in the plantation area.

The results of field observations in the HCV Nusa Perkasa Estate Block E011 area, which is a reserve forest area, have been well preserved and are still natural without any indication of forest damage. The environmental condition of the company, both within the scope and in the community area, is almost entirely an area planted with plantation plants. At present, the company also has an agreement with the community members who are members of the Fire Alert Community, for example for monitoring and patrol activities, the company has also made an agreement with the community who are active in the company area not to carry out hunting and trading of wild animals.

7.12.6

The Unit of Certification already has a procedure for conserving biodiversity which has not changed from the previous assessment contained in the SOP document for Handling Wildlife No. SOP/028/BNS/2012 dated 1 November 2012 which was approved by the Manager.

The SOP has also explained a number of things, including:

- The implementation time for the census of Fauna is 1 year and Flora is every 5 years.
- The location of the census was carried out in a designated HCV area.
- Field implementers are designated HCV officers.
- The implementation method is carried out through direct observation by designated officers, interviews with employees or the public regarding the presence of protected animals or plants in the plantation area and its surroundings.

- Reporting on census results is carried out after the census period ends. It is approved by the head of the local unit.
- Observation of fauna in HCV areas is carried out using the line transect method where all animals encountered along the route are recorded including signs of presence such as traces, droppings, food and so on.
- Observation of flora in HCV areas is carried out using the transect or plot method.

Unit of certification also has a RTE species monitoring program which is scheduled every semester to update RTE species found in the company area and routinely every semester in protected status according to IUCN, CITES and PermenLHK Number 106 of 2018 as evidenced in the PT Bhumireksa Nusasejati HCV Management Evaluation Report for semester 2 of 2022 and has been reported to the Riau Province BKSDA on 16 January 2023. Based on the document on the results of monitoring for the 2022 period, identification results were obtained within the company area, including:

- **Flora:** *Dicranopteris linearis*, *Neprolepsis*, *Ipomoea aquatica*, *Coconut Tree*, *Angsana*, *Nepenthes sac*, *Alstonia scholaris*, *Orchids*, *Shorea sp*, *Dreya sp*, *Alstonia macrophylla*, *Bouea macrophylla*, and several species such as *Terminalia catappa*, *Bruguera*, and *Rhizopora*.
- **Fauna:** *Sus scrofa*, *Amaruronid phoenicurus*, *Ciconiidae*, *Cotrunix japonica*, *Prionailurus bengalensis*, *Psittacula longicauda*, *Rhipidura javanica*, *Sturnidae*, *Pycnontus aurigaster*, *Spilopelia chinensis*, *Aquila*, *Varanus salvator*, *Trachypithecus*, *Prionailurus bengalensis*, *Varanus salvator*, *Python sp*, and *Naja naja*.

The results of interviews with employees also stated that there are still common types of *Prionailurus bengalensis* and *Varanus salvator* around the plantation area.

7.12.7

The unit of certification has conducted annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. And has a protected area map with a scale of 1:35,000 which depicts a conservation area reserve covering an area of **10.69 Ha** and potential HCV 4 in the form of the Kateman River Rim covering an area of 3.79 Ha. The map is also equipped with legend information which contains detailed information showing the location of the HCV area and its position in the plantation. The map comes from PT Bhumireksa Nusasejati's 2022 HCV Management Evaluation Report and was reported to the Riau Province BKSDA on January 16, 2023.

The company also has an HCV management plan document for the 2023 period in accordance with the results of the review in 2022. The following HCV area management programs are listed, including:

- Conduct training and designation of HCV officers according to the appointment decree
- HCV management by making boundary markers according to identification results, not constructing roads or other infrastructure in HCV areas, implementing zero burning
- Application of fire risk control methods in the plantation area, by controlling weeds and building fire watch towers
- Enrichment of forest plant species
- Socialization directly or indirectly through notification boards of HCV area management and management of endangered, threatened and or protected species
- Maintenance of HCV attributes by making, installing and maintaining boundary signs, boundary markers and carrying out monitoring and maintenance of information boards.
- HCV monitoring by conducting surveys to inventory flora and fauna.

The results of HCV monitoring in 2022 are carried out in accordance with the master plan and annual planning evaluated by management and involving relevant stakeholders.

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 2.1	The company didn't use logo and trademark of RSPO.	√
	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 2.1	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA 2.1	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA 2.1	The company didn't use logo and trademark of RSPO.	√
	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.
- There's extension scope of land use title on PT Bersama Sejahtera Sakti (previously uncertified unit) as amount as 240.12 ha.
- Based on social media verification related to uncertified unit, the issues are related to the issuance of land ownership which is still in process by the local agency.

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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		Berhad is having been sent the 19 reports of LUCA 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 is 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 1.4 and Recertification (Onsite) Assessment

NCR No.	:	2022.01	Issued by	:	Arief Tajalli
Date Issued	:	15 April 2022	Time Limit	:	18 August 2022
NC Grade	:	Major	Date of Closing	:	27 April 2022
Standard Ref. & Requirement	:	7.12.8 (P&C 2018) If there is land clearing that was not preceded by an HCV assessment before November 2005, or which has not been preceded by an HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.			
Evidence observed (filled by auditor): The company clears the land without prior HCV assessment so that remediation and compensation procedures apply. The company has conducted an HCV assessment for the PT BNS area with an extensive study scope of 25,662 Ha. In this regard, the company has conducted a LUCA study and carried out the RaCP management process, as follows: <ul style="list-style-type: none">• 27 August 2018 the company submitted a Disclosure of Liability and LUCA to the RSPO Compensation Plan.• 13 February 2019 RSPO responded by concluding that there are some clarifications that need to be completed by the company.• 18 Feb 2021 Company submits LUCA Report 2nd Review to RSPO.• 6 April 2021 RSPO issued an Advisory Note regarding the ongoing LUCA process with LUCA status still requiring clarification from the company.• 19 Nov 2021 Company submits LUCA Report 3rd Review to RSPO.• February 10, 2022 The company again confirmed the response of the results of the 3rd LUCA clarification.• 18 February 2022 RSPO provides a Conditional Approval which refers to the previous Advisory Note. The conditional approval is valid for 6 months from the date it was sent. The Conditional Approval explains that the LUCA status owned by PT Bhumireksa Nusasejati, Teluk Bakau Mill unit is still in the "On-Going" stage and for companies whose LUCA status has not been completed, the RSPO provides a policy that states "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 RSPO Secretariat within the next 3 months.					
Non-Conformance Description (filled by auditor): Based on this evidence, and analysis of several documents including email communications between PT BNS and RSPO, it can be concluded that the company has communicated to the RSPO, but has not been able to show sufficient evidence that the RAC-Plan has been approved by the RSPO.					
Root Cause Analysis (filled by organization audited): The LUCA Report has been received by the RSPO but is still waiting for the approval process					
Correction (filled by organization audited): Show evidence that PT BNS's LUCA report has been approved by the RSPO and that PT BNS has no liability (0 Ha) requires no remediation (remediation area 0 Ha)					
Corrective Action (filled by organization audited): Monitoring and documenting the entire PT BNS LUCA Report process					
Assessor Evaluation and Conclusion (filled by auditor):					

Auditor Verification (27 April 2022):

The company can show several supporting documents, including:

- Email from PT BNS on April 20th 2022 sent to the RSPO regarding the results of PT BNS' LUCA review.
- Email from RSPO on April 25th 2022 sent to PT BNS stating that "The LUCA status is Pass, with Final Conservation Liability 0 ha, and Environmental Remediation Area 0 ha".
- Land Use Change Analysis Review Report document, in that document describes the following information:
 - Total area of management unit (ha): 4118.98 ha (Company), 4118.17 ha (reviewer)
 - Total area of non-compliant land clearance (ha): 450 Ha (Company – based on area statement report), 1,071.99 Ha (Reviewer – based on shapefile).
 - Total area of Final Conservation Liability (ha): 0 Ha (Company), 0 Ha (Reviewer).
 - Date when report was prepared: 17/06/2020 (Review 1), 16/2/2021 (Review 2), 14/11/2021 (Review 3), and 25/04/2022 (Review 4)
 - Result of LUC Analysis methodology review: PASS

Based on this information, the company has conducted a historical Land Use Change Analysis (LUCA) which has gone through the review stage and has PASS status and has a Final Conservation Liability of 0 Ha, or in other words, the company has no obligation to continue to the Remediation and Compensation Procedure (RaCP) stage. Therefore, the discrepancy in this indicator has been closed.

Verified by	:	Arief Tajalli
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3.4.2. Identification of Findings, Corrective Actions and Observations at ASA 2.1 Assessment

NCR No.	:	2023.01	Issued by	:	Moh Arif Yusni						
Date Issued	:	11 February 2023	Time Limit	:	ASA 2.2						
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): From the results of document verification it is known that the company already has a waste disposal procedure, such as; <ol style="list-style-type: none"> Medical Waste Management SOP No. 005/SOP-klinik/IX/2022 dated 01 October 2022 which explains the management of medical waste, namely <ul style="list-style-type: none"> The resulting solid medical waste is put into a yellow plastic bag with the symbol "Biohazard", while the liquid medical waste is sent directly to the WWTP, making sure the plastic bag container has no leaks. Medical bags that have been filled $\frac{3}{4}$ full no later than 12 hours are transferred to TPS LB3. Storage of B3 medical waste for a maximum of 2x24 hours at room temperature. Storage can be carried out for 90 days at temperatures below 0°C or less. Medical waste that has been bound is disinfected when it is to be transported to the processor. SOP for Handling Domestic Waste with No. 012/SOU/IV/2014 dated April 4 2014 which explains the management of domestic waste, namely: <ul style="list-style-type: none"> Domestic waste is collected in bins that have been provided in residential areas or work locations. If the landfill is already full, then it will backfilled and marked, a new TPSA is made. Garbage is only disposed of in the space provided. <p>Based on the results of the field visit, it is known that there is waste that is not in accordance with the procedures owned, namely;</p> <ul style="list-style-type: none"> At hazardous storage in NLE there were 4 packs of infectious medical waste plastic bags placed together with stacks of ex-agrochemical containers, without labels and identification of the waste. Domestic waste scattered in the area behind the employee housing of NPE Division 3 and TBE Division 1. Landfill in NPE unit already full and there is trash scattered around. <p>Non-Conformance Description (filled by auditor): From this description, it can be concluded that the company has not carried out waste management as a whole in accordance with the procedures it has.</p> <p>Root Cause Analysis (filled by organization audited):</p> <p>Correction (filled by organization audited):</p> <p>Corrective Action (filled by organization audited):</p> <p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Follow up on next audit (filled by auditor):</p> <tr> <td>Verified by</td><td>:</td><td colspan="4"></td></tr>						Verified by	:				
Verified by	:										

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	<p>The unit of certification complies to relevant regulations.</p> <p>Regarding compliance with licensing, companies are encouraged to ensure compliance with several relevant regulations, including:</p> <ul style="list-style-type: none"> Labor Aspect The results of the document review revealed that all units (Mill and Estate) already have a OHS Organization structure as stipulated in the RI Manpower Regulation Number Per. 04/MEN/1987, but based on the results of the document review it is known that there has been a change in the OHS Organization structure at Nusa Perkasa Estate due to a change in the management (chairman) and is currently in the process of submitting for approval. During the audit process, a letter of submission can be addressed to the Riau Province Manpower and Transmigration Office on February 3, 2023. This is an opportunity for improvement for the company to obtain an OHS Organization Approval Decree according to existing personnel. Environmental Aspect Regarding Hazardous Storage it is known that Teluk Bakau Estate, Nusa Lestari Estate, Nusa Perkasa Estate, Rotan Semelur Estate, and Mandah Estate already have Hazardous Storage Permits as stated in DPMPSTSP Decree of Indragiri Hilir Regency Number 503/DPMPSTSP-IPSL.B3/2 dated 15 March 2018 The permit is valid for 5 years from the date of stipulation, namely until 2023. The types of waste that are allowed to be stored according to the permit are in the form of; used oil, used batteries, used filters, used TL lamps, used rags, contaminated waste, and used hazardous packaging. Based on interviews with management, the company will extend the permit as well as add infectious medical waste items to the permit. <p>Therefore, companies are encouraged to ensure that the permit is in accordance with the type of waste that is allowed to be stored.</p>
2	3.7.1	<p>A documented programme that provides training is in place, which is accessible to all staff, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training.</p> <p>Teluk Bakau Factory has 3 engine room operators and 4 boiler operators (steamers). The results of the auditor's verification revealed that there were still 1 engine room operator and 2 boiler operators (steamers) who did not yet have a OHS license. In this regard, the company has registered operators who do not yet have a license for K3 license certification, as stated in the statement letter from <i>PJK3</i> PT Arpindo Multi Utama dated 10 February 2023 regarding OHS license registration. Based on the letter, the training plan will be held in May and August 2023</p> <p>Based on this, companies are encouraged to have licensed operators according to applicable regulations.</p>
3	3.8.16	<p>Registration of Transactions</p> <ol style="list-style-type: none"> 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. 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 <p>Based on documents verifications it was known there were shipping announcements issued more than three months since the product was dispatched, for example, a shipping announcement with transaction id TR- TR-c2c10399-8db8 on 19 October 2022 where the product shipped on 03 June 2022 (shipping announcement was issued after 4 months and 16 days since the product dispatch)</p> <p>Regarding those situations, the management has identified the issues with the carried-out meeting between the</p>

No	Ref. Std.	Description
		<p>SQM department and the Global Trade Marketing (GTM) department on 09 January 2023 with the conclusions of the meetings are:</p> <ol style="list-style-type: none"> 5. SQM department monitoring CPO & PK sales at the Mill as well as declarations on the Palm Trace IT platform every 3 months 6. SQM department coordinates with GTM Department Jakarta regarding RSPO-certified products that are produced and sold on the Palm Trace IT platform every 3 months via email 7. GTM Department Jakarta will remove RSPO-certified volumes that are sold under other schemes, conventionally or if there is a shortage of production, and will inform if there are certified products allocated as credit sales 8. GTM Department Jakarta sends evidence of products that have been removed or allocated as credit sales on the Palm Trace IT platform to the Dept. SQM by Email. <p>Regarding this situation the company encouraged to ensure shipping announcement issued not more than three months since the product dispatch.</p>
4	6.2.4	<p>The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.</p> <p>At the time the audit assessment was carried out, the company was able to show progress in the "1,000 Door Permanent Housing Development Program" which had been planned from 2022 to 2028. This progress could be proven since the previous assessment, where in 2022 to January 2023 the condition of workers' homes had experienced a lot of repairs and in 2023 to 2028 new constructions have been planned to replace the old house with the following description:</p> <ul style="list-style-type: none"> • For the period 2022 to 2023 (January) 100 new permanent houses have been built to replace semi-permanent and wooden houses whose conditions are damaged. • In the 2023 period (January-December) it is planned to add 72 permanent houses of the G6 type (12 G6 units) in each unit with the following description, 3 G6 units in Nusa Perkasa Estate, 4 G6 units in Nusa Lestari Estate, 2 G6 units in Teluk Bakau Estate, and 3 G6 units in Teluk Bakau Factory. • In the 2024-2028 period it is planned to add as many as 462 permanent houses of the G6 type (a total of 77 G6 units), in each unit with the following description, 30 G6 units in Nusa Perkasa Estate, 18 G6 units in Nusa Lestari Estate, 26 G6 units in Teluk Bakau Estate, and 3 G6 units in Teluk Bakau Factory. <p>Based on the results of field visits and interviews with residents of housing and workers in each unit, it is known that workers have known since 2022 that the company has a "1,000 Door Permanent House Development Program" which is planned to be completed in 2028 and is currently still in stages for construction. Currently there are still a number of old houses (semi-permanent and wooden) whose condition has started to deteriorate, but the residents of the housing understand this well because the new permanent houses are still being gradually realized by the company. The company is also still making makeshift repairs to the damaged houses, at least ensuring that workers can still live in them until they get a new house.</p> <p>The company has the opportunity to ensure that the realization of new housing construction in all units runs according to a predetermined timeframe.</p>
4	6.2.7	<p>Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>At the time the audit was carried out the company still had contract workers (PKWT) as much 166 out of 2,139 total workers at PT Bhumireksa Nusasejati. There are still 4 contract workers (PKWT) who work in permanent jobs (harvesting) in Teluk Bakau Estate and 4 contract workers (PKWT) in Nusa Perkasa Estate. Apart from the 8</p>

No	Ref. Std.	Description
		<p>contract workers with PKWT status, the rest are contract workers (PKWT) who work in jobs that are not permanent/seasonal, such as TBM (Immature Plants) maintenance work and in replanting activities (planting and upkeep). In contrast to the previous assessment, when using contract workers (PKWT) for permanent work (harvesting), the company has currently made a proposal to appoint contract workers (PKWT) to permanent workers (SKU/PKWTT) simultaneously when workers start work. This is done so that the contract workers (PKWT) immediately become permanent workers (SKU/PKWTT) after the agreement period ends (3 months).</p> <p>The results of interviews with management stated that every PKWT worker employed in (permanent) harvest work, since the previous assessment, will always be submitted for appointment to become permanent workers (SKU/PKWTT) with an estimated time of around + 3 months after undergoing the contract period (PKWT contract validity period is 3 months). at the company. If this is considered and reviewed, there has been a significant improvement in the use of contract workers (PKWT) by the company since the previous assessment. But the use of contract workers (PKWT) is still used in work that is permanent (harvesting).</p> <p>The company has the opportunity to ensure that the use of contract workers (PKWT) is no longer used for permanent jobs (harvesting) in accordance with the provisions stipulated in Government Regulation No. 35 of 2021 so that in the next assessment the recruitment system for permanent jobs is appropriate.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	The company's commitment to implementing a sustainable palm oil management system
2	Enthusiasm and good teamwork in audit activities accompanied by a pretty good document presentation.
3	Has a reverse osmosis installation for clean water supply.
4	Has provided adequate educational facilities for employees' children and the community around the company

3.5 Summary of Arising Issues from Public and Auditor Verification

Stakeholders Issue	Auditor Response
<p>National land Agency of Indragiri Hilir Regency.</p> <p>Relations of communication and cooperation have been established quite well during the 2022 period. Currently all legality permits for ownership of company land are still valid until the audit activities take place. Reports that must be reported regularly include the HGU Land Utilization Report which is reported once a year. There have been no applications for new HGU permits for companies since 2022.</p> <p>Since the previous assessments and in 2022 there have been incidents of Land Claims (Occupation) carried out by the community on the HGU land owned by the company and the information that has reached the agency is the occupation carried out by the people of Margo Mulyo Village, Penjuru and Teluk Bunian. The area that has been occupied has been planned by the company to arrange the release of a portion of the HGU area to the agency and is currently in the process of obtaining it.</p>	<p>The legality of ownership of land owned by the company has been clearly demonstrated and the obligation to carry out regular reporting has also been carried out properly.</p> <p>Further explanation regarding the area of occupation and the plan to release part of the company's HGU area will be explained further in RSPO Criteria 4.4. and 4.8.</p>
<p>Village Communities and Local Contractors:</p> <ul style="list-style-type: none"> • Parit Sabar Menanti Hamlet, Rotan Semelur Village. • Parit Sabar Menunggu Hamlet, Rotan Semelur Village. • CV Riau Sinergi (Civil/Building Contractor) <p>Over the past year (2022) the communication relationship between the company and the village community has been quite good (Parit Sabar Menanti and Menunggu Hamlet) as well as with the local contractors who are the village community themselves. The company has carried out its role quite well as a partner of the surrounding community, in carrying out operational activities and together to advance the welfare of the surrounding community. Among the things that have been done are establishing cooperation for operational activities (using local contractors), the community is also included in social studies which are carried out regularly, and every request or proposal for assistance submitted by the community always gets a good response.</p> <p>The company also has several CSR programs that have been realized over the years and are still being felt by the surrounding community, such as assistance with electricity supply for communities around the factory, free educational facilities (<i>SD-SMA</i>) in schools that managed by the company, and health facilities (clinics) for the surrounding community for treatment and delivery. In addition, the company has routinely provided outreach related to company policies, code of ethics as well as mechanisms for consultation, communication and complaints/complaints to the surrounding community. During 2022 there were no incidents or issues related to land claims or</p>	<p>The company has carried out its obligations in carrying out its role in the welfare of the surrounding community through the CSR program and has no problems in terms of communication in the 2022 period.</p> <p>Regarding the application letter from the surrounding community (Parit Sabar Menunggu Hamlet) it has been recorded, its response to the progress of submitting it for approval to Top Management. The following is the process that is already running:</p> <ul style="list-style-type: none"> • On December 18, 2022, the people of rit Sabar Menunggu Hamlet submitted a Letter of Application for Plantation Land Management to the company. The company openly responded to this by holding meetings together with the community at the Unit Office, the result of which was that the company said that this matter would be worked on and the costs calculated to be carried out within the stipulated timeframe. • The result was on 23 January 2023 the company with Inter Office Mail No. 018/BNS-TBE/I/2023 from the Senior Manager of Teluk Bakau Estate concerning Submission of Approval for the Improvement of Parit Sabar Pending Community Embankments to RCEO RSS (Regional Chief

Stakeholders Issue	Auditor Response
<p>disputes between the community and the company.</p> <p>In 2022 the community has submitted a letter/proposal regarding a request for repair of the embankments around the residential area of Parit Sabar Menanti and Menunggu Hamlet, because it is felt that the embankments can no longer hold runoff water from the nearest river/canal. As a result, the company has responded quite well and provided responses that are acceptable to the community.</p> <p>In terms of cooperation in operational activities, the company always has a Cooperation Agreement for these activities with local contractors with the same legal force. The contractor also ensures that any work carried out while working in the company's operational area certainly follows the company regulations and agreements (OHS regulations, labor and so on). The company also always pays for work completion in accordance with their respective timelines and there has never been a discrepancy/difference in terms of the amount to be paid.</p>	<p>Executive Officer - South Riau & South Sumatera), which explains that the construction of the dike embankments will carry out within a period of 5 years with an average construction of 137 meters of embankment per year. Until the audit activities take place and are completed, the unit has not yet received a final decision, but the information is that this will be implemented positively.</p> <p>Regarding contractors, so far there are no issues that need further verification.</p>
<p>Community of Teluk Bunian Village and Hamlet of Gurah Baru</p> <p>Over the past year (2022) the communication relationship between the company and the village community has been quite good. The company has carried out its role quite well as a partner of the surrounding community, in carrying out operational activities and together to advance the welfare of the surrounding community. Among the things that have been done are establishing cooperation for operational activities (using local contractors), the community is also included in social studies which are carried out regularly, and every request or proposal for assistance submitted by the community always gets a good response.</p> <p>The company also has several CSR programs that have been realized over the years and are still being felt by the local community, such as providing guidance to MPA (Fire Care Society), free educational facilities (<i>SD-SMA</i>) in schools managed by the company, and health facilities (clinics) for the surrounding community for treatment or childbirth. In addition, the company has routinely provided outreach related to company policies, code of ethics as well as mechanisms for consultation, communication and complaints/complaints to the surrounding community. During 2022 there were no incidents or issues related to land claims or disputes between the community and the company.</p>	<p>There are no issues that require further verification.</p>
<p>Community of Parit Baru Bendera Hamlet, Belarar Barat Village.</p>	

Stakeholders Issue	Auditor Response
<p>Over the past year (2022) the communication relationship between the company and the village community has been quite good. The company has carried out its role quite well as a partner of the surrounding community, in carrying out operational activities and together to advance the welfare of the surrounding community. Among the things that have been done are establishing cooperation for operational activities (using local contractors), the community is also included in social studies which are carried out regularly, and every request or proposal for assistance submitted by the community always gets a good response.</p> <p>The company also has several CSR programs that have been realized over the years and are still being felt by the local community, such as providing guidance to MPA (Fire Care Society), free educational facilities (<i>SD-SMA</i>) in schools managed by the company, and health facilities (clinics) for the surrounding community for treatment or childbirth. In addition, the company has routinely provided outreach related to company policies, code of ethics as well as mechanisms for consultation, communication and complaints/complaints to the surrounding community. During 2022 there were no incidents or issues related to land claims or disputes between the community and the company.</p>	<p>There are no issues that require further verification.</p>
<p>Plantation Agency of Indragiri Hilir Regency.</p> <p>Communication relations with the company over the past year have been quite good. The company already has valid IUP and HGU at the time the audit was carried out. The plantation business assessment has been carried out in 2021 (receiving a "Class 2" rating) for companies and is valid until 2024. During 2022 the agency once submitted a letter requesting information to the company regarding a request for information related to the ISPO certification that the company has participated in. The letter has been replied and responded to properly by the company.</p> <p>There were no issues or incidents related to land fires, land disputes/claims with the community and others. The existing fire prevention infrastructure has been assessed as sufficient and refers to government regulations. Compulsory reports have been reported regularly in accordance with the specified timeframe. CSR has been reported in the plantation business development report and currently there are no indigenous people living around the company (the majority are immigrant tribes).</p>	<p>There are no issues that require further verification.</p> <p>Regarding the replies and responses to requests for information submitted by the service, it has been described as follows:</p> <ul style="list-style-type: none"> Letter No. 010/DISBUN-PRASAR/VII/2022/377 dated 12 July 2022 from the Agency of Plantation of the Indragiri Hilir Regency to the Leaders of Companies throughout the Indragiri Hilir Regency, in which there is a list of companies which have taken ISPO certification and which have not. One of the companies in it is PT Bhumireksa Nusasejati which already has an ISPO certificate with a validity period from 04 April 2017 to 03 April 2022 (the certificate has expired). This letter is based on letters submitted by the Provincial Office and the Governor, as follows: <ul style="list-style-type: none"> ❖ Letter No. 526/DISBUN-PUP/4647/2022 dated 30 June 2022 from the Riau Province Plantation Agency to the Head of Plantation Agency throughout Riau Province (City/Regency) regarding Warnings to Plantation Companies regarding the Obligation to Have an ISPO Certificate.



Stakeholders Issue	Auditor Response
	<ul style="list-style-type: none"> ❖ Letter No. 526/DISBUN/2862 dated 29 October 2021 from the Governor of Riau to Regents/Mayors throughout Riau Province regarding Warnings to Plantation Companies regarding the Obligation to Have an ISPO Certificate. • The company has responded to the letter by sending evidence that PT Bumireksa Nusasejati has obtained a new ISPO Certificate for the period May 16 2022 to April 4 2027 issued by PT Mutuagung Lestari. This response was sent via email to the Indragiri Hilir Regency Plantation Agency on July 14, 2022. This was confirmed by the Service during a public consultation held on February 6, 2023, that the company had responded to the request for information within the specified timeframe.
<p>Labor Union (PUK-SPSI) Unit Teluk Bakau Estate (TBE).</p> <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the PKB that is owned and is based on existing laws and regulations in Indonesia. These implementations include the application of minimum wages, overtime, THR, PPE, bonuses and others.</p> <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond.</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p>	<p>There are no issues that require further verification.</p>
<p>Labor Union (PUK-SPSI) Unit Teluk Bakau Factory (TBF).</p> <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the PKB that is owned and is based on existing laws and</p>	<p>There are no issues that require further verification.</p>

Stakeholders Issue	Auditor Response
<p>regulations in Indonesia. These implementations include the application of minimum wages, overtime, THR, PPE, bonuses and others.</p> <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond.</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p>	
<p>Gender Committee Unit Teluk Bakau Estate and Factory.</p> <p>Since the previous assessment, the gender committee is still active in organization within the company. The management of the gender committee has been officially approved by the leadership and consists of administrators who are male and female workers. Since 2022 there have been no issues related to gender, harassment, violence or serious violations of reproductive rights in the company environment area. At present it is certain that no workers who work with chemicals are pregnant or breastfeeding women, this is because the company has a separate policy regarding the prohibition for pregnant or breastfeeding women workers to work in jobs related to chemicals.</p>	<p>There are no issues related to gender, harassment, violence or serious violations of reproductive rights in the company's environmental area.</p>
<p>Labor Union (PUK-SPSI) Unit Nusa Perkasa Estate (NPE).</p> <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the CLA that is owned and is based on existing laws and regulations in Indonesia. These implementations include the application of minimum wages, overtime, holiday allowance (THR), PPE, bonuses and others.</p> <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can</p>	<p>There are no issues that require further verification.</p> <p>Regarding the complaints submitted to management, they have been well responded to and evidenced by the following:</p> <ul style="list-style-type: none"> On 06 and 07 February 2023 there were complaints submitted by workers to the trade union in each unit related to the delay in the arrival of rice and the quality of rice that was unfit for consumption (rice arrived on 04 February 2023). The complaint has been submitted by the union in each unit to the company and has been recorded in the workers' complaint book. The company's management also immediately responded to these complaints during the morning assembly activities, where the management responded

Stakeholders Issue	Auditor Response
<p>submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond. One of them is the incident of rice distribution which should have been carried out properly at the beginning of each month, but at the time of rice distribution in January 2023 there was a delay/delay in the distribution due to the poor condition of the rice arriving (the quality of the rice had been checked jointly by assistants and union representatives whose result is that both parties agree to return it to the supplier).</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p>	<p>to this by providing assurance that the rice that had arrived had been taken care of by the supplier and was targeted to be sent back to the company before the week ended (estimated 10-12 February 2023). The union has agreed and is always waiting for further developments regarding the arrival of the promised rice.</p> <p>Based on the explanation above, it can be concluded that the company has implemented a complaint/complaint mechanism in accordance with its procedures. In addition, to respond to and follow up on complaints/complaints, the company has provided several documents, including:</p> <ul style="list-style-type: none"> • An internal complaint book document for each unit which proves that complaints submitted orally by the trade union have been properly recorded on 07 February 2023. • Inter Office Mail dated 07 February 2023 regarding Rice Receipt dated 04 February 2023 which explained that on that date the rice that arrived was in an unfit condition and the workers asked for a replacement as soon as possible. • Email with Note: High Importance from the management of PT Bhumireksa Nusasejati to Purchasing at the Regional Office on 07 February 2023 to immediately make a replacement as soon as possible related to rice that did not deserve to come as much as 46.32 tons of rice.
<p>Consumer Cooperative Nusa Perkasa (Workers Cooperative).</p> <p>The existing employee cooperative has been in operation and was formed since 2015. The line of business being carried out is a Department Store (Convenience Store) which has a Central Store in Nusa Perkasa Estate and branch shops in each estate and factory. The RAT activities for the 2021 financial year were carried out on March 9, 2022 and were carried out simultaneously with the election of new cooperative management for the next period. The current membership of the cooperative (update January 2023) is as many as 120 workers consisting of staff and executive workers.</p>	<p>There are no issues that require further verification.</p>
<p>Department of Manpower and Transmigration Indragiri Hilir Regency Source: Head of Industrial Relations Date: February 6, 2023</p> <ul style="list-style-type: none"> • The company has submitted a WLTk report. • There have been no problems related to industrial relations during the past year. • The applicable minimum wage is the 2022 Provincial Minimum Wage in 2022 	<p>There are no negative issues that need further review.</p>

Stakeholders Issue	Auditor Response
<ul style="list-style-type: none"> All workers have been included in BPJS Employment and Health. There will be no serious work accidents during 2022 	
Gender Committee Sources: MDF/MDE Treasurer Date: February 8, 2023 <ul style="list-style-type: none"> The Gender Committee already has an activity program for the 2022 and 2023 periods, such as socializing the needs of pregnant women, posyandu activities, kindergarten & daycare checks. During the 2022-2023 period there have been no complaints regarding sexual harassment. Reporting mechanisms reported through the board gender committee will then be submitted to the plantation or mill manager. The company has facilitated the establishment of gender committees in each division. 	There are no negative issues that need further review.
Department of Environment and Hygiene of Indragiri Hilir Regency Source: Environmental Monitoring Department Date: February 6, 2023 <ul style="list-style-type: none"> There are no complaints from the public regarding environmental pollution Routine supervision is carried out every year, last in November 2022 There are no reports of conflicts with wild animals All permits are still valid so far, for those that have expired according to the new regulations they are still valid as long as there are no changes to their operations In the last 2 (two) years there have been no reports of pollution issues either from the public or findings from DLHK Routine reporting is reported such as; hazardous waste reporting, waste water, <i>RKL-RPL</i> Report Input form DLHK regarding Reporting to SIMPEL for PROPER preparation on the next year. 	There are no negative issues that need further verification.
Head of Makmur Jaya Village <ul style="list-style-type: none"> Overall the company's relationship is maintained well So far there have been no problems related to environmental pollution from the company's operations. CSR programs are also well received by the community Complaints related to domestic waste management in canals bordering the NPE 	The company has carried out canal maintenance in the form of dredging and cleaning which was carried out in April 2022, then it is planned to be carried out again in 2023 according to the annual budget.

Stakeholders Issue	Auditor Response
Head of Bente Village <ul style="list-style-type: none"> Overall the company's relationship is maintained well CSR programs are also well received by the community There are no complaints regarding pollution from the community Communities know the procedures when reporting complaints or requests for information to the company 	There are no negative issues that need further verification.
Local Contractor – PT Mitra Karya Jaya Pratama <ul style="list-style-type: none"> Contractor activities for heavy equipment and replanting The working relationship with the company is going well. The cooperation agreement is renewed every 3 years. Contractors' payments are made on time. PPE is provided by the contractor, in the form of safety helmets and shoes Direct supervision is carried out by contractors and accompanied by company representatives Contractors have enrolled their employees in the <i>BPJS</i> Employment and Health program independently. There is no major accident, accident handling can be done through the nearest garden clinic The company conducts socialization related to OSH, environmental, conservation and technical operational procedures to the contractors and then will be forwarded to the members. 	There are no negative issues that need further verification.
Local Contractor – PT Sumber Teknik Berdikari <ul style="list-style-type: none"> Civilian contractor for housing construction activities The working relationship with the company is going well. The cooperation agreement is renewed every year. Contractors' payments are made on time. PPE is provided by the contractor, in the form of safety helmets and shoes Direct supervision is carried out by contractors and accompanied by company representatives Contractors have enrolled their employees in the <i>BPJS</i> Employment and Health program independently. There is no major accident, accident handling can be done through the nearest garden clinic The company conducts outreach related to OSH, environmental, conservation and technical operational procedures to the contractors and then will be forwarded to the members. 	There are no negative issues that need further verification.

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Bhumireksa Nusasejati Head of Sustainability & Quality Management</p>  <p><u>Alagendran Maniam</u> Monday, 20 February 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh Arif Yusni</u> Monday, 20 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	Parit Sabar Menanti Hamlet, Rotan Semelur Village	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
2	Parit Sabar Menunggu Hamlet, Rotan Semelur Village	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
3	CV Riau Sinergi (civil/housing contractor)	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
4	Labor Union (PUK-SPSI) unit Teluk Bakau Estate.	PT Bhumireksa Nusasejati	-	Interview	06-02-2023	✓	
5	Labor Union (PUK-SPSI) unit Teluk Bakau Factory.	PT Bhumireksa Nusasejati	-	Interview	06-02-2023	✓	
6	Gender Committee unit Teluk Bakau Estate & Factory.	PT Bhumireksa Nusasejati	-	Interview	06-02-2023	✓	
7	Labor Union (PUK-SPSI) unit Nusa Perkasa Estate.	PT Bhumireksa Nusasejati	-	Interview	07-02-2023	✓	
8	Consumer Cooperative Nusa Perkasa (Workers Cooperative)	PT Bhumireksa Nusasejati	-	Interview	07-02-2023	✓	
9	National Land Agency	PT Bhumireksa Nusasejati	-	Interview	06-02-2023	✓	
10	Teluk Bunian Village	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
11	Parit Baru Bendera Hamlet, Belaras Barat Village	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
12	Plantation Agency	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
13	Department of Manpower and Transmigration Indragiri Hilir Regency	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
14	RSE Gender Committee Chair and MDF/MDE Treasurer	Indragiri Hilir Regency	-	Interview	08-02-2023	✓	
15	Department of Environment and Hygiene of Indragiri Hilir Regency	Indragiri Hilir Regency	-	Interview	06-02-2023	✓	
16	Head of Makmur Jaya Village	Indragiri Hilir Regency	-	Interview	08-02-2023	✓	
17	Head of Bente Village	Indragiri Hilir Regency	-	Interview	08-02-2023	✓	
18	Local Contractor – PT Mitra Karya Jaya Pratama	Indragiri Hilir Regency	-	Interview	08-02-2023	✓	
19	Local Contractor – PT Sumber Teknik Berdikari	Indragiri Hilir Regency	-	Interview	08-02-2023	✓	
20	Teluk Bakau POM <ul style="list-style-type: none"> • 1 warehouse operator • 1 WTP operator • 1 Temporary warehouse of toxic material waste operator • 1 WWTP operator • 1 security • 1 BRA Operator 	PT Bhumireksa Nusasejati	-	Interview	06-02-2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> 1 Hoisting Crane Operator 2 Kernel Operators 1 Sterilizer Operator 1 workshop Foreman 1 Boiler Operator 						
21	Teluk Bakau Estate: <ul style="list-style-type: none"> 4 warehouse officers 1 generator operator 1 foreman and 2 mechanics 2 welders 1 doctor and 2 paramedics 3 Nursery foreman and 6 workers 1 harvesting foreman and 2 harvesters 1 Manual Foreman & 2 workers 1 Fertilizers Foreman & 2 workers 	PT Bhumireksa Nusasejati	-	Interview	09-02-2023	✓	
22	Nusa Perkasa Estate: <ul style="list-style-type: none"> 1 HCV officer 3 residents 1 daycare officer 2 cooperative workers 3 warehouse officers 1 generator operator 8 residents 1 foreman dan 2 mechanics 1 welder 1 fire fighter member 1 Harvesting Foreman & 1 harvester 1 Spraying Foreman 2 workers 1 Subsiden pole officer 	PT Bhumireksa Nusasejati	-	Interview	07-02-2023	✓	
23	Nusa Lestari Estate	PT Bhumireksa Nusasejati	-	Interview	07-02-2023	✓	
24	WWF	Indonesia	email	wwf-indonesia@wwf.or.id	01 February 2023		✓
25	Sawit Watch	Indonesia	email	info@sawitwatch.or.id	01 February 2023		✓
26	WALHI	Indonesia	email	informasi@walhi.or.id	01 February 2023		✓
27	AMAN	Indonesia	email	rumahaman@aman.or.id	01 February 2023		✓

Appendix 2. Assessment Program		
DATE	05 – 11 February 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 05 February 2023		
09.00 – 10.30	JAKARTA → BATAM	All Auditor
12.30 – 17.00	BATAM → PT Bhumireksa Nusasejati	
Monday, 06 February 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)	All Auditor
09.00 – 12.00	Public consultation with stakeholder to relevant agency in Indragiri Hilir Regency (by Phone) Stakeholder consultation to affected communities surrounding the plantations and previous land owner Interview with Gender Committee, Worker’s Union, Worker’s Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders	<ul style="list-style-type: none">SASMAY / ALSSAS
09.00 – 12.00	Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Verification result of previous assessment	RIU
12.00 – 14.00	<ul style="list-style-type: none">Break	
14.00 – 16.15	Field observation to TELUK BAKAU POM : <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)Implementation of Employment Procedure and Mechanism Aspect	<ul style="list-style-type: none">RIU / SASMAY / ALSMAY / SAS
16.30 – 17.00	Presentation of Daily Progress	All Auditor
Tuesday, 07 February 2023		
08.00 – 12.00	Field Observation to TELUK BAKAU ESTATE Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries);Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)	<ul style="list-style-type: none">MAY / ALSSASMAY / ALS

DATE	05 – 11 February 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none">Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)Implementation of Occupational Health & Safety AspectImplementation of Employment Procedure and Mechanism AspectObservation of Workers Facilities (Housing, School, Worship Place).	<ul style="list-style-type: none">SASMAY / ALSMAY / ALS
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations and previous land owner	RIU
12.00 – 14.00	Break	
14.00 – 16.15	<ul style="list-style-type: none">Verification of stakeholder consultation result and field visit.Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress	All Auditor
Thursday, 09 February 2023		
08.00 – 12.00	Field Observation to NUSA LESTARI ESTATE AND NUSA PERKASA ESTATE Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries);Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)Implementation of Occupational Health & Safety AspectImplementation of Employment Procedure and Mechanism AspectObservation of Workers Facilities (Housing, School, Worship Place).	<ul style="list-style-type: none">MAY / ALSSAS / RIUMAY / ALSSAS / RIUMAY / ALSMAY / ALS
12.00 – 14.00	Break	
16.00 – 16.15	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress	
Friday, 10 February 2023		
14.00 – 16.15	<ul style="list-style-type: none">Verification of stakeholder consultation result and field visit.Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress	All Auditor
Saturday, 11 February 2023		
07.00 – 08.30	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
08.30 – 10.00	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	

DATE	05 – 11 February 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
10.00 – 15.00	PT Bhumireksa Nusasejati → BATAM	
16.00 -	BATAM → JAKARTA	