

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

**[✓] Initial Certification**

Name of Management Organization : **PAM Palm Oil Mill subsidiary of PT Parna Agromas**  
 Plantation Name : PT Parna Agromas (Parna Utara 1 Estate, Parna Utara 2 Estate, Parna Tengah 1 Estate, Parna Tengah 2 Estate and Parna Selatan Estate).  
 Location : Village of Tapang Pulau, Sub District of Belitang Hilir, District of Sekadau, Province of Kalimantan Barat, Indonesia.  
 Certificate Code : **MUTU-RSPO/181**  
 Date of Certificate Issue : 06 March 2023      Date of License Issue : 06 March 2023  
 Date of Certificate Expiry : 05 March 2028      Date of License Expiry : 05 March 2024

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	12 to 16 September 2022	Hasiholan Sihombing (Lead Auditor), Rahmat Abdiansyah, Sentot Adi Subandono and Kiki Fadli	Harso Yuli Antena	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	06 March 2023

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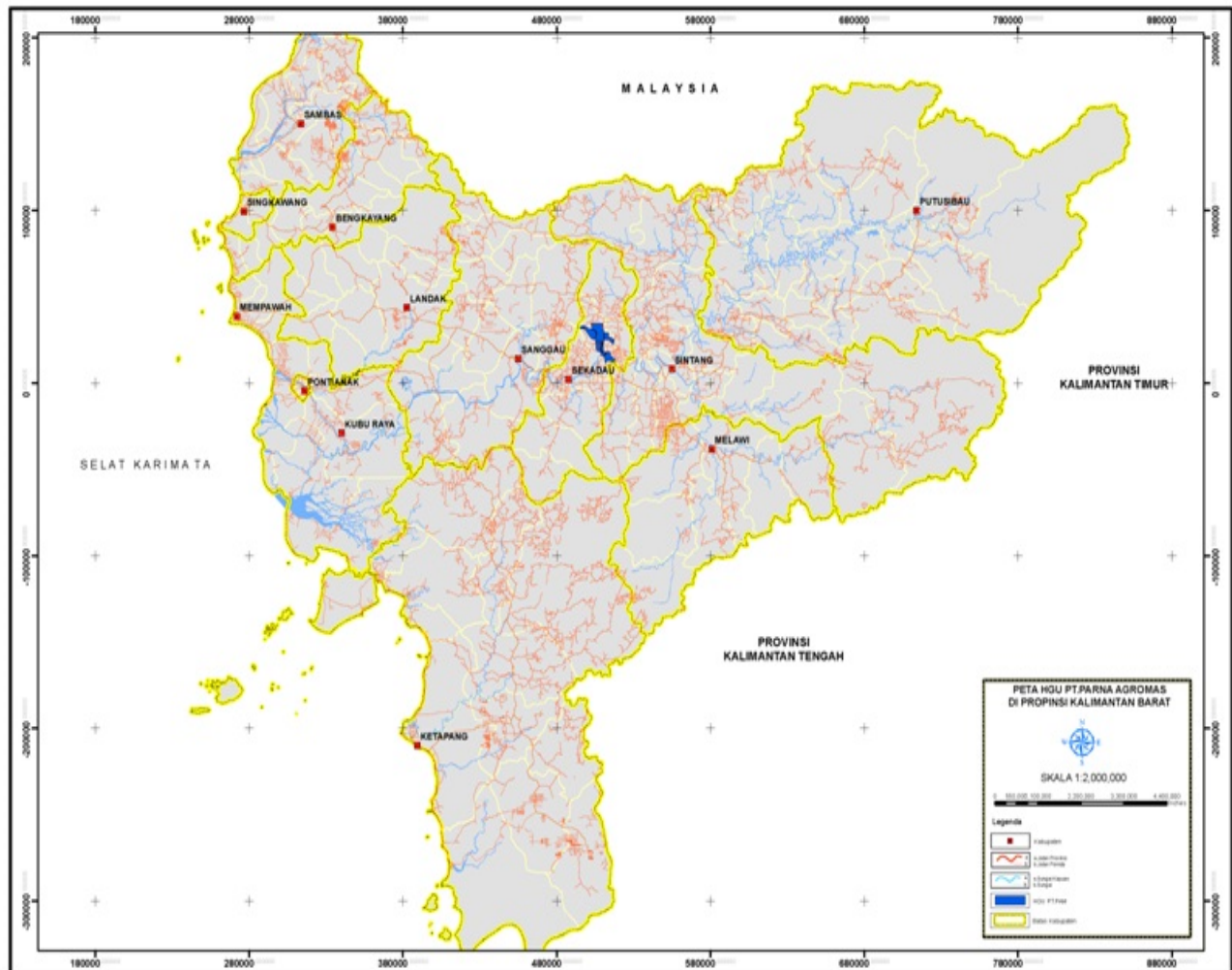
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Figure 1. Location Map of PAM Palm Oil Mill - PT Parna Agromas

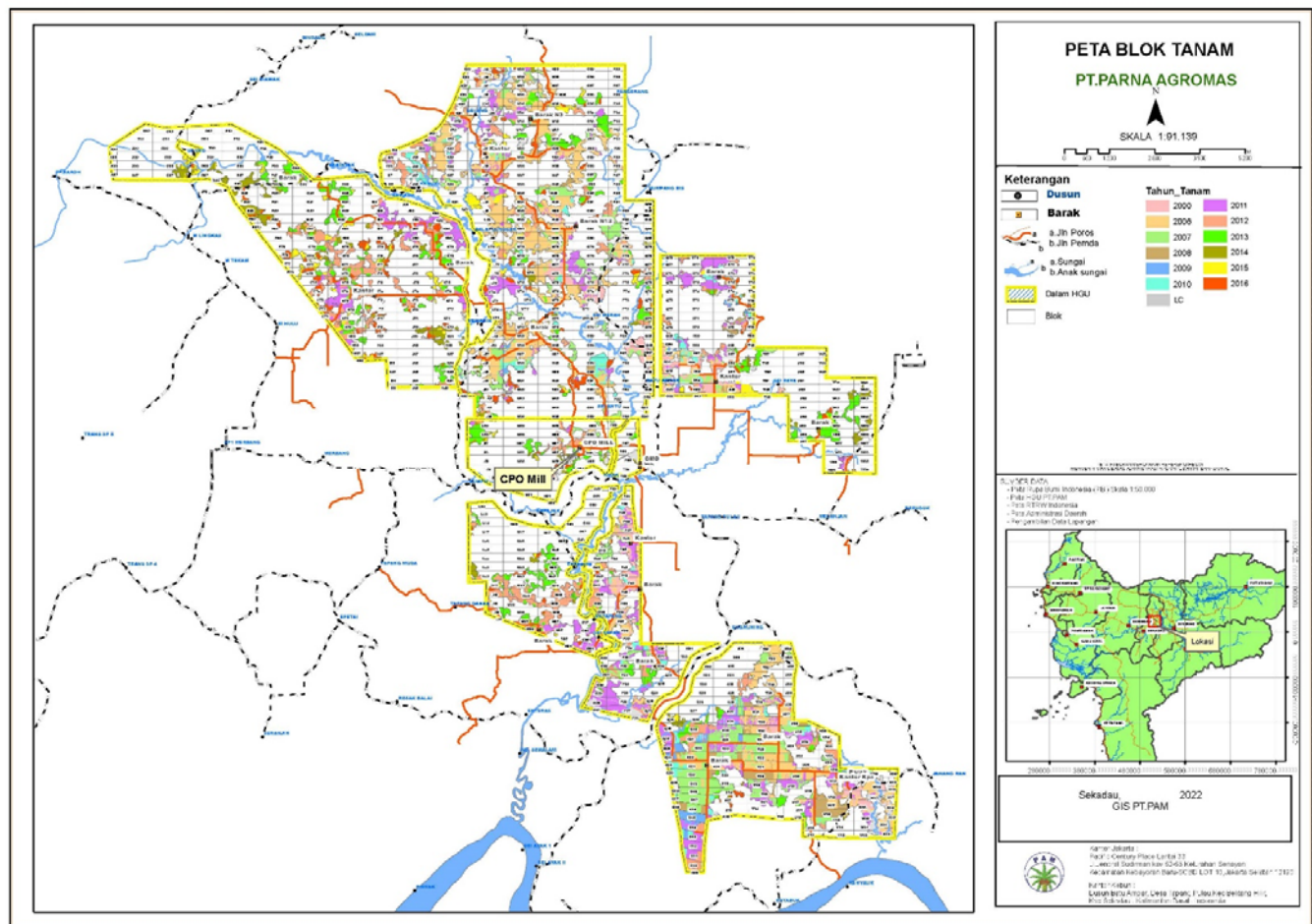


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Figure 2. Operational Map of PAM Palm Oil Mill - PT Parna Agromas



**Abbreviations Used**

AMDAL	:	<i>Analisa Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
ANDAL	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
APAR	:	<i>Alat Pemadam Api Ringan</i> (Fire Extinguisher)
ASA	:	Annual Surveillance Assessment
B3	:	Hazardous Material
BKSDA	:	<i>Balai Konservasi Sumber Daya Alam</i> (Nature Conservation Agency)
BOD	:	Biological Oxygen Demand
BPD	:	<i>Badan Permusyawaratan Desa</i> (Village Deliberation Agency)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial Kesehatan</i> (Social Security Administrative Body)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CB	:	Certification Body
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
Disbun	:	<i>Dinas Perkebunan</i> (Plantation Agency)
DLH	:	<i>Dinas Lingkungan Hidup</i> (Environment Agency)
DLW	:	Decent Living Wage
EFB	:	Empty Fruit Bunch
EHSS	:	Environment, Health, Safety, and Social
FCL	:	Final Conservation Liability
FFB	:	Fresh Fruit Bunch
FGD	:	Focus Group Discussion
FPIC	:	Free, Prior and Informed Consent
GHG	:	Greenhouse Gas
GMO	:	General Manager Office
GRIT	:	<i>Ganti Rugi Tanam Tumbuh</i> (Land Compensation)
HCS	:	High Carbon Stock
HCV	:	High Conservation Values
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
K3	:	<i>Keselamatan &amp; Kesehatan Kerja</i> (Occupational Health & Safety)
KITAS	:	<i>Kartu Izin Tinggal Terbatas</i> (Limited Stay Permit Card)
KK	:	<i>Kartu Keluarga</i> (Family Card)
KLHK	:	<i>Kementerian Lingkungan Hidup dan Kehutanan</i> (Ministry of Environment and Forestry)
KPT	:	Kebun Parna Tengah
KPU	:	Kebun Parna Utara
KTP	:	<i>Kartu Tanda Penduduk</i> (ID Card)
KUD	:	<i>Koperasi Unit Desa</i> (Village Unit Cooperative)
LB3	:	Hazardous Waste
LCC	:	Leguminous Cover Crops
LO-TO	:	Lock Out Tak Out
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MB	:	Mass Balance
MCU	:	Medical Check-Up
NIB	:	<i>Nomor Induk Berusaha</i> (Business Identification Number)
OSH	:	Occupational Safety and Health

P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Health and Safety Committee)
PAUD	:	<i>Pendidikan Anak Usia Dini</i> (Early Childhood Education and Development)
PHL	:	<i>Pekerja Harian Lepas</i> (Daily Worker)
PK	:	Palm Kernel
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Fixed Time Employment Agreement)
PKWTT	:	<i>Perjanjian Kerja Waktu Tidak Tertentu</i> (Permanent Employment Agreement)
DPMPTS P	:	<i>Dinas Penanaman Modal Pelayanan Terpadu Satu Pintu</i> (Investment Institutions and A Unified Licensing Service)
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment.
PUPR	:	<i>Kementerian Pekerjaan Umum dan Perumahan Rakyat</i> (Ministry of Public Works and Housing)
RACP	:	Remediation and Compensation Procedure
RKL/RPL	:	<i>Rencana Kelola Lingkungan / Rencana Pemantauan Lingkungan</i> (Environmental Management Plan / Environmental Monitoring Plan)
RKPD	:	<i>Rencana Kerja Pemerintah Daerah</i> (Local Government Work))
RPTKA	:	<i>Rencana Penempatan Tenaga Kerja Asing</i> (Expatriate Placement)
SCCS	:	Supply Chain Certification Standard
SEIA	:	Social and Environmental Impact Assessment
SIA	:	Social Impact Assessment
SK	:	<i>Surat Keputusan</i> (Decree Letter)
SPK	:	<i>Surat Perjanjian Kerja</i> (work agreement)
SOP	:	<i>Standard Operating Procedure</i>
TPS	:	<i>Tempat Penyimpanan Sementara</i> (Temporary Warehouse)
UPDKS	:	<i>Ulat Pemakan Daun Kelapa Sawit</i> (Oil Palm Leaf Eating Caterpillar)
UPTD	:	<i>Unit Pelaksana Teknis Daerah</i> (Regional Technical Implementation Unit)
WWTP	:	<i>Instalasi Pengolahan Air Limbah</i> (Waste Water Treatment Pond / Disposal)



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none"><li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li><li>RSPO Certification Systems for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li></ul>	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PAM Palm Oil Mill - PT Parna Agromas	
1.2.2	Contact person	Abrar Ramlan	
1.2.3	Organisation address and site address	RSPO registered company: Pacific Century Place Building - 33 rd Floor- Jl. Jend Sudirman Kav 52-53 SCBD Lot. 10, Senayan, Kebayoran Baru, Jakarta Selatan  Liaison Office: Tapang Pulau Village, Sub District of Belitang Hilir, Sekadau District, Kalimantan Barat Province, Indonesia	
1.2.4	Telephone	021 – 50939000	
1.2.5	Fax	021 – 50939008	
1.2.6	E-mail	<a href="mailto:abrar.ramlan@gmail.com">abrar.ramlan@gmail.com</a>	
1.2.7	Web page address	<a href="http://www.parna-agromas.com">http://www.parna-agromas.com</a>	
1.2.8	Management Representative who completed the application for certification	Abrar Ramlan	
1.2.9	Registered as RSPO member	1-0190-15-000-00 dated 30 September 2015	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	PAM Palm Oil Mill and supply base (Parna Utara 1 Estate, Parna Utara 2 Estate, Parna Tengah 1 Estate, Parna Tengah 2 Estate and Parna Selatan Estate)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	PAM	Kumpang Bis Village, Sub District of Belitang Hilir, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 12' 46.68"
			E 111° 04' 36.86"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude
			Longitude
	Parna Utara 1 Estate	Semadu Village, Belitang Hilir Sub District, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 17' 21.74"
			E 111° 03' 07.54"
	Parna Utara 2 Estate	Menawai Tekam Village, Belitang Hilir Sub District, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 15' 9.24"
			E 111° 01' 22.82"

	Parna Tengah 1 Estate	Tapang Pulau Village, Belitang Hilir Sub District, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 13' 52.40"	E 111° 06' 45.38"			
	Parna Tengah 2 Estate	Empajak Village, Sub District of Belitang Hilir, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 11' 17.40"	E 111° 05' 24.89"			
	Parna Selatan Estate	Entabuk Village, Sub District of Belitang Hilir, Sekadau District, Kalimantan Barat Province, Indonesia	N 00° 07' 32.11"	E 111° 08' 35.15"			
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		16,330.51 Ha				
	• Community		- Ha				
	Total		16,330.51 Ha				
* the scope of certification is 15,808.24 Ha, which is due to the existence of a production forest area of 522.27 ha which is included in the company's HGU area (not including the company's operational area).							
1.5.2	Area Statement						
	Description	Parna Utara 1 Estate	Parna Utara 2 Estate	Parna Tengah 1 Estate	Parna Tengah 2 Estate	Parna Selatan Estate	TOTAL (Ha)
	Total Area	5,457.31	3,272.11	2,275.93	1,660.33	3,142.56	15,808.24
	Mature Area	1,788.63	858.58	613.10	524.23	1,534.34	5,318.88
	Infrastructure, Housing, Trenches, and Roads	255.72	118.96	65.45	68.86	128.56	637.55
	Mill	25.00	-	-	-	-	25.00
	Hamlet	15.78	0.09	29.03	28.31	9.59	82.80
	HCV	411.41	311.70	123.22	81.45	1,066.30	1,994.08
	Community Rubber Plant (Occupation)	560.16	678.47	651.16	468.40	56.41	2,414.60
	Shrubs (Occupation)	1,496.35	843.08	427.52	206.01	39.29	3,012.25
	Bush (Occupation)	238.56	342.70	169.69	131.57	74.84	957.36
	Community Palm Plant (Occupation)	661.12	113.59	192.66	149.49	232.91	1,349.77
	Local Government Road	4.58	4.94	4.10	2.01	0.32	15.95
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					TOTAL (Ha)
		Parna Utara 1 Estate	Parna Utara 2 Estate	Parna Tengah 1 Estate	Parna Tengah 2 Estate	Parna Selatan Estate	
	2000	35.68	-	137.97	82.26	62.18	318.09
	2006	787.02	-	50.82	57.35	385.45	1,280.64
	2007	235.64	5.85	33.76	17.74	334.63	627.62
	2008	28.13	2.23	26.00	2.82	126.58	185.76
	2009	10.80	-	9.35	-	61.48	81.63
	2010	91.46	5.51	35.31	5.27	68.26	205.81
	2011	149.84	168.92	98.23	92.38	295.26	804.63
	2012	151.71	205.47	42.68	160.84	115.15	675.85
	2013	125.15	189.27	90.73	69.83	56.93	531.91



	2014	51.00	119.97	32.70	13.56	16.58	233.81
	2015	56.02	78.15	26.69	10.35	4.89	176.10
	2016	66.18	83.21	28.86	11.83	6.95	197.03
	Sub Total Mature	1,788.63	858.58	613.10	524.23	1,534.34	5,318.88
	TOTAL	1,788.63	858.58	613.10	524.23	1,534.34	5,318.88
1.6.2	New Planting area after January 2010			2,825.14 Ha			
1.6.3	Planting Cycle			1 <sup>st</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	PAM	60	366,243.90	81,484.42	22.25	15,537.60	4.24
	*Production data source from 12 months before assessment (September 2021 to August 2022)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/year)	Supplied to Mill	
						FFB (ton/year)	%
	Parna Utara 1 Estate	5,457.31	1,788.63	34,122.60	19.08	34,122.60	100
	Parna Utara 2 Estate	3,272.11	858.58	10,865.39	12.66	10,865.39	100
	Parna Tengah 1 Estate	2,275.93	613.10	9,085.59	14.82	9,085.59	100
	Parna Tengah 2 Estate	1,660.33	524.23	4,703.32	8.97	4,703.32	100
	Parna Selatan Estate	3,142.56	1,534.34	30,107.59	19.62	30,107.59	100
	TOTAL	15,808.24	5,318.88	88,884.49	16.71	88,884.49	100
	*Production data source from 12 months before assessment (September 2021 to August 2022)						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO Non-certified)		Type of Organization	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	KUD Belitang Hilir		Smallholder of PT PAM	914	1,171.28	25,971.28	
	Kopbun Sawit Jaya		Smallholder of PT PAM	2,505	2,390.49	53,009.18	
	Koperasi Perkebunan Malijay Mandiri		Independent Supplier	-	-	7.83	
	Koperasi Cahaya Sawit Sintang		Independent Supplier	-	-	26,698.69	
	CV Sumber Sawit Kita		Independent Supplier	-	-	68,716.23	
	Koperasi Cahaya Sawit Sintang		Independent Supplier	-	-	7,365.36	
	CV Mitra Sawit Borneo		Independent Supplier	-	-	17,470.43	
	Koperasi Prima Jasa Sintang		Independent Supplier	-	-	78,017.30	
	TOTAL					277,256.30	
	*Production data source from 12 months before assessment (September 2021 to August 2022)						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)	
	FFB Processed			-		-	
	CPO Production			-		-	

	Palm Kernel (PK) Production		-	-					
1.8.2	Product selling								
	Type of selling product		Actual selling product for last year (MT)						
	CSPO sold as RSPO certified product		-						
	CSPK sold as RSPO certified product		-						
	CSPO sold under another scheme		-						
	CSPK sold under another scheme		-						
	CSPO sold as conventional		-						
	CSPK sold as conventional		-						
1.8.3	Estimate of Certified FFB Claim								
	Name of Estates		Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)			
	Parna Utara 1 Estate		5,457.31	1,788.63	20,600	18.77			
	Parna Utara 2 Estate		3,272.11	858.58	100	12.38			
	Parna Tengah 1 Estate		2,275.93	613.10	4,200	16.29			
	Parna Tengah 2 Estate		1,660.33	524.23	1,600	9.99			
	Parna Selatan Estate		3,142.56	1,534.34	19,500	20.10			
	TOTAL		15,808.24	5,318.88	46,000	18.45			
	*Projected FFB production for 12 months of certificate								
	**Due to sanction for not conduct NPP, the production of FFB, CPO and PK from year plant 2010 – 2016 cannot be claim as RSPO product.								
	***Yield based on total area for year plant 2000-2009 (areas not subject to NPP sanctions).								
	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 (%)	
PAM		60	46,000	10,500	22.83	2,000	4.35	MB	
*Projected CSPO and CSPK production for 12 months of certificate									
**Due to sanction for not conduct NPP, the production of FFB, CPO and PK from year plant 2010 – 2016 cannot be claim as RSPO product.									
1.9	Other Certifications								
	ISO 9001:2008			-					
	ISO 14001: 2004			-					
	OHSAS 18001:2007			-					
	ISCC			-					
	ISPO			Certificate No. MUTU-ISPO/057, dated 17 May 2021 valid thru 18 July 2026.					
1.10	Time Bound Plan								
1.10.1	Time Bound Plan for Other Management Units								
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status			
	Mill	Time Bound Plan							
	PAM POM – PT Parna Agromas	2022	Parna Utara 1 Estate	2022	Sub District of Belitang Hilir, Sekadau Regency,	Has been conduct IC in September 2022			

					Kalimantan Barat Province - Indonesia	
			Parna Utara 2 Estate	2022	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Has been conduct IC in September 2022
			Parna Tengah 1 Estate	2022	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Has been conduct IC in September 2022
			Parna Tengah 2 Estate	2022	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Has been conduct IC in September 2022
			Parna Selatan Estate	2022	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Has been conduct IC in September 2022
			Plasma KUD Belitang Hilir	2023	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Uncertified
			Plasma Kopbun Sawit Jaya	2023	Sub District of Belitang Hilir, Sekadau Regency, Kalimantan Barat Province - Indonesia	Uncertified
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Associated Smallholders of PT Parna Agromas has been included in timebound plan (plan to certified in June 2023).					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>Initial Certification</b>	<p><b>1. Hasiholan Sihombing (Lead Auditor).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this audit, he assigned to verify Legal Aspect, Land Dispute, Partial Certification, SCCS, worker welfare and transparency.</p> <p><b>2. Rahmat Abdiansyah (Auditor).</b> Indonesian citizen. Bachelor of Forestry from IPB University, with major in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this assessment, he verified the aspects of environment, conservation and GHG aspect.</p> <p><b>3. Sentot Adi Subandono (Auditor).</b> Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2020. During this assessment, verified the aspects of Best Management Practices and OHS Aspect.</p> <p><b>4. Kiki Fadli (Auditor Trainee).</b> Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3. During this assessment, he verified the worker welfare and transparency under supervision of Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>Initial Certification</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for Onsite IC: 5 days</p> <p>Number of working days for Onsite IC: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>Initial Certification</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PAM Palm Oil Mill - PT Parna Agromas Units to the requirements of <b>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>The scope of certification activities this time is 1 factory and 5 plantations. In conducting the assessment, the auditor team used the <math>\sqrt{y \times z}</math> formula to determine which estate sampling was the focus of the assessment. From the results</p>

of this formula, the results of 3 estate sampling were obtained, but due to the certification system the minimum sampling was 4 estates, the auditor determined 4 estates to be sampling, namely Parna Tengah 1 Estate, Parna Tengah 2 Estate, Parna Selatan Estate and Parna Utara 1 Estate.

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

During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous land owners so that these activities are carried out by telephone. List of Stakeholders contacted is included as Appendix I.

The opening meeting was held on Monday 12 September 2022 at 08.00 pm. As for the participants who attended the opening meeting included the Senior Manager, Estate Manager, Mill Manager, Support Team from Sustainability Department, and other staff at PT Parna Agromas. While the closing meeting will take place on 16 September 2022 at 09.00 pm. attended by the same participants as the opening meeting. Management PT Parna Agromas accept all this audit results.

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

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

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>Initial Certification</b>	<p>Number of units in this certification activity is 1 (one) Mill and 5 (five) estates. The consideration for risk assessment is geographic locations, distance of estate, complexity of labor, landscape setting, presence of HCV, number of communities/conflicts, legality etc. And also, because this assessment is for onsite audit Initial Certification, so auditor team determine to increase the point sample in sample unit (more than 1 Estate visited during the field observation). On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>PAM Palm Oil Mill</b></p> <ul style="list-style-type: none"> <li>• <b>Security.</b> Observation the activity of the acceptance of FFB.</li> <li>• <b>Weighbridge Station.</b> Observation the activity of weighing FFB.</li> <li>• <b>Grading Station.</b> Observations the activity of grading FFB and also PPE used by worker.</li> <li>• <b>Workshop.</b> Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.</li> <li>• <b>Hazardous Waste Temporary Warehouse.</b> Observation the warehouse condition.</li> <li>• <b>Material/PPE Warehouse.</b> Observation about storage condition and material that kept in the storage.</li> <li>• <b>Chemical Warehouse.</b> Observation about storage condition and material that kept in the storage.</li> <li>• <b>WWTP.</b> Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.</li> <li>• <b>Employee Housing.</b> Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li>• <b>Empty Bunch Area (EBA).</b> Observations related to material handling, OHS and environmental management.</li> </ul>

- **Water Source Reservoir.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Lori slider.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Sterilizer station.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Engine room.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Boiler.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Kernel station.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Laboratory.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Hydrant.** Observations, interviews, and simulation related fire emergency preparedness.

### Parna Tengah 1 Estate

- **Block P58 HGU Pole No. 3.** Observation the conditions and position of legal boundary.
- **Block P56 HGU Pole No. 2.** Observation the conditions and position of legal boundary.
- **Block U57 HGU Pole No. 102.** Observation the conditions and position of legal boundary.
- **Block V56 HGU Pole No. 100.** Observation the conditions and position of legal boundary.
- **Harvesting, Block S66 & S65 Division 2.** Field observations and interviews related to aspects of BMP, OHS, and Labour.
- **Spraying, Block R63 Division 2.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Fertilizer, Block S63 Division 2.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Generator Operator.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Hazardous Waste Temporary Warehouse.** Observation the warehouse condition.
- **Rinse House.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Pesticide mixing area.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Clinic.** Observations and interviews of health, environmental, training, and employment facilities.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.

### Parna Tengah 2 Estate

- **Block P45 Division 1 HGU Pole No. 19.** Observation the conditions and position of legal boundary.
- **Block P43 Division 1 HGU Pole No. 20.** Observation the conditions and position of legal boundary.
- **Block Q41 Division 1 HGU Pole No. 21.** Observation the conditions and position of legal boundary.
- **Block N35 Division 4 HGU Pole No. 14.** Observation the conditions and position of legal boundary.
- **Block L37 Division 4 HGU Pole No. 11.** Observation the conditions and position of legal boundary.
- **Ayak River Border Block O35 Division 2.** Observation HCV Area and HCV Management.
- **HCV Tembawang Danan Block L42 Division 4.** Observation HCV Area and HCV Management.
- **Rinse House.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Chemical warehouse.** Observations and interviews for material handling, OHS, and hazardous materials



handling.

- **Employee Housing Division 1.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Fertilizer warehouse.** Observation of material handling, OHS, and handling of hazardous materials.
- **Generator Operator.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Circle Path Spraying, Block P46 Division 1.** Observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Make a trench, Block P46 Division 1.** Observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **FFB Loading, Block P46.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Manuring, Block P45 Division 1.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Harvesting, Block P46 Division 1.** observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Fire Tower. Block Q42 Division 2.** Observation of fire monitoring facilities carried out by the company.
- **Turnera ulmifolia, Block Q42 Division 2 & Block P 46 Division 1.** Observation related IPM that carried out by the company.
- **EFB application, Block P45 Division 1.** Observation related EFB application that carried out by the company.
- **Employee Housing, Division 2 (Barak Asam).** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

#### Parna Selatan Estate

- **Engkerauk River Border Block R25.** Observation HCV Area and HCV Management.
- **Block R15 Division 3 HGU Pole No. 45.** Observation the conditions and position of legal boundary.
- **Block R11 Division 3 HGU Pole No. 44.** Observation the conditions and position of legal boundary.
- **Block V20 Division 1 HGU Pole No. 54.** Observation the conditions and position of legal boundary.
- **Water Gate Block R20 Division 3.** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Block S22 Division 2 (Piezometer).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Block T20 Division 2 (Subsidence).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Employee Housing Division 1.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Road maintenance, Block T21 Division 2.** Observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Estate Office.** Interviews with pesticide applicator and manuring applicator.
- **Genset room.** Observations and interviews related to technical work, labor, OHS, social, and environmental aspects.
- **Fuel Tank.** Observations related to OHS aspects and OHS symbols.
- **Hazardous waste temporary storage.** Observations related to aspects of OHS, environment, and emergency response facilities.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.
- **Fertilizer warehouse.** Observation of material handling, OHS, and handling of hazardous materials.
- **Rinse house.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Chemical warehouse.** Observation of material handling, OHS, and handling of hazardous materials.
- **Division 1 Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean

	<p>water facilities, educational facilities, religious facilities, health facilities and sports facilities.</p> <ul style="list-style-type: none"> <li>• <b>PAUD and day-care.</b> Observation of facilities and infrastructure for early childhood education and child care carried out by the company.</li> <li>• <b>Landfill Division 1.</b> Observation of final waste disposal facilities and environmental aspects.</li> </ul> <p><b>Parna Utara 1 Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Block P57 HGU Pole No. 87.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>Block P55 HGU Pole No. 89.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>Block M98 HGU Pole No. 128 and 129.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>Block N72 (HCV Area – Ayak River).</b> Observation HCV Area and HCV Management.</li> <li>• <b>Block O58 (HCV Area – Hantu River).</b> Observation HCV Area and HCV Management.</li> <li>• <b>Harvesting, Division 3.</b> Interviews related to aspects of BMP, OHS, and Labour.</li> <li>• <b>Spraying, Division 3.</b> Interviews related to aspects of BMP, OHS, Environment and Employment.</li> <li>• <b>Fertilizer, Division 3.</b> Interviews related to aspects of BMP, OHS, Environment and Employment.</li> <li>• <b>Loading Worker, Division 3.</b> Interviews related to aspects of BMP, OHS, Environment and Employment.</li> <li>• <b>Generator Operator.</b> Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.</li> <li>• <b>Employee Housing.</b> Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li>• <b>Hazardous Waste Temporary Warehouse.</b> Observation the warehouse condition.</li> <li>• <b>Rinse House.</b> Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.</li> <li>• <b>Pesticide mixing area.</b> Observation related pesticide mixing area, PPE storage, safety aspect.</li> <li>• <b>Agrochemicals Warehouse.</b> Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.</li> <li>• <b>Fertilizer warehouse.</b> Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.</li> <li>• <b>Firefighting warehouse and simulation of firefighting equipment.</b> Material handling observations for OHS and simulations.</li> <li>• <b>Day-care.</b> Observations and interviews of health, training, and employment facilities.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
	<p>Consultation of stakeholders for PAM Palm Oil Mill - PT Parna Agromas Units held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement in RSPO and Mutuagung website on 27 July 2022.</li> <li>2. Public consultation with government agencies of Sekadau District (Land Agency, Agriculture Agency, Manpower Agency, and Environmental Agency) on 12 September 2022.</li> <li>3. Public consultation meeting with communities, previous land owners and Plasma Cooperative on 12-13 September 2021</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labor union and gender committee) on 12 September 2022.</li> <li>5. Consultation with NGO (WWF, Sawit Watch, Wahana Lingkungan Hidup Indonesia, dan AMAN) via email on 19 August 2022.</li> </ol> <p>Numbers of input from stakeholders were clarified by PAM Palm Oil Mill - PT Parna Agromas.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next assessment (ASA-1) 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 PAM Palm Oil Mill - PT Parna Agromas operation consisting of one (1) mill and five (5) oil palm estates.

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

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

MUTUAGUNG LESTARI found that Parna Agromas POM – PT Parna Agromas complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standards, Endorsed by the RSPO Board of Governors on 12 November 2020.**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>		
<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<b>1.1.1 and 1.1.3</b>		
<p>The company shows the SOP for Information Provision No. SOP 14 revision 1 issued on May 14, 2014 which explains the mechanism for providing information to third parties and the type of information submitted is general information and is not a company secret. Information that can be provided includes, for example, sustainability policies, OHS Committee reports, environmental documents, sustainable improvement plans, etc.</p> <p>According to interviews with representatives of local communities and contractors, it was said that they had received socialization of procedures and information disclosure from the company. The company holds regular stakeholder meetings to communicate and consult on procedures and policies, for example on July 4, 2022, attended by 12 participants.</p> <p>The company records every information requested in the logbook of incoming and outgoing mail. Based on document verification, it is known that there were several incoming letters, for example a letter from GAPKI with No. 010/GAPKI-KB/III/2022 regarding an application as a moderator to one of the company's employees, which was then responded by assigning employees to attend the event.</p>		
<b>1.1.2</b>		
<p>The types of information provided to the public are contained in SOP 14 rev 01 validated on 2 May 2019 regarding the information handling. Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) are provided in Bahasa and understandable by each stakeholder. Companies can show records of providing information to relevant agencies in the form of routine reports, for example:</p> <ul style="list-style-type: none"> <li>Plantation progress report (<i>LPUP</i>) of PT Parna Agromas period of Semester I of 2022 has been sent to Plantation Agency of Sekadau District on 19 July 2022.</li> </ul>		

- HGU utilization report of PT Parna Agromas for the period of 2021 has been sent to Land Agency of Sekadau District on 16 July 2021.
- Online reporting is mandatory for Estate employment reporting for the period 2022 with No. 7958620220531001 dated May 31, 2022 and must report back on May 31, 2023.
- Online reporting is mandatory for Mill employment reporting for the period 2022 with No. 79586.20220530,0001 dated May 30, 2022 and must report back on May 30, 2023.
- The report on the implementation of the RKL/RPL semester 2 of 2021 has been reported to the Sekadau Regency Environmental Service on January 28, 2022.
- The report on the implementation of the RKL/RPL semester 1 of 2022 has been reported to the Sekadau Regency Environmental Service on 12 July 2022.
- The POME management report for the April 2022 period has been reported to the Sekadau Regency Environmental Service on 30 May 2022.
- The POME management report for the May 2022 period has been reported to the Sekadau Regency Environmental Service on 28 June 2022.
- The POME management report for the June 2022 period has been reported to the Sekadau Regency Environmental Service on 27 July 2022.
- The POME management report for the July 2022 period has been reported to the Sekadau Regency Environment Agency on 31 August 2022.
- The hazardous and toxic waste management report for the fourth quarter of 2021 has been reported to the Sekadau Regency Environmental Service on January 28, 2022.
- The Hazardous and Toxic Waste Management Report for the First Quarter of 2022 has been reported to the Sekadau Regency Environmental Service on 11 May 2022.
- The Hazardous and Toxic Waste Management Report for the Second Quarter of 2022 has been reported to the Sekadau Regency Environmental Service on 21 July 2022.
- Report from the OHS Committee of PT Parna Agromas for the 1st Quarter of 2022 to the PMPTSP (One Stop Integrated Investment) Office and the Sekadau Regency Manpower in April 2022, accompanied by the recipient's signature and the official seal.
- Report from the OHS Committee of PT Parna Agromas for the 2nd Quarter of 2022 to the PMPTSP (One Stop Integrated Investment) Office and the Sekadau Regency Manpower in July 2022, accompanied by the recipient's signature and the official seal.
- Development Report for the First Quarter of 2022 of PT Parna Agromas to the Sekadau District Food Security, Agriculture and Fisheries Service in May 2022, accompanied by the recipient's signature and the official seal.
- PT Parna Agromas' 2022 Quarter 1 Development Progress Report to the District Head of Sekadau in May 2022, accompanied by the recipient's signature and the official seal.
- Development Report for the First Quarter of 2022 PT Parna Agromas to the Regional Secretary of Sekadau Regency in May 2022, accompanied by the recipient's signature and the official seal.
- Development Progress Report for Quarter 2 2022 of PT Parna Agromas to the Department of Food Security, Agriculture and Fisheries of Sekadau Regency on 19 July 2022, accompanied by the recipient's signature and the official seal.
- Report on Development Progress for Quarter 2 2022 of PT Parna Agromas to the District Head of Sekadau on 19 July 2022, accompanied by the recipient's signature and official seal.
- Development Progress Report for the 2nd Quarter of 2022 of PT Parna Agromas to the Regional Secretary of Sekadau Regency on 19 July 2022, accompanied by the recipient's signature and the official seal.

#### 1.1.4

The company showed the SOP for the Implementation Mechanism of Communication and Consultation with the Community No. SOP 05/HUMAS&CSR/(0)/0322 which was published in March 2020 which explained starting from the analysis of community needs made by the company, which was then held a meeting in order to open lines of communication and consultation. From the results of the meeting, later the company will make programs and policies to accommodate the needs of the community that can be implemented by the company.

According to interviews with local community representatives (Empajak Village and Semadu Village) and contractors (CV Sumber Sawit Kita and CV Mitra Sawit Borneo), it was said that they had received socialization of the communication and consultation mechanism. The company holds regular stakeholder meetings to communicate and consult on procedures and policies, for example on July 4, 2022, attended by 12 participants.

### 1.1.5

The company shows a list of stakeholders for the period of September 2022 which informs internal and external stakeholders. Stakeholders include government agencies, community leaders, cooperatives, local suppliers, hazardous and toxic waste transporters, CPO transporters, PK transporters, contractors, community organizations, etc. In the list of stakeholders, it is explained, among other things, the name, agency/position, address, category and contact number that has been covered in full for the past 12 months.

During the assessment, the auditor verifies the stakeholder list document by conducting consultations with stakeholders using the contact number/information contained in the document. From the results of the consultation, it was found that the contact number/information listed could be used and was in accordance with the intended personnel.

**Status: Comply**

## 1.2

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

### 1.2.1

The Company has a policy regarding a code of integrity and ethical behaviour in all operations and transactions. This policy is contained in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021 by the President Director who explained that the company is committed to implementing ethical behaviour and fair working conditions in every business with the values of honesty, integrity, openness and providing a fair working environment for all workers and against bribery.

The company periodically conducts socialization related to ethical behaviour, which is carried out in all operations and business transactions to employees and third parties, for example socialization conducted to third parties on July 4, 2022 which was attended by 12 participants and socialization to employees of KPT-1 on 20 July 2022 attended by 39 participants.

### 1.2.2

Based on interviews with management representatives, it was stated that the company has an internal audit mechanism to ensure regulatory compliance, implementation of policies and ethical business practices as a whole carried out by the company's internal auditors.

The company periodically conducts internal audits, for example conducted on 17-26 January 2022 by internal auditors at Mill and Estate with the result that there were 7 non-conformities which have all been corrected, the last time on 23 February 2022.

The company also demonstrated several SOPs related to compliance monitoring and the implementation of ethical business practices, for example SOP Recruitment No. SOP 01 Revision 1 issued on May 2, 2019 which states that there are no fees in the recruitment process. The company has guaranteed recruitment fees and a clear selection process.

**Status: Comply**

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

## 2.1

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

### 2.1.1

The company has list of regulations of 2022 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

- Online reporting is mandatory for Estate employment reporting for the 2022 period with No. 79586.20220531.0002 dated May 31, 2022 and for Mill for the period 2022 with No. 79586.20220530.0001 dated May 30, 2022 in accordance with the Minister of Manpower Regulation No. 18 of 2017.
- Determination of employee wages for the 2022 period of IDR 2,486,031 is in accordance with the Sekadau Regency Minimum Wage Decree set by the Governor of Kalimantan Barat.



- The company already has AMDAL Addendum Documents (Andal, RKL, and RPL) for Plantation and Palm Oil Mill activities with Mill Capacity: 60 Tons FFB/Hour and land area of  $\pm$  20,000 Ha in Belitang Hilir District, Sekadau Regency – Kalimantan Barat in 2019. The document has been obtaining environmental feasibility in accordance with the Decree of the Sekadau Regent Number 660/286/DLH/2019 concerning the environmental feasibility of PT Parna Agromas' oil palm plantation and processing plant activities in Belitang Hilir District, Sekadau Regency, Kalimantan Barat Province on September 16, 2019.
- The company has a temporary storage permit for hazardous and toxic waste in accordance with the Decree of the Sekadau Regent Number 660/168/DLH/2019 on March 25, 2019 with a validity period of 5 years.
- The company already has a wastewater discharge permit into water in accordance with the Decree of the Sekadau Regent Number 660/217/DLH/2018 concerning the permit to discharge wastewater into water or water sources for the activities of the palm oil processing plant in Tapang Pulau Village, Belitang Hilir District, Sekadau Regency, Kalimantan Barat Province to PT Parna Agromas on April 27, 2018 with a validity period of 5 years.
- The company already has a water resource exploitation permit in accordance with the Decree of the Minister of Public Works and Public Housing Number 213/KPTS/M/2019 concerning the granting of a water resource exploitation permit to PT Parna Agromas for industrial business in the Ayak River, Sekadau Regency, Kalimantan Barat Province on February 25, 2019 with a validity period of 5 years.

At the time of the Initial Audit assessment, the company was carrying out the construction of Methane Capture. Based on the verification of the Methane capture activity document, it has not been included in the 2019 AMDAL Addendum document. The company has submitted an AMDAL addendum again, only it is constrained by the Laws and Regulations, namely PP 22 of 2021 where currently there is no environmental permit and it has turned into an environmental approval. Changes to environmental approvals are carried out integrated with other permits. Currently the company is in the process of obtaining a permit for the utilization of liquid waste on land (LA) and has entered the technical approval stage. However, the technical approval has not yet been approved by the Ministry of Environment and Forestry. Based on the results of interviews with the Sekadau Regency Environmental Service, it is known that the company is currently processing the LA permit and is in the process at the Ministry of Environment and Forestry. Before the LA technical approval is completed, the company has not been able to submit an AMDAL addendum because currently changes to the environmental approval must be integrated with all permits. The company has the opportunity to ensure that the licensing process for the Utilization of POME on Land (LA) and Changes in environmental approvals can run positively. (OFI).

#### **Land legality**

- Business license for oil palm plantation area of 20,000 ha and mill capacity of 60-ton FFB/Hour based on Decree of the District Head of Sekadau No. 525.26/231/Hutbun/2014, 18 June 2014.
- Changed Plantation Business Permit for PT Parna Agromas covering an area of 18,311.85 ha based on the Decree of the Head of the Investment, One Stop Service and Manpower Office of Sekadau Regency (No. 503/24/IUP/IV/2020, April 13, 2020).
- The company has also built plasma plantations in collaboration with 2 cooperatives namely with Koperasi Perkebunan Sawit Jaya consists of 2,505 Smallholders with a land area of 2,390.49 Ha and Belitang Hilir Cooperative consists of 914 farmers with a land area of 1,171.28 Ha.

#### **Compliance with Best Management Practices Regulations:**

The company has used certified seeds and has been able to demonstrate the legal aspects of these seeds. In controlling pests and diseases, the company has implemented integrated pest control. The results of field observations revealed that the company no longer uses paraquat, class 1a, 1b pesticides, or is included in the Stockholm or Rotterdam Conventions. The pesticides used have been registered with the fertilizer and pesticide commission of the Ministry of Agriculture, such as Metafuron, with a license to register RI number. 01030119951224 with a valid permit until February 22, 2026. Based on field observations, it is known that the company has implemented monitoring of pole subsidence, water level piezometer, 1 logger referring to the Attachment to the Decree of the Director General of Pollution and Environmental Damage Control number SK.121/PPKL/PKG/PKL .0/12/2021 concerning Determination of Groundwater Levels and Rainfall Monitoring Stations for PT Parna Agromas. The results of field observations in KPT 1, KPT 2, KPU 1, and KPS estates also did not find traces of burning in plantation operational practices.

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

The company has carried out inspection tests on its machines and equipment. For example, a boiler inspection has been carried out by PJK3 (OHS Service Company) which has inspection qualifications by having OHS expert Boilers and Pressure Vessels and with



the knowledge of the Manpower and Transmigration Office of Kalimantan Barat Province. The Boiler/Boiler Inspection Test Certificate dated December 23, 2021 is declared to have met the OHS requirements, and needs to be re-inspected on December 14, 2023.

### Medical examination

The company has shown the results of the workers' health checks including audiometric examinations and other examinations carried out by the Sakura Clinical Laboratory in June 2022 and the results were informed to the company on August 23, 2022. It is known from the results of these examinations that some workers are advised to use hearing aids and follow-up examinations. to a specialist. The results of interviews with doctors, some of these employees will be re-observed to determine the next action. Based on this, companies are encouraged to ensure that follow-up health checks are carried out according to the results of laboratory examinations and follow-up observations by company doctors. This is an opportunity for improvement (OFI) for the company.

### License Operators

PAM Oil Mill has a turbine with a capacity of 1,500 kw ( $\pm 2,011$  Hp). Currently the company has 1 operator of class 1 production plane. Minister of Manpower Regulation No. 38 of 2016 in Articles 110, 111 and Table E it is explained that for a prime mover engine with a power of  $> 214.47$  HP, one person must have a power and production plane operator of class I and class II each. Based on interviews with workers revealed that they had been trained by their superiors to operate the machine. The results of interviews with PIC OHS show that they already have a training program for engine room operators in 2023, namely 1 Class 1 Turbine Operator and 1 Class 2 Operator.

The results of field observations, it is known that the spray tractor operator Division 1 KPT 2 with the initials Htn does not yet have heavy equipment license. Based on Minister of Manpower Regulation No. 9 of 2010 in article 5 paragraph 1 states " heavy equipment must be operated by heavy equipment operators who have OHS licenses and workbooks according to their types and qualifications".

According to the management representative's explanation, the Htn Operator is in change of replacing, because the operator actually has a permit. However, because it has the potential to become a replacement operator, the company has the opportunity to fulfil the OHS license certification for that operator.

At the time of the Audit, the company demonstrated the implementation of OHS license certification for 59 heavy equipment operators. The company has a competency improvement OHS program with training planned for June and December 2022 for OHS tractor Operator, and June and August 2023 for Class 1 and 2 Turbine Operators. Based on this, companies are encouraged to fulfil the relevant OSH licenses for workers. This is an opportunity for improvement (OFI) for the company.

#### 2.1.2

Procedure of legal requirement which presented in document PAM-P-EHSS-SMK3-23, revision 1 dated 5 August 2021, mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions.

The company shows a list of contracted third parties listed in the stakeholder list for the period September 2022, namely 2 CPO transporters, 2 PK transporters, 1 GMO building contractor, 2 biogas construction contractors and 19 outsourcing contractors. However, the company has not been able to show the evaluation mechanism and evidence of evaluation of legal compliance by all contracted third parties. **This becomes NCR No. 2022.01 with Minor Category.**

#### 2.1.3

Procedure of legal boundary stakes monitoring and maintenance is presented in document No. GIS 001, version 01 dated 1 August 2022. Procedure mentioned that maintenance was carried out by officer appointed by Assistant. Monitoring the boundaries of the HGU is done every 4 months.

The company shows the HGU stake monitoring document which is carried out every 4 months. The last HGU stake monitoring was carried out in June 2022. The report on the inspection and maintenance of the boundary stakes has provided complete information regarding the number of stakes, the state of the stakes, the location of the stakes, the coordinates of the stakes and corrective actions as well as the target time for repairs if there are damaged or missing stakes. In the monitoring report, it is known that all HGU stakes are available.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Parna Tengah 1 Estate (Stakes No. 3, 2, 102 and 100), Parna Tengah 2 Estate (Stakes No. 19, 20, 21, 14 and 11), Parna Selatan Estate (Stakes No. 45, 44 and 54), and Parna Utara 1 Estate (Stakes No. 87, 89, 128 and 129), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. The HGU boundary of the nucleus plantation of PT Parna Agromas is directly adjacent to the plasma of PT Parna Agromas.

**2.1.2**
**Status:**
**This becomes NCR No. 2022.01 with Minor Category.**
**2.2**

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

**2.2.1 and 2.2.3**

The company has documented a list of contractors, types of business, contact persons, and addresses for 2022, for example:

- Biogas construction such as KIS Group and CV Jasa Karya Pratama.
- CPO transportation such as CV Mitra Jo Valen and Y. J Selamat.
- FFB suppliers such as CV Sumber Sawit Kita and KUD Belitang Hilir.

The company also shows cooperation documents with contractors, for example:

- Work agreement letter No. 01/SPK/TBS/I/2022 regarding the sale and purchase partnership of oil palm FFB with CV Sumber Sawit Kita which is valid from January 1, 2022 to December 31, 2022.
- Work agreement letter No. 02/SPK/TBS/I/2022 regarding the sale and purchase partnership of oil palm FFB with KUD Belitang Hilir which is valid from January 1, 2022 to December 31, 2022.

Based on the study of the work agreement document, it has been stated that the clause regarding OHS and the prohibition on employing children, for example for the work agreement letter for the sale and purchase of FFB in article 11 and article 12 and the prohibition on forced labor and trafficking are contained in Article 13.

**2.2.2**

The company shows a list of contractors listed in the stakeholder list for the September 2022 period, for example for CPO transporters such as CV Mitra Jo Valen, for FFB suppliers such as CV Sumber Sawit Kita and for outsourcing contractors such as Sugeng and Nurdani, but the company has not been able to show that the cooperation contract already has its own clause regarding the fulfilment of relevant legal obligations.

The company shows a work agreement letter for outsourcing worker with No. 051/SPK-PB/PAM-KPT2/6/2022 in which a second party with the initials name N acts for and on behalf of himself to accept work, namely harvesting and estate maintenance activities, but the company has not been able to show that the contractor is a legal entity in accordance with government regulations 35 of 2021 in article 20 which states that "Outsourcing companies must take the form of a legal entity and must fulfil business permits issued by the Central Government".

Based on interviews with harvest workers in Division 2 KPT-1, spray workers in Division 1 KPT-2, spray workers, fertilizer workers and FFB loading workers in Division 3 KPU-1, it is known that there are workers who have outsourcing status but do not have a good work agreement. with the contractor or with the company. The company has also not been able to show the work agreement of the outsourced worker.

The company shows a list of outsourcing workers with a total of 1,349 people, for example for harvest work with the initials EC, M and SH, but it has not been able to show a work agreement for outsourcing employees with contractors in accordance with government regulations 35 of 2021 in article 18 which states that "The Work Relationship between Outsourcing Company with employed Workers/Labourers, based on permanent worker or contract worker".

The company shows proof of payment of Social Security Agency of Employment for outsourcing worker the period August 2022 with a total payment of 218 people, but it has not been shown that another 1,131 people have been registered and paid for Social Security Agency of Employment by the contractor, in accordance with Minister of Manpower Regulation No. 5 of 2021 article 3 paragraph 1 which states that every employer must register workers as participants in Social Security Agency of Employment.

Based on the evidence above, it can be concluded that:

1. The company has not been able to show that the cooperation contract has its own clause regarding the fulfilment of the relevant legal obligations.
2. The company has not been able to show that the contractor is a legal entity in accordance with government regulations No 35 of 2021.
3. The company has not been able to show that the outsourcing workers have had an employment relationship in accordance with government regulations No 35 of 2021.
4. The company has not been able to show that outsourcing workers have been registered as Social Security Agency of Employment participants in accordance with Minister of Manpower Regulation No. 5 of 2021.

**This becomes NCR No. 2022.02 with Minor Category.**

**2.2.2**

**Status:**

**This becomes NCR No. 2022.02 with Minor Category.**

### **2.3**

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

#### **2.3.1**

Based on document verification, it is known that the company receives FFB directly only from the own estate, namely:

- Parna Utara 1 Estate → PT Parna Agromas
- Parna Utara 2 Estate → PT Parna Agromas
- Parna Tengah 1 Estate → PT Parna Agromas
- Parna Tengah 2 Estate → PT Parna Agromas
- Parna Selatan Estate → PT Parna Agromas
- KUD Belitang Hilir → Plasma PT Parna Agromas with a land area of 1.171.28 Ha with a total of 914 farmers.
- Koperasi Perkebunan Sawit Jaya → Plasma PT Parna Agromas with a land area of 2,390.49 Ha with a total of 2,505 farmers.

Based on document verification, the following evidences were obtained:

- Based on the verification of PT Parna Agromas' FFB supplier list document, it is known that apart from the own estates, the company also receives FFB directly from the Plasma Cooperatives, namely the KUD Belitang Hilir and the Koperasi Perkebunan Sawit Jaya.
- From the results of the document review, it is known that there is a cooperation agreement between PT Parna Agromas and the Koperasi Perkebunan Sawit Jaya and the KUD Belitang Hilir where it is explained in the agreement that the management is fully carried out by the company.
- The company can show the list and land area of the landowners with the following details:
  1. Koperasi Perkebunan Sawit Jaya consists of 2,505 Smallholders with a land area of 2,390.49 Ha (3,375 Persils of Land)
  2. KUD Belitang Hilir consists of 914 farmers with a land area of 1,171.28 hectares (1,465 land parcels).
- Belitang Hilir Cooperative can show proof of land ownership status in the form of SHM and SKT for 1,424 land parcels, but for 41 land parcels it cannot be shown.
- Koperasi Perkebunan Sawit Jaya has not been able to show proof of land legality for all of its land (3,375 Persils).
- The company can show the coordinates of the KUD Belitang Hilir Office and the Koperasi Perkebunan Sawit Jaya Office. However, information on the coordinates of the farmer's land cannot be shown yet.

Based on this evidence, there is still information regarding the geolocation of the FFB origin and proof of the legality of the plasma land that the company has not yet been able to show. **NCR No 2022.03 with Major Category.**

#### **2.3.2**

Based on document verification, it is known that the company also received FFB indirectly from several sources for the period 2021-2022. The indirect sources of FFB are:

- *Koperasi Produsen Perkebunan Malijay Mandiri*
- *Koperasi Sawit Sejahtera Mandiri Binjai*
- *Koperasi Sumber Berkat Sawit Mandiri*
- CV Mita Sawit Borneo
- CV Sumber Sawit Kita

- *Koperasi Tirta Makmur Sejahtera*
- *Koperasi Cahaya Sawit Sintang*

The company has taken the coordinates of the FFB supplier. Based on the results of interviews with company representatives, it is known that currently the company only takes the coordinates of FFB suppliers for representatives of each supplier. To fulfil the requirements according to indicator 2.3.1 the company will do it in stages. Based on indicator guide 2.3.2, it is explained that for mills that have not been certified / mills that are in the process of the first year of certification, the time requirement for supplying farmers to fulfil the requirements according to indicator 2.3.1 is three years from the time the mill is certified.

**2.3.1**
**Status: NCR No 2022.03 with Major Category.**
**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**
**3.1**

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

**3.1.1**

The company has documented the long-term plans contained in the 5-Year (2021-2026) Project Projection document. The long-term plan has been approved by the President Director. The plan contains information on plantation business including projected FFB production, CPO production and sales, kernel production and sales, and estate, plasma, and mill costs. For example, in 2023 it has a projected FFB production of 92,013 tons, CPO production of 21,163 tons (23%), kernel production of 4,601 tons (5%).

**3.1.2**

The results of interviews with management representatives revealed that there is no replanting plan for the next 5 years. In accordance with this, the basic info document has been shown, which informs that the oldest plant was planted in 2000, which means that in 2022 it will only be 22 years old.

**3.1.3**

The company has conducted periodic management reviews. For example, the recorded management review document that was conducted in January 2022. The scope of the management review includes, among others, estate, mill, workshop, warehousing, and office operations. The management review was carried out on January 26, 2022, with the results of 7 opportunities for improvement, and with discussions including OHS aspects, employment aspects, social aspects, and environmental aspects.

The Company also shows the financial audit report for the 2021 financial year Number 01019/2.1032/AU.1/01/0698-2/1/IV/2022 dated 27 April 2022 conducted by the Public Accounting Firm. It is an opinion that the accompanying Financial Statements fairly present, in all material respects, the financial position of PT Parna Agromas as of December 31, 2021, as well as its financial performance and cash flows for the year then ended, in accordance with a comprehensive accounting basis other than the financial accounting standards in Indonesia.

**Status: Comply**
**3.2**

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

**3.2.1**

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

- Waste management and monitoring through WWTP Management, effluent quality testing and reporting to the Sekadau Regency Environmental Service.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to the Sekadau Regency Environmental Service.
- Management and monitoring of groundwater through testing ground water quality and reporting it to the Environment of Sekadau Regency.
- Hazardous waste management through the Storage of Hazardous and Toxic Waste and Waste Management and Monitoring of Hazardous and Toxic Materials.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy, utilization of EFB, shells and fibre as renewable energy, regular engine maintenance, and regular emission quality tests.

**Social Aspect**

The company has made continuous improvements in the social sector by realizing the development of plasma plantations for the surrounding community and has realized CSR in accordance with the program prepared together with the community.

**Best Management Practice Aspects:**

The company has implemented monitoring of pole subsidence, water level piezometer, 1 logger referring to the Attachment to the Decree of the Director General of Pollution and Environmental Damage Control number SK.121/PPKL/PKG/PKL.0/12/2021 concerning the Determination of Groundwater Levels and Station Points. Rainfall Monitoring PT Parna Agromas.

**3.2.2**

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents. The summary in the report, for example, is as follows:

- Name of RSPO Member: PT Parna Agromas
- RSPO Membership Number: 1-0190-15-000-00
- Name of Certified Audit: PAM Palm Oil Mill – PT Parna Agromas
- Name of Certification Body: PT Mutu Agung Lestari
- RSPO Palm Trace ID Number: RSPO\_PO1000004361
- Number of Mill: 1
- Number of Certified Estate: 5
- HCV Area: 1994.08 Ha.

Based on the verification results of the PDAM PPT metric template document, it is known that the metric template is in accordance with the company's actual conditions.

	<b>Status: Comply</b>
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**3.3**

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

**3.3.1**

The company has procedures that regulate all operational processes carried out, both at the estate and at the mill. From plantations, procedures have been shown from land clearing, nurseries, block arrangement, preparation of supporting infrastructure such as roads and bridges, planting, plant maintenance, fertilization, hazardous materials and hazardous waste management, IPM, environmental management, as well as harvesting and transportation. For mills, it has been regulated such as receiving FFB at the security post, weighing, sorting, processing, quality control, up to dispatch, WTP, and environmental management. From the OHS aspect, the procedures shown include hazard identification procedures, risk assessment, and risk control, PPE procedures, work permits, and LO-TO. These procedures are available in Bahasa and have been communicated to workers and related parties. The results of field observations, it is known that company workers and contractor/supplier workers have understood the procedures they have.

**3.3.2**

The company has a mechanism to check the implementation of procedures consistently. Among them have been shown the OHS internal audit procedures, with the number PAM-P-MR-SMK3-03 revision 1 with an effective date of June 8, 2020. This procedure regulates audits related to the implementation of the OHS management system. Company representatives also explained that there are regular sustainability audits for estates and mills, and an internal evaluation mechanism by managers regarding the unit's performance against its budget.

**3.3.3**

The company has maintained records of monitoring and follow-up. For example, the company showed the results of the internal audit of the OHS Management System, the implementation of environmental procedures, RSPO, and SCSS supply chain carried out at Mill, KPT 1, KPT 2, KPS, KPU 1, KPU 2, workshops, and clinics, on 17 -26 January 2022. The company also shows a management review regarding the results of the internal audit on 26 January 2022. In the meeting, the audit findings, follow-up plans, PIC, and completion targets were discussed. For contractors, based on the results of field observations on spray and fertilizer work in KPT 2, which uses contractors, it is known that workers have used appropriate PPE.

	<b>Status: Comply</b>
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**3.4**



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

### **3.4.1**

The company has carried out an independent and participatory environmental and social impact assessment by involving the stakeholders listed in several documents, namely:

#### **Environmental Aspect**

- AMDAL Document for PT Parna Agromas' Palm Oil Plantation and Processing Factory in Belitang Hilir District, Sekadau Regency - Kalimantan Barat with an area of  $\pm 17,827.44$  Ha with a Mill Capacity of 60 Tons FFB/Hour in March 2007. The AMDAL assessment was carried out by CV Oryza Consultant and the document has been approved by the Head of Forestry, Plantation and Mining Office of Sekadau Regency / Chair of the Sekadau Regency AMDAL Commission on June 14, 2007 with approval number 660.1/159/HUTBUNTAN-IV.
- In 2019, the Company carried out an AMDAL Addendum due to the addition of activities for the Construction of an Inpatient Primary Clinic, the addition of an IPAL pond for the Palm Oil Mill, and the construction of a communal system of Domestic IPAL. The documents are the AMDAL Addendum for the addition of activities for the Construction of Inpatient Primary Clinics, the addition of a palm oil mill IPAL pond, and the construction of a communal system Domestic IPAL with a factory capacity of 60 tons of FFB/hour and a land area of  $\pm 20,000$  ha (according to the plantation business license dated 18 June 2014 ) in Belitang Hilir District, Sekadau Regency – Kalimantan Barat. The document has obtained environmental feasibility in accordance with the Decree of the Sekadau Regent Number 660/286/DLH/2019 concerning the environmental feasibility of PT Parna Agromas' oil palm plantation and processing plant activities in Belitang Hilir District, Sekadau Regency, Kalimantan Barat Province on September 16, 2019.

At the time of the Initial Audit assessment, the company was carrying out the construction of Methane Capture. Based on the verification of the Methane capture activity document, it has not been included in the 2019 AMDAL Addendum document. The company has submitted an AMDAL addendum again, only it is constrained by the Laws and Regulations, namely PP 22 of 2021 where currently there is no environmental permit and it has turned into an environmental approval. Changes to environmental approvals are carried out integrated with other permits. Currently the company is in the process of obtaining a permit for the utilization of liquid waste on land (LA) and has entered the technical approval stage. However, the technical approval has not yet been approved by the Ministry of Environment and Forestry. Based on the results of interviews with the Sekadau Regency Environmental Service, it is known that the company is currently processing the LA permit and is in the process at the Ministry of Environment and Forestry. Before the LA technical approval is completed, the company has not been able to submit an AMDAL addendum because currently changes to the environmental approval must be integrated with all permits.

#### **Social Aspect**

The company has conducted a social impact study as stated in the Social Impact Assessment document of PT Parna Agromas, Sekadau Regency, Kalimantan Barat Province which was carried out in January 2020 in collaboration with PT Anugrah Lintas Zaman. The implementation of SIA is carried out by collecting primary data by using field observations, interviews and Focus Group Discussions with resource persons based on the representation of resource persons. Data collection was carried out in December 2019. Respondents who were used as resource persons were the village government, BPD, community leaders, land owners, and cooperative managers. For internal, respondents are representatives of the workforce of each division from various statuses. There are 8 villages around the company, namely Sungai Ayak Dua Village, Entabuk Village, Tapang Pulau Village, Merbang Village, Kumpang Bis Village, Menawai Tekam Village, Semadu Village, and Empajak Village. The majority community is the Dayak tribe and has mingled with other immigrant tribes. there is a positive impact.

Based on document verification, it is known that the social and environmental impact assessment has been carried out independently and participatively by involving affected stakeholders, including impact assessments from smallholder schemes.

Based on interviews with Empajak village, it is known that the social impacts of the existence of companies such as partnerships with business actors to provide business opportunities to the community, CSR, job opportunities, etc. These social impacts have also been identified in the SIA Document, Environmental Document, as well as the company's social impact management plan.



Based on document verification, it is known that the scope of the social impact assessment has covered all villages, farmers, and has involved internal workers.

### 3.4.2

The company already has an environmental and social management and monitoring plan, namely:

#### **Environmental Aspect**

The environmental management and monitoring plan is in accordance with the 2019 AMDAL addendum, such as:

- Decreased air quality
- Noise increase
- Decreased surface water quality
- Decreased diversity of aquatic biota species
- Increasing employment opportunities and business
- Increased community income
- Changes in the perception and attitude of the community
- Social unrest
- Level of public health

#### **Social Aspect**

The company already has an SIA management and monitoring plan which is carried out based on the recommendations of the SIA study results conducted in 2020. The SIA study process is carried out in a participatory manner by involving stakeholders such as communities in 8 villages around the company and internal company stakeholders such as workers. The company's social impact management and monitoring plan includes:

#### **External impact**

- Limited people's economic resources
- Negative perception of the company and social jealousy of the local workforce
- Understanding and schemes of partnership plantations
- Mutual land ownership claims
- Residential land within HGU
- Changes in environmental conditions
- Worries about environmental pollution, especially river water and damage to springs
- Floods in the community

#### **Internal impact**

- A recruitment system that is less transparent, proportional, and on a priority scale
- Application of rules and SOPs for OHS aspects and the use of PPE that is not firm
- No employee organization yet
- Biased employee training patterns
- Career path based on education level.

The SIA management plan prepared based on the results of consultation with stakeholders such as the surrounding community, plasma farmers, and employees have covered all company operational activities. Based on the results of the verification of the SIA study documents, it is known that during the study the NGOs and the Government, in this case the village government, were also resource persons. The results of the SIA review serve as a recommendation for the SIA management plan. This is evidenced by the SIA management plan which contains the social impact of the company's operations on affected stakeholders.

Based on interviews with Empajak Village it is known that the impact of the Social from the existence of companies such as partnerships with the development of plasma, CSR, and land claims, etc. These impacts have been covered in the SIA study document.

### 3.4.3

The Company has implemented environmental and social management and monitoring plans, namely:

#### **Environmental Aspect**

The company has implemented an environmental management and monitoring plan for the 2nd semester of 2021 and the 1st semester of 2022. The environmental management and monitoring plan is in accordance with its environmental documents. The results of the verification of the implementation of the environmental management and monitoring plan for the second semester of 2021 and the first semester of 2022 are in accordance with the directions of the environmental documents owned. In general, the results of environmental monitoring owned by the company are in accordance with environmental parameters such as river water quality testing, emission testing, etc. The company has also conducted evaluations such as trend evaluation, critical level evaluation, and compliance evaluation.

### **Social Aspect**

The company has implemented the SIA management and monitoring plan for the 2021 period. The plans that have been implemented are in accordance with the SIA management and monitoring plan. Some examples of the implementation of the SIA management and monitoring plan are as follows:

- Provide job opportunities and try to residents proportionally.
- Intensive socialization to the public both formally, non-formal, and informal.
- Mediation by involving village officials, community leaders and *Muspika* to determine the boundaries and ownership of land to avoid mutual claims.
- Intensive socialization both directly and through the media about the partnership scheme.

The company has also reviewed the SIA management and monitoring plan which was carried out together with the surrounding community and workers as evidenced by the minutes of the review of the SIA management and monitoring plan along with the attendance list for the FGD which was held in August 2022. From the review carried out there were recommendations such as:

- The company must maintain commitment such as improving the welfare of the community through the recruitment of labor and management of plasma plantations, helping to improve the quality of village infrastructure, and implement the right CSR program.
- It is necessary to integrate and synergize two impact management models, namely strategic/ sustainable impact management and management of impact based on conflict potential. Furthermore, the company needs to apply the stages/steps of impact management, both strategically and based on potential conflict.
- The participation of company representatives is needed in the *Musrenbangdes* activities to integrate the CSR program with the development plan at 8 (eight) surrounding villages.
- Work opportunities that are opened for the community around the location of the Estate of PT. PAM is not enough to be done by recruiting labor in accordance with the qualifications needed because its availability is limited.

Based on the results of interviews with local villagers such as Empajak village, it is known that there are issues such as "*Uang Tunggu*" for plasma land. The issue has been managed by the company but has not been optimally managed and will continue to be managed by the company. This issue is also covered in the SIA management plan and the results of the review also contain recommendations for companies to provide socialization related to plasma plantation management.

**Status: Comply**

### **3.5**

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

##### **3.5.1 – 3.5.2**

##### **Recruitment, selection and admission procedures**

The mechanism for recruitment, selection and acceptance is regulated in the company regulations for the period 2022-2024 article 4 published on July 3, 2022 and SOP Recruitment No. SOP 01 revision 1 issued on May 2, 2019 which explains the flow of recruitment, selection and recruitment of workers with certain requirements. For example, you must be at least 18 years old and meet the job requirements at the time of admission.

The company shows recruitment documentation starting from a job vacancy, for example a job vacancy for an operator in April 2022. Several prospective employees who apply send application letters to the company which will then be subjected to a written test and medical test. From the results of the test and medical examination, a name with the initials FA was chosen, which will conduct a trial for 3 months. Furthermore, the company also shows the results of an assessment evaluation for 3 months with recommendations as permanent employees.

##### **Promotion, demotion and transfer procedures**

The company has SOPs for promotions, demotions and transfers with SOP No. 07 revision 1 issued on May 2, 2019 which explains

that promotions are based on evaluation results covering work performance, competence and potential of employees. Demotion can be carried out due to several factors including changes in organizational structure, inability to lead, inability to carry out tasks and poor performance. Transfers are carried out in the context of employee development and organizational needs as well as improving employee performance proposed by superiors.

The company shows documentation of employee promotions, for example, as stated in the decree No 004/SM/HRD/PAM/SK/II/2019 regarding the appointment of employees with the initials EP, which was originally in the G3 group to G4 which is effective January 2, 2019 according to the employee's assessment.

#### **Retirement procedure**

The pension mechanism is regulated in the company regulations for the period 2022-2024 article 29 issued on July 3, 2022 which explains that the age limit for employees is 57 years and in the event that the employee does not receive a guarantee or pension benefit, the company will provide compensation in accordance with applicable regulations.

The employee retirement process, for example, is shown in the form No. 06/HRD/PAM/INT/II/2022 dated January 6, 2022 regarding the application for termination of employment due to retirement age with the initials WA and M because they have entered the age of 57 years.

#### **Termination procedure**

The mechanism for termination of employment is regulated in the company regulations for the period 2022-2024 article 22 issued on July 3, 2022 which explains that the termination of employment relations between the company and employees without going through a warning letter, for example, namely employees who resign, employees do not achieve company standard performance, expiration of the contract, etc.

The process of termination of employment, for example, is shown in the form No. 83/HRGA/PAM/INT/VI/2022 dated 7 June 2022 regarding the application for severance pay for termination of employment with the initials of NSH because it has received a third warning letter.

<b>Status: Comply</b>
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### **3.6**

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

##### **3.6.1.**

##### **Hazard Identification and Risk Analysis**

The Company has carried out hazard identification, risk assessment and control of Plantation and Mill risks contained in the HIRARC document. HIRARC Plantation approved by the EHSS Management and effective from 01 April 2022, while HIRARC Mill inaugurated on 25 February 2022.

However, from the results of field observations and document studies, it is known that several activities have not been included in the IBPRPR documents for plantations and Mill. The results of confirmation with the PIC, it is known that these activities have not been identified in the IBPRPR, including but not limited to:

1. Measuring the depth of sludge in the WWTP
2. Boiler manufacture
3. 1000-liter fuel tank in engine room
4. Ayak River water intake activities
5. CPO stock taking / sounding activities
6. Transfer of WT tractor (Wheel Tractor) and transport of loader power
7. Transfer of grabber and transportation of loader power
8. Spray and harvest together in 1 block
9. Fertilize and harvest together in 1 block

Based on the evidence above, it is known that not all operational activities have carried out hazard identification, risk assessment, and risk control. This is a nonconformity in **2022.04** with the major category.

<b>3.6.2</b> <p>The company has monitored the effectiveness of the OHS plan to address OHS risks, particularly for workers. One of the things that has been done is to carry out audits of the OHS and sustainability management system for workers and contractor workers, as has been discussed in indicator 3.3.3. The company has carried out vibration and noise checks, which are indicated in the document Report on the Results of Inspection and Testing for Monitoring of the Work Environment carried out by Biro Klasifikasi Indonesia which is indicated in the Certificate dated 18 December 2020 and needs to be re-tested on 29 November 2023. The tests carried out include noise at 14 stations/areas in Mill. It is known that the Kernel area exceeds the threshold with a test result of 92.5 decibels. The results of field observations, it is known that workers have used earplugs that can reduce noise by 15 decibels. The company also demonstrated vibration tests in 14 PKS areas with good results. From the results of the interviews, it was also known that workers had received sufficient training to operate the equipment. The company also has an OHS committee, which periodically evaluates the implementation of OHS aspects in the company. The OHS Committee also reports its activities regularly to the relevant government agencies. Some of the things contained in the OHS Committee report include company identity, number of workers, work accidents, number of lost working days, AFR (Accident Frequency Rate), and ASR (Accident Severity Rate). All OHS Committee activities are also reported, a list of infrastructure facilities related to OHS aspects and emergency response, work programs and their realization, OHS Committee meetings, monitoring of PPE compliance, APAR inspections, first aid kit inspections, hazardous waste inspections, MCU, vehicle and heavy equipment inspection tests, fire drill at Mill, simulation of forest and land fire prevention, monitoring of water reservoirs in estates, first aid training, etc. During July 2022, an OHS committee meeting was held on the 25th and 29th. The meeting was attended by the management, OHS inspectors from the estate and mill, and related staff. Some of the things discussed include evaluating the results of OHS and environmental inspections and reviewing the delivery of hazardous waste from the unit to central.</p>	<b>3.6.1</b> <b>Status: NCR no 2022.04 with the major category.</b>
<b>3.7</b> <b>All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.</b> <b>3.7.1 and 3.7.2</b> <p>The company has identified needs and created training programs, for example, during 2022 training programs were prepared related to OHS training, BMP (Spray, fertilizing, harvesting, leaf samples), First Aid, etc. In addition, the company also provides briefing to contractors regarding safe work practices.</p> <p>The company also shows documentation of the training that has been carried out, for example:</p> <ul style="list-style-type: none"> <li>• Socialization of OHS aspects, environment and sustainability policies which was carried out on February 15, 2022, which was attended by 10 contractors.</li> <li>• Spraying training held on July 7, 2022, attended by 116 employees.</li> <li>• Socialization of OHS aspects, environment and sustainability policies which was carried out on 5 July 2022 which was attended by 21 representatives from Sie Ayak Village and Semadu Village officials.</li> </ul> <b>3.7.3</b> <p>The unit of certification showed socialization about the supply chain to employees which was last conduct on 15-16 June 2022. The minutes explained the procedures for managing certified including the responsibilities for each of the personnel who handle products.</p> <p>The results of interviews with Head of Administration, weighbridge operator in POM and FFB administration in Estate showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure and have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.</p>	
	<b>Status: Comply</b>
<b>3.8</b> <b>Supply Chain Requirements for Mills</b> <b>3.8.1 and 3.8.2</b> <p>The company plans to use the mass balance (MB) module because it will receive FFB from sources that are not yet RSPO certified. The implementation of this module will be verified further at annual surveillance audit.</p> <b>3.8.3</b> <p>The estimates of certified production for the next license period describe at Initial Certification report (basic info 1.8.3), in reasonable amount taking into account the last year's production.</p>	

**3.8.4**

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

- Member Name: PAM Palm Oil Mill – PT Parna Agromas
- License status: Not Licensed
- Commodity: Palm Oil
- Member ID: RSPO\_PO1000004361
- RSPO Membership Number: 1-0190-15-000-00 (PT Parna Agromas)
- Type of Business: Oil Mill

**3.8.5**

RSPO Supply Chain SOP with document number PAM-Mill.P-01 effective date 18 June 2022 revision 00. The scope of activities of the relevant elements and the production and distribution chain in question are Palm Oil Mill. Applied to the Supply Chain Model Mass Balance (MB). With the aim to explain in general about the requirements regarding traceability and Mass Balance (MB) balance.

This procedure informs the duties and responsibilities of the Sustainability Department, Marketing Department, mill traceability, FFB traceability, use of palm trace, handling of non-conformities or complaints including training that includes training plans, target participants, training conducted once a year and training materials.

Based on interviews in PAM POM note that the weighbridge operators understand the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out, for instance on 15-16 June 2022.

**3.8.6**

The company has procedure for Internal Audit in document No. PAM-P-MR-SMK3-03 revision 01 dated 8 June 2020. The mill has no certified yet, however based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 17-26 January 2022. Based on result of internal audit, there is no non conformity and complied with RSPO Supply Chain requirements for mills.

Management Review of RSPO SCCS implementation conducted on 26 January 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process performer and product compliance, follow up of previous management review, actions taken regarding the findings and recommendation for improvement.

**3.8.7**

The mill has no certified yet, so there is no overproduction of certified tonnage. Mechanism to handle non-conforming palm oil products is contained in SOP of RSPO Supply Chain No. PAM-Mill.P-01 effective date 18 June 2022.

**3.8.8**

The mill has no certified yet. The minimum information for RSPO certified products on sales will be verify at annual surveillance audit. The minimum information for RSPO certified products that need to be verify are:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- A unique identification numbers.

**3.8.9, 3.8.10 and 3.8.11**

The company has not certified yet and there are no certified products, so there is no contract with a third party in handling certified products. However, the mill has an agreement with the CPO transporter from the mill to the jetty bulking of PT Parna Agromas such as agreement for period 1 January 2022 – 31 December 2022 with CV Mitra Jo Valen, Paber Ariadin Nainggolan and YJ Selamat. The mill also has an agreement with the PK transporter from the mill to the buyer such as agreement for period 1 January 2022 – 31 December 2022 with CV Mulia Jaya Sentosa and CV Anugrah Jaya Abadi.

**3.8.12**

The company has not certified yet, so the records of certified products will be verified at annual surveillance audit.

**3.8.13 and 3.8.14**

The company has not certified yet. However, the conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. This matter will be verified further at annual surveillance audit.

**3.8.15**

The company has not certified yet, so this indicator will be verified at annual surveillance audit.

**3.8.16 and 3.8.17**

The company has not certified yet, so there is no transaction or claim that registered in RSPO IT Platform. This matter will be verified further at annual surveillance audit.

Status: Comply
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**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**
**4.1**

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

**4.1.1**

The company demonstrates its commitment to respecting human rights as stated in the Sustainability Policy of PT. Parna Agromas revision 1 which was ratified on November 17, 2021 by the President Director which explained that the company is committed to respecting and protecting human rights to create security for all workers including not discriminating, providing freedom of belief, respecting and upholding human rights, wherein the company operates and encourages the application of this principle throughout the supply chain.

The company also shows a recording of the socialization of sustainability policies, for example the socialization conducted to third parties on July 4, 2022 which was attended by 12 participants and the socialization to employees of KPT-1 on July 20, 2022 which was attended by 39 participants.

The company's commitment to respecting human rights has been well implemented, as evidenced by the absence of issues and incidents of human rights violations that occurred in the operational areas of the mills and plantations.

The company policy also prohibits retaliation against Human Rights Defenders as evidenced by the existence of a complaint system against internal and external stakeholders with tiered handling up to legal entities. In addition, the company also has security personnel who are assigned to protect company assets and not as a means of retaliation against human rights defenders.

**4.1.2**

The company has a mechanism for implementing communication and consultation with the community with No SOP 05/HUMAS&CSR/(0)/0322 which explains that the stages of activities in problem solving are carried out by way of deliberation or mediation.

The results of field observations and interviews with representatives of village communities (Empajak Village and Semadu Village), it is known that there are no paramilitaries used for acts of interference (nuisance) and extra-judicial intimidation.

Status: Comply
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**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 and 4.2.4**

The company shows SOP No. SOP 02/HUMAS&CSR/(0)/0322 issued in March 2022 regarding procedures for receiving complaints and resolving disputes, especially disputes outside the court which explains the company's management of public complaints and complaints. The initial stage taken by the company is to conduct deliberations or meetings with interested parties, but if an agreement has not been reached, mediation is sought by involving the government. Furthermore, if this stage has not yet reached an agreement, then efforts are made to take a positive legal route.

The company also shows SOP 06/HUMAS&CSR/(0)/0322 issued in March 2022 regarding the appointment of a consultation and communication officer with the community which explains the granting of authority to managers, coordinators and staff to represent the company in relation to the consultation process and social communication with the community.

**4.2.2**

Based on interviews with management representatives, it was conveyed that for the affected parties, the company carried out verbal/direct socialization to cover those who could not read and write.

Based on the field visit, it was discovered that there were grievance and grievance mechanism leaflets placed in strategic places such as the estate office. In addition, based on interviews with village representatives, it was also conveyed that periodically the company conducts direct outreach regarding the complaint and complaint mechanism to community representatives and provides leaflets on the flow of the mechanism, so that it can accommodate all affected parties, including those who cannot read and write.

**4.2.3**

In the period 2021-2022, there have been no complaints submitted by internal and external parties to the company.

<b>Status: Comply</b>
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**4.3**

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

**4.3.1**

The company already has a CSR program in 2022 which was compiled based on the recommendations of the SIA study. The SIA study has been carried out by involving affected stakeholders. The CSR programs owned by the company are as follows:

- Repair of local government roads
- Improvement of Sports Facilities
- Making sports facilities
- PAUD Education Building Development.
- Assistance in the Dayak *Gawai* Indigenous event
- Village Road Repair
- Providing cooking oil for the community

The company can show evidence of the realization of the CSR program that has been carried out, for example as follows:

- Tapang Pulau Village Dayak Gawai Activity Assistance conducted in March 2022.
- Repairing Village Roads in Tapang Pulau Village, Empajak Village, Entabah Village in the 1st and 2th quarter of 2022.
- Making a sports field in Tapang Muda Hamlet in the first quarter of 2022.
- St. Catholic Church Development Assistance Yohanes Pembaptis Empetai in the 1st quarter of 2021.

Based on the results of interviews with representatives of Empajak Village, it is known that the CSR program provided by the company is considered quite good by the community. There are no negative issues from the community related to the Company's CSR program. Based on the results of interviews with the Company's PIC, it is known that the company also realizes CSR based on proposals for assistance received from the community

**4.3.1**

<b>Status: Comply</b>
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**4.4**

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

**4.4.1**

PT Parna Agromas has obtained concession rights from the National Land Agency in the form of HGU (consisting of 2 HGU Decrees and 9 HGU Certificates) covering an area of 16,330.51 Ha, with details as follows:

1. Certificate No. 70 for land rights of 5,672.56 Ha in Semadu/Kumpangbis/Tapang Pulau Village, according to the Decree of the Head of BPN No. 17/HGU/BPN/2002, dated 8 May 2002.
2. Certificate No. 50 for land rights covering an area of 289.5 Ha in Menawai Tekam Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
3. Certificate No. 51 for land rights covering an area of 3,032.55 Ha in Semadu/Merbang/Menawai Tekam Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
4. Certificate No. 52 for land rights covering an area of 777.88 Ha in Merbang Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
5. Certificate No. 53 for land rights of 1,118.61 Ha in Merbang Village, according to Head of Decree No. 74/HGU/BPNRI/2010 dated December 2, 2010.
6. Certificate No. 54 for land rights covering an area of 82.41 Ha in Tapang Pulau Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
7. Certificate No. 55 for land rights of 1,026.7 ha in Tapang Pulau Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
8. Certificate No. 56 for land rights covering an area of 2,479.79 Ha in Entabuk Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.
9. Certificate No. 57 for land rights covering an area of 1850.51 Ha in Tapang Pulau/Kumpang Bis Village, according to the Decree of the Head of BPN No. 74/HGU/BPNRI/2010 dated December 2, 2010.

However, the scope of certification is **15,808.24 Ha**, which is due to the existence of a production forest area of 522.27 ha which is included in the company's HGU area (not including the company's operational area). The area of 522.27 ha is based on the Decree of the Head of the Office of Investment, One Stop Service and Manpower of Sekadau Regency concerning the Amendment of PT Parna Agromas Plantation Business Permit No. 503/24/IUP/IV/2020, April 13, 2020).

#### 4.4.2

The company can show a list of previous land owners who received land compensation from the company from 2000 to 2016 from Semadu Village, Kumpang Bis Village, Sei Ayak Village, Menawai Village, Merbang Village, Entabuk Village and Tapang Pulau Village. From several samples of recorded evidence and documentation of compensation shown, it can be concluded that the process was agreed upon by both parties without going through a representative.

Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as Village Head and Sub-District Head.

An example of a land compensation document that has been carried out on behalf of Geradus Handoko, address at Entabuk Village, Belitang Hilir Subdistrict, Sekadau District with an area of 4.49 hectares of compensation, payment date 22 January 2012. Copy of the document is:

- Land compensation agreement letter between PT Parna Agromas and Geradus Handoko which was signed directly by the land owner on official stamp duty and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- A statement letter for relinquishing land rights to PT Parna Agromas which was signed directly by the land owner on an official stamp and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- There is an attached map showing the location of the land released to the company. This map was also signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- Land compensation payment letter signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.

Based on public consultation with 5 previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village, known that all land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. The compensation process is done directed to the land owner and not diminish the legal/customary right; landowners are given the freedom to release their land without coercion.

**4.4.3**

The company can show a map showing legal rights in the form of a HGU map with a scale of 1:50,000 contained in the HGU certificate issued by the Land Office that developed through participatory mapping. Moreover, in each compensation document there are maps that are made in a participatory manner showing the location of the area to be compensated which is signed by the land owner and known by the local government. Based on public consultation with previous land owners and also village representatives from Empajak Village, Semadu Village and Kumpang Bis Village, it is recognized that they know the legal boundaries owned by PT Parna Agromas.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Parna Tengah 1 Estate (Stakes No. 3, 2, 102 and 100), Parna Tengah 2 Estate (Stakes No. 19, 20, 21, 14 and 11), Parna Selatan Estate (Stakes No. 45, 44 and 54), and Parna Utara 1 Estate (Stakes No. 87, 89, 128 and 129), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. The HGU boundary of the own estate of PT Parna Agromas is directly adjacent to the plasma of PT Parna Agromas.

**4.4.4**

As explained in indicator 4.4.2, it is known that the negotiation process for land release has been carried out in a fair, open, and transparent manner and is based on the agreement of both parties without any coercion from either party. The community represents itself in the process. All relevant information regarding land acquisition is available in appropriate forms and languages.

**4.4.5**

Based on public consultation with 5 previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village, known that all land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. The compensation process is done directed to the land owner and not diminish the legal/customary right; landowners are given the freedom to release their land without coercion.

**4.4.6**

Implementation of agreement negotiated through FPIC is annually reviewed in consultation with affected parties, it can be seen in the report on SIA management and monitoring for 2021 and 2022. Based on the results of interviews with stakeholders (Empajak Village, Semadu Village, Kumpang Bis Village and plasma cooperative representatives and 5 previous land owners), it was informed that the company has had a positive impact such as employee recruitment, plasma provision and CSR assistance. There are no land conflicts between the community and the company, besides that the company regularly holds meetings with community representatives and absorbs community aspirations which are applied in company policies such as CSR or other assistance. Communication with the community is no problem, every request for information is always responded by the company.

<b>Status: Comply</b>
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**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**

PT Parna Agromas has conducted a Social Impact Assessment (SIA) in 2020 conducted by PT Anugrah Lintas Zaman. The study identified and assessed the legal rights, customary rights and usufructuary rights of the area to be cleared by PT Parna Agromas.

**4.5.2 and 4.5.3**

Based on interviews with 5 previous land owners who have been compensated from Empajak Village, Semadu Village, Tapang Pulau Village and Kumpang Bis Village, information was obtained that the land compensation process was carried out by FPIC and with the agreement of both parties, where each land compensation then the land owner also gets plasma land with a mutually agreed percentage. This is stated in the land compensation document signed by both parties without any coercion. It is also informed that landowner have option of resourced access to independent third-party advice. The company can show documents proof of relinquishment of land for each village which is carried out in a participatory and mutually agreed manner. The document is also available to each signatory. Based on this evidence, it can be concluded that FPIC was implemented through a comprehensive process before oil palm plantations were opened and the company fully respects the legal rights to the territories, lands and resources.

However, there is new planting after 1 January 2010 that was conducted without New Planting Procedure (NPP) covering an area of **2,825.14 Ha** and this became the object of sanction for 3 years after obtaining the RSPO Certificate.

**4.5.4**

PT Parna Agromas has conducted a Social Impact Assessment (SIA) in 2020 conducted by PT Anugrah Lintas Zaman. The study was conducted using a participatory and consultative approach to the villages surrounding the company, which consisted of 8 villages namely Sungai Ayak Dua Village, Entabuk Village, Tapang Pulau Village, Merbang Village, Kumpang Bis Village, Menawai Tekam Village, Semadu Village, and Empajak Village. The strategic issues related to the existence of PT Parna Agromas were obtained from direct interviews with communities from various elements and professions, village officials and sub-district government such as community responses to PT Parna Agromas, information and communication, plasma, land acquisition, labor, economy, education, health, accessibility, CSR, and the environment including food security and water availability. Based on the information obtained in a participatory manner, the company carries out a management plan and monitoring of these social impacts.

**4.5.5**

Based on interviews with 5 previous land owners who have been compensated from Empajak Village, Semadu Village, Tapang Pulau Village and Kumpang Bis Village, information was obtained that the land compensation process was carried out by FPIC and with the agreement of both parties, where each land compensation then the land owner also gets plasma land with a mutually agreed percentage. This is stated in the land compensation document signed by both parties without any coercion. And also, they have had the option to access information and advice, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.

**4.5.6**

Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as Village Head and Sub-District Head. An example of a land compensation document that has been carried out on behalf of Geradus Handoko, address at Entabuk Village, Belitang Hilir Subdistrict, Sekadau District with an area of 4.49 hectares of compensation, payment date 22 January 2012. Copy of the document is:

- Land compensation agreement letter between PT Parna Agromas and Geradus Handoko which was signed directly by the land owner on official stamp duty and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- A statement letter for relinquishing land rights to PT Parna Agromas which was signed directly by the land owner on an official stamp and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- There is an attached map showing the location of the land released to the company. This map was also signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- Land compensation payment letter signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.

Based on interviews with 5 previous land owners who have been compensated from Empajak Village, Semadu Village, Tapang Pulau Village and Kumpang Bis Village, information was obtained that the land compensation process was carried out by FPIC and with the agreement of both parties, where each land compensation then the land owner also gets plasma land with a mutually agreed percentage. This is stated in the land compensation document signed by both parties without any coercion.

**4.5.7 and 4.5.8**

Based on a review of legal documents and information from management, it is known that there is no new land acquisition after 15 November 2018 in PT Parna Agromas.

	<b>Status: Comply</b>
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**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**

Based on document verification and interview with unit of certification, known that there is no negotiation process during 2021 – 2022. However, the company has procedure of Land Compensation, document No. SOP 04/HUMAS&CSR/(0)/0322 dated March 2022 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village known that they know about the procedure through the socialization given and they agree with the procedure.

**4.6.2**

The company has procedure of Land Compensation, document No. SOP 04/HUMAS&CSR/(0)/0322 dated March 2022. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

**4.6.3**

PT Parna Agromas already has cooperation in the development of plasma plantations namely KUD Belitang Hilir and Koperasi Perkebunan Sawit Jaya. Based on the data from the farmers in the Cooperative, it is known that there are farmers with gender and women. This indicates that there are equal opportunities for men and women to have land rights in the plasma.

**4.6.4**

Based on the results of interviews with previous land owners, information is obtained that he has received compensation for the land he has claimed and all the files for the settlement process are also kept by the person concerned. All land claim settlement processes, from identification, negotiation to compensation, are carried out through the agreement of the parties without any coercion or pressure from other parties.

An example of a land compensation document that has been carried out on behalf of Geradus Handoko, address at Entabuk Village, Belitang Hilir Subdistrict, Sekadau District with an area of 4.49 hectares of compensation, payment date 22 January 2012. Copy of the document is:

- Land compensation agreement letter between PT Parna Agromas and Geradus Handoko which was signed directly by the land owner on official stamp duty and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- A statement letter for relinquishing land rights to PT Parna Agromas which was signed directly by the land owner on an official stamp and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- There is an attached map showing the location of the land released to the company. This map was also signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.
- Land compensation payment letter signed directly by the land owner and witnessed by the Entabuk Village Head, Hamlets Head and Belitang Hilir Sub District Head.

<b>Status: Comply</b>
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**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**

The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. SOP 04/HUMAS&CSR/(0)/0322 dated March 2022. The procedure is described how to identify people and/or community groups entitled to compensation. Based on public consultation with previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

**4.7.2**

The company has procedure of Land Compensation, document No. SOP 04/HUMAS&CSR/(0)/0322 dated March 2022. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with previous land owners and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village known that they know about the procedure through the socialization given and they agree with the procedure and they can access the procedure through management representative of the company if they need it.

**4.7.3**



The company can show recapitulation of previous landowners who have been compensated. Based on public consultation with 5 previous land owner and village representatives from Empajak Village, Semadu Village and Kumpang Bis Village, the communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as plasma plantation cooperation, job opportunity and other benefit in the form of CSR program. The company has no expansion area during the audit.		
	<b>Status: Comply</b>	
<b>4.8</b>		
<b>The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</b>		
<b>4.8.1</b>		
Based on public consultation with related government agencies of Sekadau District and village representatives (Empajak Village, Semadu Village and Kumpang Bis Village) and interview with 5 previous land owners, known that there is no land dispute case for the last 1 years until this assessment conducted in the scope certification area. Based on interviews with management of unit certification and the results of the auditor's search on online media, there is no historical or current land dispute in unit certification.		
<b>4.8.2 and 4.8.4</b>		
The Company has established the mechanism for conflict resolution and land dispute in the procedure No. SOP 03/HUMAS&CSR/(0)/0322 dated March 2022. However, based on public consultation with related government agencies of Sekadau District and village representatives (Empajak Village, Semadu Village and Kumpang Bis Village) and interview with 5 previous land owners known that there is no land dispute case for the last 1 years.		
Based on the results of the document review, there is an area in the HGU categorized as a occupation area which is a community area that has not been compensated. This area has not been compensated for because the cultivators do not want to release the land, while the company has obtained a HGU from the government. In relation to that area, the certification unit has made a map and reported it in the Land Use Report to the Land Office of Sekadau District and Kalimantan Barat Province. This is reinforced by the results of interviews and statements from the Land Office of Sekadau District which stated that the company had submitted reports on the use of HGU land regularly every year and that there had been maps related to the reserved area.		
Based on the results of observations of block L37 Parna Tengah 2 Estate and block M98 Parna Utara 1 Estate, it is known that there is an occupational area adjacent to the operational area of the certification unit where the area is controlled by the community and informed that the land owner does not want to release his land for compensation. There is no dispute regarding this.		
<b>4.8.3</b>		
No evidences show that there is any acquisition process through dispossession or forced abandonment. Based on public consultation with related government agencies of Sekadau District and village representatives (Empajak Village, Semadu Village and Kumpang Bis Village) and interview previous land owners, known that all land acquisition between local people and company representatives conducted as mutual agreement and the compensation process are done directed to the land owner and not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION</b>		
<b>5.1</b>		
<b>The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</b>		
<b>5.1.1</b>		
The determination of the price of FFB to Plasma Cooperatives follows the determination of the price of FFB for Palm Oil from the FFB Pricing Team of the Plantation and Livestock Services of Kalimantan Barat Province, for example the Minutes of the Results of the Meeting on the Determination of the Purchase Price of FFB for Palm Oil Production by Smallholders in the Province of Kalimantan Barat for the second period of August 2022. As For example, the price of FFB with a plant age of 10-20 years is 2,128.52 IDR and a plant age of 25 years is 1,886.75 IDR.		
The company also receives FFB from third parties such as agents and farmer cooperatives around the company. FFB pricing is determined by the company based on market prices and CPO prices. The determination of the FFB price has also been included in		



the Cooperation Agreement and has been agreed by both parties. Any price changes will be communicated by the company via mail, email, and WhatsApp.

Based on the results of interviews with representatives of the Koperasi Perkebunan Sawit Jaya and the KUD Belitang Hilir, it is known that the FFB price set by the company is based on the price from the Kalimantan Barat Provincial Plantation Office. Information regarding the FFB price will be conveyed by the company via Whatsapp message.

#### **5.1.2**

Determination of FFB prices to farmers is determined by the Kalimantan Barat Provincial Plantation Office. In determining the price of FFB, farmers are also involved. Determination of FFB prices is always known by plasma farmers because every time there is a FFB price update, the company always provides information to the leadership of the cooperative to be informed to all its members. This is in line with the results of consultation with the cooperative management stating that information related to the price of FFB will be informed by the company via WhatsApp message.

#### **5.1.3**

As explained in indicators 5.1.2 that the determination of the price of FFB to farmers is determined by the Kalimantan Barat Provincial Plantation Office. In determining the price of FFB, farmers are also involved. Determination of TBS prices is always known by plasma farmers. Price agreement has also been explained in the cooperation agreement between the company and farmers where the price of FFB is based on the price set by the Plantation Office. For the determination of the premium value up to the assessment activities carried out there is no determination of the premium value between the company and the farmer.

#### **5.1.4**

Based on the results of interviews with representatives of the Koperasi Perkebunan Sawit Jaya and KUD Belitang Hilir, it is known that the cooperative has understood the contract/Mou with the company and there is no coercion from the company. So far, the cooperation with the company has been going well and the cooperative has the authority to make decisions.

#### **5.1.5**

The company can show a cooperation agreement with plasma cooperatives and third parties that supply FFB to the company, for example:

- Cooperation Agreement Number 01 concerning Management of Palm Oil Plantation Partnership patterns between PT Parna Agromas and the KUD Belitang Hilir on October 31, 2011. The cooperation agreement is effective since it is signed and takes place for a limited period and or until the Estate does not produce TBS economically. The agreement was also signed by both parties, known by the Belitang Hilir Sub -District Head, approved by the Head of the Sekadau Regency Industry, Trade, Cooperative and UKM Office, the Head of the Sekadau Regency Forestry and Plantation Office and the Sekadau Regent.
- Cooperation Agreement No. 02 regarding the management of oil palm plantations in a partnership pattern between PT Parna Agromas and the Koperasi Perkebunan Sawit Jaya on November 4, 2011. The cooperation agreement is effective since it was signed and is valid continuously for one planting cycle. The agreement has also been signed by both parties, acknowledged by the Head of the Belitang Hilir sub-district, approved by the Head of the Sekadau Regency Industry, Trade, Cooperatives and UKM Office, the Sekadau Regency Forestry and Plantation Service Head and the Sekadau Regent.
- SPK Number 01/SPK/TBS//2022 concerning the FFB Sale and Purchase Partnership between PT Parna Agromas and CV Sumber Sawit Kita on January 1, 2022, is valid until December 31, 2022, its extension.
- SPK Number 04/SPK/TBS//2022 concerning the FFB Sale and Purchase Partnership between PT Parna Agromas and CV Sumber Sawit Kita on January 1, 2022, is valid until December 31, 2022, its extension.

Based on document verification, it is known that the agreement has complied with the provisions as evidenced by the agreement between both parties, has a timeframe, is transparent, and has been known by the Regional Government.

Based on the results of interviews with representatives of the KUD Belitang Hilir and the Koperasi Perkebunan Sawit Jaya, it is known that the agreement between the company and the cooperative was mutually agreed and there was no coercion in the agreement. The results of the interview with CV Sumber Sawit Kita, it is known that the cooperation agreement between the company and CV Sumber Sawit Kita has been mutually agreed and is in accordance with the provisions.

#### **5.1.6**

The company can show proof of payment of FFB-to-FFB Suppliers for the period August 2022, for example for the payment of FFB to the Koperasi Perkebunan Sawit Jaya for the period of August 2022 as much as 4,499,574 Kg which was paid through the Bank Kalbar account on September 8, 2022. Based on document verification, it is known that the price of FFB paid in accordance with the FFB price set by the Riau Province Plantation Service. The proof of payment also explains proof of deduction in the form of tax deductions.

The company can show proof of FFB payment to TBS suppliers for the August 2022 period, for example for FFB payments to KUD Belitang Hilirs for the August 2022 period of 1,440,233 kg paid through the Kalbar Bank account on September 8, 2022. Based on the verification of the document it is known that the price of FFB is paid in accordance with the price of FFB set by Kalimantan Barat Provincial Plantation Office. The proof of payment also explained proof of discount in the form of tax discounts.

The company can also show proof of payment of FFB for the period of July 2022 to a third-party supplier of FFB, namely CV Mitra Sawit Borneo which was paid via Bank Mandiri transfer on July 28, 2022. Based on document verification, it is known that the amount paid is in accordance with the stipulated FFB price and the amount of FFB sent to the company.

Based on the results of interviews with representatives of the Koperasi Perkebunan Sawit Jaya and representatives of the KUD Belitang Hilir, it is known that so far there have been no complaints regarding the price or payment of FFB made by the Company. The cooperation between the Cooperative and the Company is going quite well.

#### 5.1.7

Based on the results of field visits and interviews with company representatives, it is known that the company has 3 weighbridges. The company has carried out the results of the scales conducted by the Department of Cooperatives Small and Medium Enterprises and Trade UPTD Legal Metrology Sekadau Regency, namely:

- Certificate of weigh bridge test results with Number 510/033/SKHP/DKUKMP-UPTDML/2022 dated July 26, 2022 for Avery Weight Tronix scales with serial number 183750379 capacity 20,000 Kg with results Ratified under Indonesian Law Number 2 of 1981 and will be calibrated again on July 26, 2023.
- Certificate of Weighing Bridge Testing Results with Number 510/032/SKHP/DKUKMP-UPTDML/2022 dated July 26, 2022 for Avery Weight Tronix scales with Serial Number 182350078 Capacity of 40,000 Kg with the results of being approved based on RI Law Number 2 of 1981 and will be carried out Tera Repeat on July 26, 2023.
- Certificate of weighing bridge test results with Number 510/031/SKHP/DKUKMP-UPTDML/2022 dated July 26, 2022 for Avery Weight Tronix scales with serial number 182350024 with a capacity of 60,000 Kg with results Approved based on RI Law Number 2 of 1981 and will be calibrated again on July 26, 2023.

#### 5.1.8

Based on interviews with representatives of the Koperasi Perkebunan Sawit Jaya and KUD Belitang Hilir, it is known that the company has currently conducted socialization related to RSPO to farmers. Based on the results of interviews with company representatives it is known that the company is currently still in the process of socialization related to RSPO and training such as OHS and BMP to plasma farmers, and plans for plasma cooperatives in the future will be included in RSPO certification. At present not available ICS in Plasma Cooperatives.

#### 5.1.9

The company has a complaint handling mechanism listed in the SOP. Procedures for receiving complaints and resolving disputes, especially disputes outside the court with SOP Number 02/HUMAS&CSR/(0)/0322 in March 2022. The SOP explains that complaints are submitted in writing to the Manager or directly to the Manager. General Main Office (GMO) to be submitted to the Public Relations & CSR Administration Department. The SOP explains that responses to complaints are resolved as soon as possible.

Based on the results of interviews with representatives of the Koperasi Perkebunan Sawit Jaya and KUD Belitang Hilir, it is known that the complaints submitted by plasma farmers were responded to by the company. For example, complaints related to "*Uang Tunggu*" plasma have been responded to by the company and have also been explained in the implementation of SIA.

<b>Status: Comply</b>
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#### 5.2

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

**5.2.1 & 5.2.2**

Based on interviews with representatives of the Sawit Jaya Cooperative and the Belitang Hilir Cooperative, it is known that currently the company has conducted socialization regarding the RSPO to farmers. Based on the results of interviews with company representatives, it is known that currently the RSPO outreach program to farmers is still ongoing. The socialization that has been carried out by the company is related to the RSPO and training such as OHS and BMP. In addition, plasma cooperatives will be included in the RSPO certification in the future.

**5.2.3**

Based on interviews with representatives of the Koperasi Perkebunan Sawit Jaya and the KUD Belitang Hilir, it is known that currently the company has conducted socialization related to RSPO to farmers. Based on the results of interviews with company representatives, it is known that currently the company is still in the process of socializing related to RSPO and training such as OHS and BMP to plasma farmers, and plans for plasma cooperatives to be included in RSPO certification in the future. Based on the results of interviews with company representatives, it is known that the company has not increased its organizational and managerial capacity. In the future, the company will gradually conduct trainings for plasma farmers and independent smallholders around the company.

**5.2.4**

The results of interviews with management representatives, it is known that plasma is fully managed by the company. So that training for workers related to pesticides is carried out simultaneously. The training on safety handling pesticides was shown on July 7, 2022, with 105 participants from warehouse officers, foreman, and spray workers from all estates. In addition, the company also provides training on OHS and environmental aspects related to pesticide application to FFB supplying farmers. A training document has been shown on July 4, 2022, which was attended by farmers from Tapang Pulau Village, Kumpang Bis, and SP2 Mabah.

**5.2.5**

The company has reported the progress of the plasma farmer program in the Plantation Business Development Report which is reported to the Sekadau Regency government and the development of farmer support is also included in the company's SIA report.

<b>Status: Comply</b>
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**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**
**Any form of discrimination is prohibited.**
**6.1.1**

The company shows its commitment to preventing discrimination and ensuring equal opportunity, which is stated in the PT Parna Agromas Sustainability Policy revision 1 which was ratified on 17 November 2021 by the President Director which explains that the company is committed to implementing a policy of labor standards and ethical behaviour in doing business with honesty, integrity and openness, respecting the rights and interests of employees and other stakeholders. Workers who are selected are those who are in accordance with the capabilities of their respective roles without any differences, exceptions or based on religion, ethnicity, race, ethnicity, skin color, social origin and gender.

The company periodically conducts socialization related to sustainability policies, for example socialization conducted to workers and third parties (contractor and supplier) on July 4, 2022 which was attended by 12 participants and socialization to employees of KPT-1 on July 20, 2022 which was attended by 39 participants.

**6.1.2**

The company shows job vacancies announcements and the admissions administration shows that no payment is requested during the recruitment process. In addition, in job vacancies that have been published by the company, there are no requirements that discriminate against gender, race or ethnicity, disability, sexual orientation, age, or creed.

Based on interviews with representatives of workers (harvest, spray, fertilizer) and trade unions, it was stated that during the recruitment process there were no recruitment fees charged by workers, all recruitment costs were borne by the company. In addition, the assessment process is not based on discriminatory matters.

**6.1.3**
**Recruitment, selection and admission procedures**

The mechanism for recruitment, selection and acceptance is regulated in the company regulations for the period 2022-2024 article 4

published on July 3, 2022 and SOP Recruitment No. SOP 01 revision 1 issued on May 2, 2019 which explains the flow of recruitment, selection and recruitment of workers with certain requirements. For example, you must be at least 18 years old and meet the job requirements at the time of admission.

The company shows recruitment documentation starting from a job vacancy, for example a job vacancy for an operator in April 2022. Several prospective employees who apply send application letters to the company which will then be subjected to a written test and medical test. From the results of the test and medical examination, a name with the initials FA was chosen, which will conduct a trial for 3 months. Furthermore, the company also shows the results of an assessment evaluation for 3 months with recommendations as permanent employees.

#### **Promotion, demotion and transfer procedures**

The company has SOPs for promotions, demotions and transfers with SOP No. 07 revision 1 issued on May 2, 2019 which explains that promotions are based on evaluation results covering work performance, competence and potential of employees. Demotion can be carried out due to several factors including changes in organizational structure, inability to lead, inability to carry out tasks and poor performance. Transfers are carried out in the context of employee development and organizational needs as well as improving employee performance proposed by superiors.

The company shows documentation of employee promotions, for example, as stated in the decree No 004/SM/HRD/PAM/SK/II/2022 regarding the appointment of employees with the initials EP, which was originally in the G3 group to G4 which is effective January 2, 2022 according to the employee's assessment.

#### **6.1.4**

Pregnancy tests are carried out only to ensure that there are no pregnant workers in any agrochemical work, such as pesticide application and fertilization activities. This is evidenced by the absence of a pregnancy test requirement in the recruitment SOP, job recruitment announcements, and medical tests during recruitment. The company also shows a list of pregnant and lactating women informing that all pregnant and lactating workers are placed in non-agrochemical jobs such as division admin and fruit clerk.

Based on interviews with spray workers and representatives of the gender committee, it was conveyed that the company ensures that workers who apply chemicals are not in a pregnant position. If the worker applying the chemical is in a pregnant position, the company will transfer the worker to manual activities or those not related to chemicals.

#### **6.1.5**

The company already has a gender committee organization which is indicated in the gender committee structure of PT Parna Agromas for the period 2022-2026 which determines the names of employees in the gender committee management positions, including as coach, chairperson, coordinator of empowerment, service coordinators and admin/administrators in each unit, coordinator of field research and development and members. The gender committee structure consists of male and female workers whose aim is to provide a forum that can accommodate the aspirations or complaints of workers regardless of gender.

The management of the gender committee also regularly holds internal meetings, the last time being held on June 30, 2022 with 11 participants with the agenda of socializing the gender committee program, socializing sustainability policies, protecting women's and reproductive rights and socializing menstrual and maternity leave.

Based on interviews with representatives of the gender and workers' committees, it was found that personnel were able to explain the duties and responsibilities of the gender committee's management as well as the mechanism for dealing with complaints, identify and resolve problems. In addition, the company routinely conducts outreach to management and workers regarding the gender committee, prohibition of acts of violence/harassment, etc., for example the socialization which was held on 20 July 2022 which was attended by 39 people at Parna Tengah 1 Estate.

The gender committee management also has an annual work program, where in 2022 several programs have been implemented, such as:

- Socialization of reproductive rights, for example on July 23, 2022 in Parna Selatan Estate, which was attended by 13 people.
- Socialization regarding the gender committee, for example on July 23, 2022 at Mill which was attended by 42 people.

**6.1.6**

The company shows the Company Regulations for the period 2022-2024 which explain, among other things:

- Article 5 paragraph 1 explains that employees are divided into 7 levels such as level V is non-staff employees, level VI is permanent daily employee and level VII is daily worker.
- Article 5 paragraph 2 explains that non-staff employees are divided into groups D1-D4; E1-E4; F1-F4; and G1-G4.

The company also shows letter No. 003/PAM/HRD/INT/II/2022 regarding salary adjustment for 2022 employees explained that the 2022 payroll system will be adjusted to the Sekadau UMK in 2022 amounting to Rp2,486,031 with an attachment to the salary scale structure for groups D1-D4; E1-E4; F1-F4; and G1-G4.

Based on the results of document verification, it is known that the wages paid for workers with the same class get the same basic salary, for example, for sterilizer workers with non-staff employees, they get a basic salary of Rp. 2,569,031.

<b>Status: Comply</b>
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**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 company shows the Company Regulations for the period 2022-2024 which explains in article 5 paragraph 2, explaining that non-staff employees are divided into groups D1-D4; E1-E4; F1-F4; and G1-G4 as well as in Article 8 paragraph 1 point b, explaining that the salary is determined based on the type of work, expertise, skills, work performance, condition, and position price which is regulated according to the position and class of employees.

The company also shows Letter No. 003/PAM/HRD/INT/II/2022 regarding salary adjustment for 2022 employees explained that the 2022 payroll system will be adjusted to the Sekadau district minimum wage in 2022 amounting to IDR 2,486,031 with an attachment to the salary scale structure for groups D1-D4; E1-E4; F1-F4; and G1-G4, like so:

- The F1/1 group is given a basic salary of IDR 2,486,031.
- Group E1/1 is given a basic salary of IDR 2,526,031.

Based on the results of interviews with workers, it is known that the wages received are in accordance with the applicable minimum wage regulations.

**6.2.2**

The company shows the Company Regulations for the period 2022-2024 which explain, among other things:

- Article 5 paragraph 1 explains that employees are divided into 7 levels such as level V is non-staff employees, level VI is permanent daily employee and level VII is daily worker.
- Article 5 paragraph 2 explains that non-staff employees are divided into groups D1-D4; E1-E4; F1-F4; and G1-G4.
- Article 8 paragraph 1 point b explains that salary is determined based on the type of work, expertise, skills, work performance, condition, and position price which is regulated according to the position and group of employees.

Letter No. 003/PAM/HRD/INT/II/2022 regarding salary adjustment for 2022 employees explained that the 2022 payroll system will be adjusted to the Sekadau district minimum wage in 2022 amounting to Rp2,486,031 with an attachment to the salary scale structure for groups D1-D4; E1-E4; F1-F4; and G1-G4, but there is no salary adjustment for permanent daily employee and daily worker levels in accordance with Company Regulation and government regulation No 36 of 2021 in article 21 paragraph 3, namely the structure and scale of wages that are notified at least the structure and scale of wages in the class of positions according to the position of the worker/ the worker concerned.

Based on the evidence above, it can be concluded that the company has not been able to show the determination of salaries / wages for the permanent daily employee and daily worker levels in accordance with company regulations and applicable regulations. **This becomes NCR No. 2022.05 with Major Category.**

**6.2.3**

Based on the results of the review of the employee overtime time document, the company shows the number of overtime hours, for



example for Mill personnel at the sterilizer station, among others as follows:

PERSONNEL	DATE / MONTH													
	June				July		TOTAL (Hours)	July						TOTAL (Hours)
	27	28	29	30	1	2		11	12	13	14	15	16	
H	15	3	4	4	3	5	34	14	4	3	4	3	6	34
HS	-	4	3	4	4	6	21	4	4	4	4	4	-	20

From the sample data, it was found that there was over time that was more than 18 hours/week.

SOP for working overtime No. SOP 04 which was published on September 1, 2013 in section V point 2 explains that "overtime working hours can only be done for a maximum of 3 hours in 1 day and 14 hours in 1 week".

The company shows a letter from the Office of Social Affairs, Manpower and Transmigration of Sekadau Regency No. 560/18/Sosnakertrans dated January 20, 2014 to reply to a reply letter from the company regarding the work time deviation permit which explains that "the work time deviation permit is not required, so that in the implementation of overtime the company refers to Law No. 13 of 2013 article 78 which in paragraph 1 point b explains that "overtime work can only be done for a maximum of 3 hours in 1 day and 14 hours in 1 week".

Government Regulation No. 35 of 2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time, and Termination of Employment in article 26 paragraph 1 explains that "overtime work can only be done for a maximum of 4 hours in 1 day and 18 hours in 1 week".

Based on the evidence above, it can be concluded that there are still employees who work overtime in excess of the maximum overtime hours stipulated in company procedures and applicable regulations. **This becomes NCR No. 2022.06 with Major Category.**

The company also regulates employees who are of retirement age as stipulated in company regulations in Chapter X regarding severance pay, long service awards and change of rights, where these provisions refer to labor regulations.

In addition, each worker also gets a pay slip every month which informs wages, premiums, benefits and deductions such as Social Security Agency deductions, taxes and work fines. for BPJS deductions, the company also subsidizes Social Security Agency Employee payments.

#### 6.2.4

The company shows a recapitulation of building data contained in the company, including the following:

- 17 units of office.
- 1 unit hall.
- 1 unit clinic.
- 2 units of meeting hall.
- Housing for 216 employees.

The results of the field visit, it is known that the types of employee housing are permanent, semi-permanent and barracks. The company has also provided welfare facilities to employees in the form of clean water, educational facilities, sanitation facilities, etc. as well as landfills for domestic waste management and it can be concluded that housing conditions and facilities are in good condition.

The company also shows program development of facilities such as housing construction, mess, chemical warehouse, etc. Until 7 September 2022 the facilities that have been realized, such as:

- Mess type G8 as many as 143 units.
- Mess type G10 as many as 159 units.
- G5 Barracks as many as 75 units.

#### 6.2.5

The company has provided an accessible food source by providing a cooperative that sells workers' daily necessities and a small cafeteria in the workers' area for lunch. In addition, there are also workers who open small business stalls to sell daily necessities in each housing estate.



**6.2.6**

The company applies wages based on letter No. 003/PAM/HRD/INT/II/2022 which stipulates a minimum wage referring to Sekadau Regency, which is Rp. 2,486,013. Regarding the Living Wage, the company has assessed the living wage according to the minimum wage and has also assessed the benefits provided, which include the cost of housing, air, electricity for homes, health facilities, schools for the children of workers, namely Rp. 2,099,910 (excluding wages), then the total wage that applies per month is IDR 4,585,923.

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

**6.2.7**

Based on the company's identification of the main work, it was conveyed that the main work was in harvesting activities and FFB processing activities. From the review of the employee list document for the September 2022 period, there are 169 harvest workers and 126 Mill employees who are non-staff or permanent employees.

<p><b>6.2.2</b> <b>6.2.3</b></p>	<p><b>Status:</b> <b>This becomes NCR No. 2022.05 with Major Category</b> <b>This becomes NCR No. 2022.06 with Major Category</b></p>	
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**6.3**

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

**6.3.1 – 6.3.3**

The company has a policy regarding freedom of association and the right to bargain as stated in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021 by the President Director. The policy states that company employees have the freedom to join any form of association and the company will not intervene in any way that prevents workers from exercising their union rights.

The company also has a trade union with the name "Parna Agromas Workers Union" which has been registered with Investment Institutions and A Unified Licensing Service and Sekadau Regency Manpower with registration No 560/08/SP-SB/DPMPTSPTE/2018 on 31 July 2018. Workers also have articles of association and by-laws which were set on 27 February 2014 by the chairperson, vice chairperson and secretary.

Based on an interview with the head of the trade union, it was explained that the last election was held in 2022 which was carried out by deliberation and there was no intervention from the company, including intervention in operational activities. The labor union management for the period 2022-2023 consists of the chairman, vice chairman, treasurer, secretary I, secretary II, coordinator of sections, unit coordinator and members. As of September 2022, the union has 152 members. In addition, workers can freely join or not join trade unions, including contract workers.

The union management regularly holds meetings with company members and representatives, for example on January 20, 2022 in the meeting room of the GMO office with the agenda of coordinating the management and union members and socializing the 2022 district minimum wage, which was attended by 22 people.

	<p><b>Status: Comply</b></p>	
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**6.4**

**Children are not employed or exploited.**

**6.4.1 and 6.4.4**

The company has a policy regarding the prohibition of forced labor and child labor as stated in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021 by the President Director. The policy states that the company respects human rights with the prohibition of forced labor and child labor, the provision of fair wages, upholds the principle of gender equality in accordance with legal norms, and respects the freedom of trade unions.

The company also shows a recording of the socialization of sustainability policies, for example the socialization conducted to third parties on July 4, 2022 which was attended by 12 participants and the socialization to employees of KPT-1 on July 20, 2022 which was attended by 39 participants.

Based on field visits, for example in harvesting, fertilizer and spraying activities, it was found that there were no child laborers and the workers who were found were over 18 years old.

#### 6.4.2

The company shows a job vacancy brochure which requires that applicants be at least 18 years old and based on a review of the employee list document for the September 2022 period, there were no workers under the age of 18. In addition, the company also put up a sign prohibiting hiring workers under the age of 18 in strategic areas.

#### 6.4.3

Based on the document review, it is known that there are students who practice field work, for example from letter No 035/HRD/INT/PAM/VII/2022 dated July 28, 2022 regarding the placement of students with the initials A, AM, ON and PA from SMKN 1 Belitang Hilir who will practice from August 1, 2022 – November 30, 2022. Based on interviews with management representatives, it was stated that students who did practical field work more often carried out administrative data collection activities. In addition, students are first informed about areas/activities that have the potential to be high risk and in the field review, students are accompanied by staff or company employees.

<b>Status: Comply</b>
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### 6.5

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

#### 6.5.1

The Company demonstrates its commitment regarding the prevention of sexual harassment and violence and other forms as stated in the Sustainability Policy of PT. Parna Agromas revision 1 which was ratified on November 17, 2021 by the President Director which explained that the company does not tolerate any form of forced, bonded or child labour, or any form of abuse, harassment or violence.

Based on the document review, the prevention of sexual harassment and violence and other forms has been routinely socialized by the company, for example as follows:

- Socialization of reproductive rights, for example on July 23, 2022 in South Parna Estate, which was attended by 13 people.
- Socialization regarding the gender committee, for example on July 23, 2022 at PKS which was attended by 42 people.

Based on interviews with gender committee officials and workers' representatives (including contract workers), it was stated that in the last 2 years there were no reports or incidents of harassment, sexual violence or other forms of violence. In addition, personnel can explain the policy on preventing sexual harassment and violence and the complaint mechanism, if this happens.

#### 6.5.2

The company has a policy regarding the protection of reproductive rights, especially for women, which is stated in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021 by the President Director. The policy states that the company does not tolerate any form of forced, bonded or child labour, or any form of abuse, harassment or violence.

The company also shows the company regulations for the period 2022-2024 in article 18 which explains the provision of maternity leave with the rules of 1.5 months before giving birth and 1.5 months after giving birth and 1.5 months of leave if you have a miscarriage. In addition, employees can apply for 2 days of menstrual leave on the first day and the second day during menstruation.

The company together with the gender committee periodically conduct socialization to employees regarding reproductive rights, for example socialization to employees of KPT-1 on July 20, 2022, which was attended by 39 participants.

#### 6.5.3

The company shows the identification of new mothers and pregnant women for the period of September 2022, with 52 new mothers giving birth and 5 pregnant women, but the company has not been able to show the results of the assessment of the needs of new mothers by asking for their opinions, and taking action. to meet the needs that have been identified in accordance with applicable regulations in Indonesia.

Based on the evidence above, it can be concluded that the company has not been able to show the results of the needs assessment for new mothers by asking for their opinions, and taking action to meet the needs that have been identified in accordance with

applicable regulations in Indonesia. <b>This becomes NCR No. 2022.07 with Minor Category.</b>		
<b>6.5.4</b> The company has a policy regarding the protection of reproductive rights, especially for women, which is stated in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021 by the President Director. In the complaint section, it is explained that every employee who suspects an error in the company is advised to file a complaint and whistleblowing will be provided. Complaints submitted, will also be kept confidential and the protection of victims or harassment and complaints will be handled fairly, responsibly and consistently.		
<b>6.5.3</b>	<b>Status:</b> <b>This becomes NCR No. 2022.07 with Minor Category</b>	
<b>6.6</b> <b>No forms of forced or trafficked labour are used.</b>		
<b>6.6.1</b> The company has a policy regarding the prohibition of forced labor as stated in the Sustainability Policy of PT. Parna Agromas was ratified on November 17, 2021, by the President Director. The policy states that the company respects human rights with the prohibition of forced labor and child labor, the provision of fair wages, upholds the principle of gender equality in accordance with legal norms, and respects the freedom of trade unions.  The company also shows that in every work agreement between the company and the contractor/supplier there are clauses related to the fulfilment of OHS and prohibition of child labor and work agreements are given to each party. In addition, based on interviews with employee representatives, it was stated that there is no pressure/coercion in working overtime, workers who have worked overtime in the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.		
<b>6.6.2</b> Based on a review of documents and interviews with management representatives, it is known that the company employs foreign workers at the top management level, such as the main director who has complied with regulations in Indonesia such as having an RPTKA/Expatriate Placement, KITAS in Indonesia, etc. As for unit management, the company does not employ foreign workers, only uses permanent workers and Fixed Time Work Agreements.  The company also shows documents that regulate employment, including employees with Fixed Period Working Agreement status, namely: <ul style="list-style-type: none"> <li>• Recruitment SOP No. SOP 01 revision 1.</li> <li>• Promotions, demotions and transfers SOP No. 07 revision 1.</li> </ul> In addition, every worker with Fixed Period Working Agreement status also signs a work agreement letter which contains the rights and obligations of the worker, work placement, wages, working hours, rules, etc.  Based on the results of interviews with related agencies, it was stated that there was no use of foreign workers in unit management positions. From the results of interviews with trade union representatives, it is known that so far there have been no complaints from workers regarding discriminatory work practices, withholding of documents, collection of recruitment fees, etc.		
	<b>Status: Comply</b>	
<b>6.7</b> <b>The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</b>		
<b>6.7.1</b> The company has an OHS Committee and has maintained records of meetings between the committee and employees. The OHS committee was ratified in the Decree of the Head of the Manpower and Transmigration Office of Kalimantan Barat Province number 24/NAKERTRAN.WASKER/II/2022 dated February 24, 2022, regarding the Establishment of the Organizational Structure of the Management of the OHS Committee of PT Parna Agromas. Chairman of the OHS Committee with the initials DS and secretary of DRN. The Secretary is an OHS Expert and has a license Appointment by the Minister of Manpower as an OHS Expert for PT Parna Agromas with decision number 05/5809/AS.02.04/VII/2020 dated July 21, 2020, and is valid until July 21, 2023.  The OHS Committee meets regularly. For example, during July 2022, OHS committee meetings were held on the 25th and 29th. The meeting was attended by the management, OHS inspectors from estates and mills, and related staff. Some of the things discussed		

include evaluating the results of OHS and environmental inspections and reviewing the delivery of hazardous waste from the unit to central.

### 6.7.2.

The company already has emergency response procedures and work accidents made in Bahasa, namely the SOP for Disaster Emergency Response with the number PAM-P-EHSS-SMK3-07 revision 1 which was approved by the President Director and effective since November 30, 2019. The scope of the procedure includes emergencies in the form of fire, pollution, riots, earthquakes and others. The person in charge of this procedure is the Emergency Response Preparedness Team. The company also has a Quick SOP for Emergency Response for Firefighters which was ratified on July 15, 2016. The results of field observations at Mill, KPT1 Estate, KPS Estate, and KPU 1 Estate revealed that the firefighting facilities and infrastructure were in good working condition and the officers had understood their duties in the response team fire emergency.

The results of observations at Mill and offices both in the Mill and Estate, it is known that there are instructions and evacuation routes, and there has been a gathering point. The CH also has a clinic and has a doctor who conducts employee health checks. The results of field observations also revealed that there were first aid kits at Mills and first aid bags in estate fields, such as harvesting, spraying, and fertilizer work. The results of interviews with first aid workers were found to have understood the contents and functions of the equipment. The results of the OHS Committee report study also revealed that there was a first aid training program that had been carried out on 6-8 April 2022 with 30 participants. The results of the document review, it is also known that the company has licensed first aid workers at work, including the initials OO and HL.

The results of the document review, it is known that the work accident report has been documented by the OHS Committee. Whether there is a work accident or not, it becomes the material for reporting the OHS Committee to the relevant Government Service.

### 6.7.3

The company has provided PPE and distributed it to workers for free. The company also has procedures for PPE requirements, which regulate the request, procurement, and use of PPE. There is also a monitoring mechanism for the use of PPE, the condition of PPE, and replacement of PPE if it is damaged. The results of interviews with management representatives regarding the use of PPE and their monitoring are persuasive to workers. Based on observations in the field, it is known that workers have understood the mechanism for replacing PPE if it is damaged. The results of the document review show that replacement of damaged PPE has been carried out both at the estate and at the mill. For example, it has been shown that the replacement of the spray apron at the KPS Estate for 2 workers on 08 August 2022. It is known that the previous Apron was received on 22 June 2022.

#### PPE Usage Compliance

- The company has the PAM-P-EHSS-SMK3-08 SOP on the Request, Procurement, and Use of PPE revision 1 which is effective July 13, 2020, which regulates, among others, that workers are required to use the PPE provided by the company correctly.
- The company has carried out hazard identification, risk assessment and plantation risk control in the plantation HIRARC document. The document has explained the dangers and risks of each activity, including:
  - Heavy machinery handling activities, work steps to drive heavy equipment, with the danger of slipping/rolling/collision, with the risk of serious injury/fatality, then risk control is carried out by using PPE safety shoes, safety belts, and safety helmets.
  - Harvesting activities, walking steps at the harvesting path carrying *egrek/dodos* and cutting fruit bunches to moving/transporting fruit bunches to TPH. Identified hazards include falling, being bitten by venomous animals, falling bunches, and being pricked by thorns. Identified risks of bodily injury and poisoning. So, risk control is carried out using PPE rubber boots, safety helmets, gloves, and safety goggles.
- Based on observations and interviews with Excavator Operators in trenching activities in Block P46 Division 1 KPT-2, it is known that operators do not wear safety shoes when operating excavators. The shoes are removed and placed in the excavator cabin. Then the results of observations and interviews with Excavator Operators in road maintenance activities in Block T21 Division 2 KPS, it is known that safety shoes and safety helmets are not used. From the results of the interview, it is known that it is more comfortable to take off safety shoes and avoid getting dirty in the cabin.
- The results of observations of harvesting activities in several estates, it is known:
  - Harvesting activities in Division 1 Block S67/68 KPT-1, it is known that harvesters use PPE safety helmets, rubber boots, cloth gloves but do not wear safety goggles.
  - Harvesting activities in Division 1 Block P46 KPT-2, it is known that harvesters use PPE safety helmets, masks, cloth gloves, and rubber boots but do not wear safety goggles.

- Harvesting activities in Division 1 Block V31 KPS and Division 3 Block R12/13 KPS, it is known that harvesters when working do not use safety helmets and do not use safety goggles.

Based on the evidence above, it is known that the Company has not been able to show evidence that the relevant PPE has been used in all operational activities in accordance with its procedures and HIRARC. This is becoming **NCR No. 2022.08 nonconformity with the major category.**

Regarding the application, the Company already has SOP 06/SOP-Pesticides & Herbicides/PAM/XII/13 which is valid on March 1, 2014 regarding Procurement, Storage, Use, Handling of packaging waste, and First Aid in case of pesticide/herbicide poisoning. The procedure states:

- Wash work equipment and PPE in a safe place so as not to pollute rivers, waterways, or other sources.
- Washing work clothes contaminated with pesticides/herbicides
- Bathe with soap until clean.
- The PIC's explanation that the activity was carried out at the rinse house.

The results of interviews with spray workers in Block P46 Division 1 KPT 2, it is known that work tools and PPE are stored in the rinse house, but bathing and changing clothes are carried out at their respective homes. The results of observations in the Division 1 rinse house, it was found that there was no change of clothes.

The results of interviews with spray workers in Block R63 Division 2 KPT 1, it is also known that the cleaning of work tools, cleaning of PPE and its storage are carried out at the workers' homes. Self-cleaning and changing of clothes are also carried out at home. The results of observations in the Division 2 rinse house, it is known that there is a rinse house, but it is not used according to its designation.

As well as the results of interviews with KPS Division 1 spray workers at the estate office, it is also known that the cleaning of PPE and work tools is carried out at the rinse house, but for bathing and changing clothes is done at home. The results of the observation of the Division 1 rinse house, it is known that there is no place for clean clothes and the water reservoir for used laundry is still empty.

Based on the evidence observed, it is known that washing PPE and Self-cleaning and changing clothes after applying pesticides are not in accordance with company procedures. This is becoming **NCR No. 2022.08 nonconformity with the major category.**

#### 6.7.4

The company's policy regarding Social Security (Employment and Health) is contained in the company regulations document for the period 2022-2024 which explains that the company is obliged to include all its workers in health insurance programs, work accidents, death benefits, old age benefits. insurance, and pension insurance at the Social Security for Employment and Health in accordance with applicable regulations.

Based on the results of interviews with estate and mill workers, it is known that the company has provided health insurance for workers and their families (wife and children) and employment insurance for all workers.

The company has shown PT PAM's Social Security Administrative Body payment documents, namely:

- Social Security Agency of Employment for the period of August 2022 as many as 823 non-staff employees, 5 Pontianak employees and 17 KHL employees who were paid through the bank on 30 August 2022.
- Social Security Agency of Health for the period of September 2022 as many as 967 employees who have been paid through the bank on August 30, 2022.

There is a difference between the Social Security Agency membership period and the employee's tenure due to the length of time for the registration process, for example, the administrative completeness of workers who are still incomplete, thus hindering registration.

#### 6.7.5

The OHS Committee has maintained records of work accidents and has been recorded using LTA. The results of the review of the OHS Committee report for the 2nd Quarter of 2022, it is known that during the April – June 2022 period there was only 1 minor work accident that did not cause lost work days. It is also known that there were no lost workdays for estates and mills during this period.



It is also known that AFR 0 and ASR 0 values during the same period.		
6.7.3	Status: NCR no 2022.08 with major category.	
<b>PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT</b>		
<b>7.1</b>		
<b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>		
<b>7.1.1</b>		
<p>The company demonstrates procedures related to pest monitoring and control that have been approved by the President Director, which are contained in the following documents:</p> <ul style="list-style-type: none"> <li>SOP for Planting Beneficial Plants in PT PAM's oil palm plantations Number: 02/SOP/B.PLANTS/PAM/VI/2014, covering procedures for propagation and planting of beneficial plants (<i>Turnera subullata</i>, <i>Cassia cobenensis</i>, <i>Antigonon leptopus</i>) especially in areas that have a history of attack by caterpillars/bagworms.</li> <li>SOP for Early Detection, Census and Pest and Disease Control of PT PAM's oil palm plantations Number: 02/SOP/HAPPEN/PAM/VI/2014, covering procedures for conducting the census and controlling UPDKS pests, rats, termites, snails, shoot borers, and beetles leaf eaters; plant disease; preparation and essential equipment in controlling plant pests and diseases; handling of pesticide/herbicide waste. This procedure also regulates related to early detection (Early Warning System), pest control (manual, chemical and natural), monitoring of detection and census results, organizational structure of early warning system and duties and responsibilities.</li> </ul> <p>The company has carried out monitoring of pest and disease attacks, directly under the QC/R&amp;D department on a regular basis. For example, the results of the July 2022 census are shown, namely rats, horn beetles, bag worms, nettle caterpillars, and termites. It is known that the new attack range for rats is <math>\pm 1\%</math>, horn beetle <math>\pm 0.2\%</math>, bag worm <math>\pm 0.1\%</math>, nettle caterpillar <math>\pm 0.02\%</math>, and termites <math>\pm 1\%</math>. The results of field observations, it is known that there are no traces of new attacks / attacks from pests. It is known that the Beneficial Plants were planted on the side of MR and CR roads, such as <i>Turnera ulmivolia</i> in block Q42 Division 2 and Block P46 Division 1 Estate KPT 2.</p>		
<b>7.1.2</b>		
<p>The company has developed a beneficial plant as one of the predatory hosts for the Nettle caterpillar in controlling IPM. These plants are planted on the side of the road CR and MR. For example, the results of field observations in Block Q42 Division 2 and Block P46 Division 1 Estate KPT 2, it is known that <i>Turnera ulmivolia</i> has been planted in a well-maintained condition. According to the Minister of Environment and Forestry Regulation No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016 concerning Invasive Types, these plants are invasive species, and the company has made efforts to maintain plants so that they are controlled and well maintained.</p>		
<b>7.1.3</b>		
<p>The results of field observations at KPT 1, KPT 2, KPS, and KPU 1 estates found that there was no pest control using fire or former pest control using fire. The results of interviews with management representatives, pest control is carried out in an integrated manner between biology and chemistry, without using fire.</p>		
	Status: Comply	
<b>7.2</b>		
<b>Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</b>		
<b>7.2.1</b>		
<p>There is a justification for the use of pesticides in the company. One of the reasons for justification is contained in the Decree of the Minister of Agriculture number 502/KPTS/SR.330/M/6/2022 regarding the use of starlon for grass class weeds. The company also has a QC/R&amp;D Department that will recommend the use of pesticides.</p>		
<b>7.2.2</b>		
<p>Records of pesticide use by the company are available. For example, from January to August 2022, Nufosat with the active ingredient of 41% glyphosate was used, which was used for spray applications of <math>\pm 1,620</math> liters for an area of <math>\pm 1,039</math> ha. It is known that the LD50 is <math>&gt;2000</math> mg/kg. Based on this information, it is known that the glyphosate used is 0.64 liters/ha.</p>		
<b>7.2.3</b>		



The company is committed to minimizing the use of pesticides. The company shows the Circular Letter of the President Director number 15/EHSS/PT.PAM/INT/III/2022 dated March 6, 2022, regarding the Prohibition of the Use of Pesticides which are included in the WHO list class 1a and 1b, or included in the Stockholm/Rotterdam convention, and paraquat. This letter also contains instructions for the withdrawal of all prohibited pesticides (if there are still stocks) and put them in the hazardous waste temporary store. The results of observations to the warehouse estate, did not find any prohibited pesticide stocks. The results of observations of spray work and interviews with spray workers, it is known that there is no use of paraquat. The results of the document review also note that there has been a decrease in pesticides, such as in the KPS Estate for the period January – August 2021 and 2022, it is known that the use of Metafuron 20 WP in 2021 is 79,724 gr and in 2022 it is 43,076 gr.

**7.2.4**

The results of field observations at KPT 1, KPT 2, KPS, and KPU 1 estates revealed that there was no preventive application of pesticides. Based on the results of interviews with management representatives, the use of pesticides is based on the results of the census.

**7.2.5**

The company shows the Circular Letter of the President Director number 15/EHSS/PT.PAM/INT/III/2022 dated March 6, 2022, regarding the Prohibition of the Use of Pesticides which are included in the WHO list class 1a and 1b, or included in the Stockholm/Rotterdam convention, and paraquat. The results of observations to the warehouse estate, did not find any prohibited pesticide stocks. The results of observations of spray work and interviews with spray workers, it is known that there is no use of paraquat. The results of the document review showed that the pesticides used were not included in the prohibited pesticides, such as the active ingredients of glyphosate (WHO class U) and triclopyr (WHO Class III).

**7.2.6**

Pesticides have been handled, used or applied only by persons who have completed training. The results of interviews with spray workers, it is known that they have been able to explain the technical work according to the procedure and can explain the handling of pesticides. The document for the safety handling of pesticides training has also been shown on July 7, 2022, with 105 participants from warehouse officers, foreman, and spray workers from all estates.

**7.2.7**

Pesticide storage is in accordance with recognized best practice. The results of field observations to chemical warehouses in KPT 1, KPT 2, KPU 1, and KPS Estates showed that pesticides had been stored by type in a locked room, with adequate ventilation and lighting. There are hazardous commercial symbols, warnings on the use of PPE, and emergency response facilities such as eye washers and body showers. It is known that there are also MSDS and printing updates of each material.

**7.2.8**

Based on field observations at the Chemical Warehouse, as well as interviews with operators in each Plantation and Factory, it is known that used pesticide containers will be stored in temporary shelters for Hazardous and Toxic waste which were built with OHS and environmental aspects in mind. The water used for rinsing will be reused as mixing water for chemical activities.

Based on the results of field visits to employee housing areas, it was found that there were no traces of used pesticide packaging, for example as water reservoirs or flower pots.

**7.2.9**

The results of field observations at the KPT 1, KPT 2, KPS, and KPU 1 Estates are known to show that there is no spraying from the air. Spray application is done using a sprayer.

**7.2.10**

The company has implemented MCU, especially for pesticide applicators. The results of interviews with pesticide applicators, both sprayers and warehouse officers, informed that the company had conducted MCU. The results of the document review revealed that the MCU was held in June 2022. The results of the review of the MCU recap document revealed that there were no MCU results showing changes in blood cholinesterase levels to negative, respiratory disorders, and poisoning disorders. The results of interviews with company doctors, there are no MCU results from workers related to pesticides, which lead to occupational diseases.

**7.2.11**

The results of observations and interviews with pesticide applicators showed that there were no pesticide applicators who were pregnant or breastfeeding. The results of interviews with pesticide applicator workers, it is known that workers understand that while pregnant and breastfeeding are not allowed to work with pesticides.

<b>Status: Comply</b>
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**7.3**

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

**7.3.1**

The company shows identification of waste sources for the 2021/2022 period with details: ex sacks of fertilizer, inner plastic of fertilizer sack, used oil from generator, used neon/lights, wastewater, EFB, Shell, fibre, dash of incinerator, dash of boiler, domestic waste, paper and others.

Sources of emissions include:

- CO2 Gas: Transportation of FFB, CPO Shipping, Operation of heavy equipment, operation of generator & electric pumps, management of WTP, boilers, laboratory activities, waste ponds and Mill processes.
- Gas NO2 & SO2: Activities in the laboratory.
- Gas CH4: Fertilizing activities and WWTP ponds.

**Hazardous and Toxic waste**

Hazardous Waste generated by the Estate and Factory will be stored in the Temporary Storage of Hazardous Waste owned, then it will be transported by a licensed third party which will then be handed over to the licensed Hazardous Waste manager. The company has a temporary storage permit for hazardous and toxic waste in accordance with the Decree of the Sekadau Regent Number 660/168/DLH/2019 on March 25, 2019 with a validity period of 5 years.

In the case of transporting dangerous waste, the company cooperates with the licensed dangerous waste transportation, PT Primanru Jaya. The company can show a cooperation agreement with the carrier, namely SPK between PT Parna Agromas and PT Primanru Jaya with number 21/LGL/MoU/PMJ-PAM/II/2022 on March 3, 2022 with the validity period until March 3, 2023.

The company can show the minutes and manifest of harmful waste transportation on July 13, 2022 conducted by the transportation with the vehicle number B 9073 JXR. The types of hazardous and toxic wastewater submitted for example:

- Used filter as much as 1.62 Tons with Manifest KLHK-1660281855
- Used Majun as much as 0.0151 Tons with Manifest KLHK-1660271529
- Used packaging of 0.6591 Tons of hazardous materials with Manifest KLHK-1660260956
- 6.39 Tons of used oil with Manifest KLHK-1660245087
- Used Battery as much as 0.947 Ton with Manifest KLHK-1660295623

Medical waste is destroyed at St. Hospital Antonius Pontianak who already has a permit.

**Solid Waste**

The solid waste produced by the company is shell, fibre and EFB. Management plans carried out by re-utilizing solid waste such as shells and fibre are used again as boiler fuels. While solid waste such as EFB is re-utilized by applying to the plantation area. This is evidenced by the results of field visits during the audit activity carried out that the company has used shells and fibre for boiler fuel, while EFB is re-utilized to plantation land.

**POME**

The pome produced from the factory is not reused but rather the disposal to the water body according to the permit held. Before being discharged into the water body, POME is first managed in the WWTP with the aim that the quality of the pome that is discharged into the water body in accordance with the provisions. This is evidenced by the results of a field visit at the WWTP it is known that before being discharged into the water body, pome first at the WWTP, besides that there were no indications of environmental pollution by the company.

**Domestic Waste**

Domestic waste generated from housing and offices will be disposed of in Landfills. This is evidenced by the results of field visits to

the Landfills area that the domestic waste generated will be placed in landfills.

Based on document verification and the results of field observations, the following evidences were obtained:

- Based on the SOP for the management of household waste and Hazardous and Toxic waste (hazardous and toxic materials) with SOP number 12 on September 1, 2013, it is explained that once a week the janitor transports garbage from a temporary disposal site and throwing it into a landfill that has been provided with landfill distance is at least 1 km from settlements and rivers.
- The results of the field observations in the Landfill Blok V19 Division 1 KPS are known that the distance of the landfill to the housing is less than 1 km, which is  $\pm$  50 m away.
- The results of field observations at the Landfill Division 1 KPU-1 are known that the distance from the Landfill to the Housing is less than 1 Km, which is 20-30m.

Based on the evidence the company has not been able to show evidence that the distance of the Final Disposal Site (landfill) of the household waste is in accordance with the SOP owned. **NCR No 2022.09 With Minor Category.**

### 7.3.2

Based on verification of documents, interviews, and field observations, the following evidence is obtained:

- Based on the SOP for the Management of household waste and Hazardous and Toxic waste (hazardous and toxic materials) with SOP Number 12 dated September 1, 2013, it is explained that:
  1. Residents of housing are required to dispose of their waste in the place provided.
  2. All hazardous waste generated by the activities of PT Parna Agromas will be temporarily accommodated/collected in special places according to their respective types.
  3. All Hazardous waste should not be disposed of, but handed over to a licensed company.
- Based on interviews with company representatives, it is known that the Company has a licensed Hazardous Waste Temporary Storage located in GMOs. Each Estate and Factory unit will collect the Hazardous waste in the Satellite Hazardous Waste Temporary Storage in each unit and then it will be submitted to the licensed Hazardous Waste Temporary Storage in the GMO.
- Based on the results of field observations in the Mill housing estate, it is known that there is household waste scattered behind the employee housing.
- Based on the results of field observations in the Housing of Division 1 KPT 2 employee, it is known that there is a household waste in the housing drainage channel. In addition, there are dangerous waste types of oil packaging behind employee housing.
- Based on the results of field observations in the employee housing Division 2 KPT 2, it is known that there is household waste in the housing drainage channel. In addition, there is Hazardous Waste in the form of used paint packaging and Glyphosate pesticide packaging behind the employee housing.
- Based on the results of field observations at KPT 2 and KPS when the auditor team checked the HGU stakes, it was found that there was Plastic/Inner Fertilizer in the pile of midribs. The locations are in the vicinity of Block N35 Division 4 and Block L37 Division 4 KPT 2 and Block R11 Division 3 KPS. The results of the identification of waste and the results of interviews with the Company's PIC revealed that Plastic/Inner Fertilizers fall into the category of Hazardous Waste.
- Based on the results of field observations in the Division 1 KPS housing area, it is known that there is a household waste behind the housing that is not placed in the trash.

Based on this evidence, the company has not been able to show evidence that the waste disposal is in accordance with the procedures for managing household waste and hazardous waste. **NCR No 2022.10 with Minor Category.**

### 7.3.3

Based on verification of documents and field observations, the following evidence is obtained:

- Based on the SOP for the Management of household waste and Hazardous waste (Hazardous and Toxic Materials) with SOP Number 12 dated September 1, 2013 it is explained that all Non-Hazardous waste should not be burned to destroy it because it will cause air pollution.
- Based on the results of field observations at the Division 2 Housing KPT 2, it is known that there are 3 points of burning household waste behind the housing.
- Based on the results of field observations in Housing Division 1 KPT 2 it is known that there is a former burning of household waste behind the housing.

Based on this evidence, there is still domestic waste management by burning where it is not in accordance with the procedures that

have been owned by the company. <b>NCR No 2022.11 with Minor Category</b>		
<b>7.3.1</b>	<b>Status: NCR No 2022.09 With Minor Category.</b>	
<b>7.3.2</b>	<b>Status: NCR No 2022.10 With Minor Category.</b>	
<b>7.3.3</b>	<b>Status: NCR No 2022.11 With Minor Category.</b>	
<b>7.4</b>		
<b>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>		
<b>7.4.1 and 7.4.4</b>		
<p>The company has shown the SOP for Fertilization with document number 01/SOP.PAM.LG//12. In the procedure, it is explained that TM fertilization states that the determination of recommendations and fertilizer doses from the Research and Development department takes into account the results of leaf analysis, research results, plant age and condition, soil, climate, nutrient balance, cost efficiency, production that has been obtained, and targets. production.</p> <p>Based on the results of interviews with fertilizing workers in block P45 division I KPT2, it is known that workers have understood the implementation of fertilization activities, workers also explained that fertilization is not carried out in water bodies because it can pollute the environment.</p> <p>Records of fertilizer use are maintained. The results of the document review show that fertilizer applications have been carried out including 1,523 tons of Borate and 526,469 tons of Dolomite. The results of the document review also found that the fertilizer dose was in accordance with the company's recommendations.</p>		
<b>7.4.2</b>		
<p>Records of leaf and soil tissue analysis are available which are used as consideration for making fertilizer recommendations. Leaf and soil tissue analysis was carried out at the Citra Borneo Indah Laboratory, which has been accredited by KAN with the number LP-1056-IDN. Leaf tissue analysis with certificate number 046/LAB.01/EKS/VI/2022 dated June 8, 2022 test with a sample of 345 samples, with test parameters including elements N, P, K, Mg, Ca, B, Cu, and Zn. Analysis of soil tissue with certificate number 022/LAB.02/EKS/XII/2021 dated December 7, 2021, with a sample of 92 samples, with test parameters including pH, Organic C, N, P, CEC, and B.</p>		
<b>7.4.3</b>		
<p>EFB applications are available at the company. The results of the document study revealed that the EFB application for the January – August 2022 period was 58,763 tons. The results of field observations in block P45 Division 1 KPT 1 revealed that there was an EFB application in the block.</p>		
	<b>Status: Comply</b>	
<b>7.5</b>		
<b>Practices minimise and control erosion and degradation of soils.</b>		
<b>7.5.1</b>		
<p>The company has shown maps that identify marginal and fragile soils, including land with steep slopes, including:</p> <ol style="list-style-type: none"> <li>1. Topographic map in and around PT Parna Agromas HGU area with a scale of 1: 190,000. Based on the map, it is known that there are PT PAM areas with slopes of 25-40% (485.29 ha) and &gt;45% (15.78 ha).</li> <li>2. Map of Soil Types in and around the HGU area of PT Parna Agromas with a scale of 1: 190,000. Based on the map, it is known that the types of soil in the PT PAM area are <i>Paledults</i>, <i>Tropodults</i>, and <i>Organosols</i> (Peat).</li> </ol>		
<b>7.5.2</b>		
<p>The results of the study of the areal statement documents and explanations from management representatives revealed that the company was not currently carrying out oil palm replanting activities, the oldest planting year was the 2000 planting year. The results of field observations in KPT 1, KPT 2, KPS, and KPU 1 estates did not find any replanting activities. in the company area.</p>		
<b>7.5.3</b>		
<p>The results of the study of the area statement document and the explanation from the management representatives revealed that the company was not currently carrying out new planting activities. The results of field observations at KPT 1, KPT 2, KPS, and KPU 1 estates did not find new planting activities in the company area. Based on document review revealed that there were plantings in 2010-2016 covering an area of 2,825.14 ha which were planted in predominantly flat areas and a small part of them were undulating. There is no planting above the 45% slope. For undulating areas, a terrace system has been carried out. The terrace map has been</p>		

shown in the company.		
	<b>Status: Comply</b>	
<b>7.6</b>		
<b>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.</b>		
<b>7.6.1 – 7.6.3</b>		
<p>The company has shown the semi-detailed Soil Survey and Land Suitability Survey document for PT Parna Agromas which was published by PT Anugrah Lintas Zaman in October 2020. The report has explained the soil type, topography, slurry class and land suitability of PT Parna Agromas.</p> <p>The results of the study of the area statement document and the explanation from the management representatives revealed that the company is not currently carrying out new oil palm planting activities in the new area or the existing area. The results of field observations at KPT 1, KPT 2, KPS, and KPU 1 estates did not find new planting activities in the company area. The results of field observations also found that the construction of waterways was in accordance with the topography according to information from soil and topographic survey. Based on document review found that there were plantings in 2010 – 2016 covering an area of 2,825.14 ha. The results of field observations during the audit were found to have been planted and cultivated according to best practices based on topographical information and soil surveys.</p>		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.</b>		
<b>7.7.1</b>		
<p>The results of the study of the area statement documents and interviews with management representatives, it was found that the company did not carry out land clearing or new planting activities on peatlands after November 2018. Oil palm planting was carried out in the period 2000-2016. The results of field observations also found no new plantings in the company area.</p>		
<b>7.7.2</b>		
<p>The company has shown PT Parna Agromas' peat inventory document. Based on the peat inventory report, it is known that there are 2,551.01 ha of planting on peat land in PT PAM with planting years in 2000 and 2011. In addition, it is known that there is a peat conservation area of 118.63. The company has reported the peat inventory to the RSPO secretariat.</p> <p>The company showed proof of the report to the RSPO with an email address to <a href="mailto:ghg@rspo.org">ghg@rspo.org</a> on 10 June 2020, then sent a revision Back on 29 June 2020, and received reinforcements from the GHG RSPO unit on 02 July 2020. The results of interviews with representatives of company management, the company will report revised peat inventory Back in November 2022 – November 2023.</p>		
<b>7.7.3</b>		
<p>The company has been monitoring peat subsidence. The location and coordinates of peat subsidence have been shown in the peat subsidence map. There are 7 peat subsidence poles in KPS, 2 in KPU 1, 2 in KPU 2, and 1 in KPT 1 which represents 1,024.75 ha according to the peat inventory identification in April 2022 which means each point represents ±85 ha. The results of the review of peat subsidence monitoring documents, it is known that subsidence monitoring is carried out every 3 months. As an example of subsidence pole number 01 Block R 21 Division 3 KPS, it is known that the last measurement was 17 July 2022 with a monitoring result of 25 cm and previously on 16 April 2022 with a monitoring value of 25 cm. it is known that the subsidence pole was installed on January 3, 2014. The results of field observations in Block T20 KPS, it is known that there is indeed a subsidence pole to monitor pole subsidence.</p>		
<b>7.7.4</b>		
<p>There is a water management program in the company. The company has carried out water level monitoring referring to the Decree of the Director General of Pollution and Environmental Damage Control number SK.121/PPKL/PKG/PKL.0/12/2020 dated December 29, 2020 regarding the Determination of TMAT Compliance Points and PT PAM Rainfall Monitoring Station Points. Decided 12 manual monitoring points and 1 data logger and measurements were made every 2 weeks. For example, the results of monitoring in the 2nd week of August 2022 in Block T21 it is known that the groundwater level is 31.4 cm above the ground surface. The results of field observations in Block S22 KPS, it is known that it is true that there is water level monitoring in the block. To keep the water level in the block, the company also made a water divider. A water barrier map with a scale of 1:15,000 has been shown, which informs the</p>		



position of 69 water barrier points at PT PAM.

The results of field observations in the peat estate area, it was also found that the area had been shaded by palm midrib, and some of it contained *Nephrolepis*.

#### 7.7.5

The results of the study of the area statement document and the company's long-term plan revealed that the company does not have a replanting plan for the next 5 years. The results of interviews with management representatives, it is also known that there is no replanting plan for the next 5 years.

#### 7.7.6

The company has managed all existing plantings on peatlands in accordance with existing regulations. The company already has a water management system on peatlands and has monitored the groundwater level every 2 weeks with the monitoring time and location in accordance with the Decree of the Director General of Pollution and Environmental Damage Control number SK.121/PPKL/PKG/PKL.0/12/2020 dated December 29, 2020 regarding the Determination of TMAT Compliance Points and PT PAM Rainfall Monitoring Station Points, namely 12 manual monitoring points and 1 logger for 1,024.75 ha of peat area. This means that 1 manual point represents  $\pm 85$  ha. The company has also carried out monitoring of peat subsidence, with measurements carried out every 3 months for 12 monitoring points, which means that each monitoring point represents  $\pm 85$  ha. Based on the document review, it is known that the average groundwater level for the period January – August 2022 is 25.8 cm from the ground surface. Meanwhile, the results of subsidence monitoring have been discussed in indicator 7.7.3.

In addition to water management on peatlands, the company also conducts regular monitoring to prevent land fires on peatlands. Based on the results of the field visit, it is known that there is an appeal board for the prohibition of burning. In addition, the company also has facilities and infrastructure for fighting land fires which refer to Ministry of Agriculture 5 of 2018. The results of observations and simulations of fire prevention facilities show that the facilities and infrastructure are functioning properly. There are also monitoring facilities such as the Fire Tower which are still in good condition.

#### 7.7.7

Based on the results of the review of the PT Parna Agromas peat inventory document updated April 2022, it is known that there is a peat conservation area of 1,155.71 ha. Based on the results of interviews with company management, it is known that the company will not carry out land clearing or other interests related to company activities. Management carried out in the form of installation of sign boards for HCV areas, prohibition of burning and monitoring of fires.

<b>Status: Comply</b>
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### 7.8

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

##### 7.8.1

The company has implemented a water management plan consisting of:

- Do not apply chemicals in river border areas
- Utilizing water for factory processing in accordance with the standards set by the company.
- Conduct river water quality testing.
- Wetland/peat protection with water level maintenance.

Based on field observations on the Ayak River Border Block O35 Division 2 Estate Parna Tengah 2, it can be seen that the company has managed water sources by installing signboards as HCV areas and painting on oil palm trees as spray boundaries. In addition, there is no indication of traces of chemical application on the river border.

The company already has a surface water quality monitoring program carried out every semester carried out by an accredited laboratory (LP-001-IDN) on April 2022. The location of monitoring is in the river for the scope of the company's operational areas, namely the Kapuas Hulu River and downstream, river Swing, Branching the Ayak River. At present the company is conducting surface water testing using a quality standard that refers to PP 22 of 2021 Class III. The results of the test will then be reported to the relevant agencies through the RKL-RPL report every semester.



Based on the results of testing surface water quality and clean water, it is known that all test parameters are in accordance with the quality standards specified in PP No. 22 of 2021 (surface water) and Permenkes 32 of 2017. In addition, as a form of preventive measures in environmental management and monitoring to prevent and reduce the concentration of parameters that are not in accordance with quality standard standards, the company has ensured the best practice in waste management, ensuring domestic liquid waste is managed by providing septic tanks and several management activities in accordance with the company's management plan.

The results of observations and interviews with workers are known that the company has also provided access to clean water to workers by providing hygienic water for drinking and water for daily needs.

### 7.8.2

The wet flow contained in the company's area is protected by the company. This is evidenced based on the results of field observations in the HCV River Ayak Block O35 Division 2 Estate Parna Tengah 2 and River Block R25 Estate Parna Selatan It is known that river borders are protected by the company. Some of the activities carried out by the company are by installing a sign as a limit for the application of chemicals and planting crops, pulai, and meranti. In addition, there are no former chemical applications on the river border. Currently the company does not have a replanting plan because the oldest planting year is the year of cropping in 2000.

### 7.8.3

The company already has documents regarding the measurement of the quality of liquid waste in accordance with the applicable quality standard parameters. Documents of test results can be seen in the Quarterly Liquid Waste Report and the RKL-RPL Implementation Report per semester which contains measurements of the quality of liquid waste every month. The test is carried out by a laboratory that has been accredited by KAN, namely Sucofindo with reference to Attachment III of the Minister of Environment Decree No. 5 of 2014. The company can show the results of the liquid waste testing for the period January 2021 - July 2022. The results of testing the quality of liquid waste for example are as follows:

Parameter	Standard*	December 2021	March 2022	May 2022	July 2022
pH	Mg/l	6 - 9	7.7	8.4	8.12
BOD	Mg/l	100	52	37.2	22.6
COD	Mg/l	350	252	172	127
TSS	Mg/l	250	126	198	58
Oil & Grase	Mg/l	25	12.7	20.2	16.3
Nitrogen (N)	Mg/l	50	5.65	7.17	4.66

\*Quality standard based on Ministry of Environment Decree No. 5 of 2014

Based on the results of interviews with the Sekadau Regency Environment Agency related to the management of liquid waste in WWTP, there were no issues related to environmental pollution in the past 2 years, the results of interviews with the community from the village around the company also stated that there was no pollution from liquid waste generated by the company.

The company carries out the disposal of waste water resulting from palm oil mill effluent (POME) activities to a body of water, namely the Ayak River. Liquid Waste Disposal Permit based on the Decree of the Regent of Sekadau No. 660/217/DLH/2018 dated 27 April 2018 concerning Permit for Disposal of Wastewater into Water or Water Sources for Palm Oil Processing Factory Activities in Tapang Pulau Village, Belitang Hilir District, Sekadau Regency, Kalimantan Barat Province to PT PAM. The permit is valid for five years.

Based on the permit, it is known that the Outlet Pool (Outlet Final Pond) is located at the coordinates of 00° 12' 41.8" North Latitude and 111° 04' 22.6" East Longitude. The maximum volume of liquid waste disposal is 600 m<sup>3</sup>/day. Meanwhile, the monitoring point for monitoring wastewater disposal activities into the Ayak River is located at coordinates 00° 12' 48.3" North Latitude and 111° 12' 14.9" East Longitude and 00° 12' 14.9" North Latitude and 111° 05' 15.3 BT.

The results of observations at WWTP also found that POME has been managed at WWTP, there is a pond to manage POME, there is no indication of leakage and overflow in the WWTP pond and a flow meter to calculate the amount of POME flowing into water bodies is available and functioning properly.

### 7.8.4

The company can show the results of the recapitulation of water use for the period January 2021 – June 2022, namely the use of water for the FFB processing process is 548,343 m3 with an average water use for the FFB processing process every month of 45,695.25 m3. The data shows that the company uses surface water that has complied with the quota specified in the permit.

The company already has a water resource exploitation permit in accordance with the Decree of the Minister of Public Works and Public Housing Number 213/KPTS/M/2019 concerning the granting of a water resource exploitation permit to PT Parna Agromas for industrial business in the Ayak River, Sekadau Regency, Kalimantan Barat Province on February 25, 2019 with a validity period of 5 years. The location for water extraction is on the Ayak River with a maximum discharge of 20 liters/second or equivalent to 53,568 m3/month.

The company can also show proof of payment of surface water levies for the July 2022 period to the Regional Revenue Agency of Kalimantan Barat Province UPT Sanggau area on August 10, 2022 through Kalimantan Barat Bank Transfer and the payment is in accordance with the surface water tax bill from the Regional Revenue Agency of Kalimantan Barat Province.

<b>Status: Comply</b>
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## 7.9

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

#### 7.9.1

The plan to increase the efficiency of the use of fossil fuels and optimize the use of renewable energy by the company is to use shells and fibre as boiler fuel which is used to generate turbines to generate electricity. The use of energy generated from the turbine is monitored every day.

Parna POM has an Energy efficiency document for the period January-December 2021 for the use of fossil fuels or the use of renewable fuels. The calculation of efficiency with the use of fossil fuels for the period January-December 2021, namely FFB Process as much as 305,769 tons using renewable fuels such as shells of 7,699 tons and Fibre as much as 42,808 tons. The turbine produced from the use of Shell and Fibre is 4,064,608 Kwh or 13,29 Kwh/Ton FFB, while the generator used is 1,300,448 Kwh. The efficiency of renewable energy used by the company is 75%.

<b>Status: Comply</b>
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## 7.10

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

#### 7.10.1

Based on the calculation results of PT PAM's GHG emissions through the Palm GHG Calculator for the period January-December 2021, the following information is obtained:

- FFB processed data of 298,370.21 tons.
- Input data in each estate as follows:
  1. Estate Parna Selatan: total area of 2,317.41 Ha; The Planted area of 1,245.44 Ha; Planted in peat covering an area of 807.51 ha.
  2. Parna Tengah 1 Estate: Total Area of 547.67 Ha; The planted area is 421.98 Ha; Planted in Peat covering an area of 0 Ha.
  3. Parna Tengah 2 Estate: Total Area of 331.4 Ha; The planted area is 247.57 Ha; Planted in peat covering an area of 22.1 ha.
  4. Parna Utara 1 Estate: Total Area of 2,094.81 Ha; The planted area is 1,668.79 Ha; Planted in Peat covering an area of 62.89 Ha.
  5. Parna Utara 2 Estate: Total area of 1,019.73 Ha; The planted area is 705.57 Ha; Planted in Peat covering an area of 29.81 Ha.
- Based on the recording documents for water use and utilization of PAM POM shells & fibre POM for the period January-December 2021 it is known that the number of FFB processed was 305,769 tons.
- Based on the hectare statement of PT PAM, the following information was obtained:
  1. Estate Parna Selatan: Total area of 3,142.54 and planted area is 1,534.34 Ha.
  2. Parna Tengah 1 Estate: Total area of 2,275.93 and planted area is 613.1 Ha.
  3. Parna Tengah 2 Estate: Total area of 1,660.33 Ha and planted area is 524.23 Ha.
  4. Parna Utara 1 Estate: Total area of 5,457.31 Ha and planted area is 1,788.63 Ha.
  5. Parna Utara 2 Estate: Total area of 3,272.12 Ha and planted area is 858.58 Ha.
- Based on PT Parna Agromas's peat inventory documents, planned information in peat is obtained in each estate, namely:

1. Parna Selatan Estate: Planted area in peat is 897,09 Ha.
2. Parna Tengah 1 Estate: Planted area in peat is 0 Ha.
3. Parna Tengah 2 Estate: Planted area in peat is 26,54 Ha.
4. Parna Utara 1 Estate: Planted area in peat is 62,65 Ha.
5. Parna Utara 2 Estate: Planted area in peat is 38,47 Ha.

Based on this evidence the calculation of GHG emissions through the Palm GHG Calculator conducted by the company has not been done accurately in accordance with the actual conditions. **NCR No 2022.12 with Major Category.**

#### 7.10.2

The company has conducted an assessment of carbon stock analysis and the effects of greenhouse gas (carbon stock analysis and greenhouse gas) in the area of PT Parna Agromas oil palm plantations in October 2020 with a study area of 16,178.43 ha. The results of the study mentioned the total number of carbon reserves in the PT Parna Agromas HGU area was 411,132.98 tons-C with carbon reserves from disturbed forest as the largest contributor to total carbon reserves in the HGU area of PT Parna Agromas. The value of carbon reserves for each stratum of cover is one of the factors for calculating the net GHK emissions which are then used as baselines for the assessment of the success of mitigation practices in the management of sustainable oil palm plantations.

The company has carried out GHG calculations as described in indicator 7.10.1 but not the RSPO GHG for new developments. The company does not do NPP and will be penalized for 3 years.

#### 7.10.3

Based on document review and interviews with company representatives, it was found that there were no new developments after November 2018. The company has identified sources of pollution in the mills and estates, these documents inform sources (stations/activities), sources of pollution and emissions, impacts (humans, work equipment), environment) and impact control. For example, from the boiler it produces boiler ash, steam and chemical pollution, from the engine room it produces pollution in the form of noise.

Efforts to reduce pollutants carried out by the company include:

- Monitoring air quality and emissions from boilers and generators
- Carry out liquid waste management in WWTPs.
- Perform regular machine maintenance.
- Optimizing the use of fertilizers according to recommendations
- Use of fibre and shells in the mill to reduce diesel fuel.

The company has tested emissions from boilers and generators, as well as ambient air quality conducted in semester 1 and 2 of 2021 by an accredited laboratory (LP-001-IDN). Based on the results of the document study it is known that the results of the tests conducted are in accordance with the provisions set by the government.

**7.10.1**

**Status: NCR No 2022.12 with Major Category.**

#### 7.11

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

##### 7.11.1

The company shows the procedure related to land clearing contained in document number 01/SOP/PAM/II/2016 valid date 11 February 2016 concerning Development (Land Opening and Palm Oil Planting) in a concise document explains the following matters:

- Land clearing policy without burning
- Soil conservation by making terraces and treads
- LCC Planting
- Water conservation by making drainage channels

Based on the results of field visits and interviews with local government agencies, it was found that the company was not currently in the process of planting oil palm, either new plantings or replanting, and it was also explained that there was no use of fire during land clearing.

There was a hotspot in the area of PT Parna Agromas on September 2, 2022 based on the results of a report from the Department of Agriculture and Fisheries Food Security of Sekadau Regency to the company. The company has verified directly into the area and found that the fire was extinguished, the fire did not propagate, the landowner was not at the location, and was taken by documentation. The cause of the fire was caused by the burning of community landowners a.n Marsianus Sai with the area of the community owned by the community covering an area of 1 ha.

### 7.11.2

In determining the precautions and controlling of land fires, the company carries out several activities, namely:

- Fire emergency response simulation training for employees, for example on 29 July 2021 (Estate Parna Selatan), 4 August 2021 (Parna Tengah 1 Estate), 28 July 2021 (Estate Parna Tengah 2), 23 July 2021 (Estate Parna Utara 1 and 2).
- The company has an emergency response team to handle fire emergencies. The company already has an emergency response team for every estate and factory.
- Have facilities and infrastructure for emergency response to preventing and handling land fires.
- Conducting dissemination of land fires to the surrounding community, for example which was carried out on March 17, 2022 which was attended by 84 participants from employees and the community of Empajak Village, Tapang Pulau, and Sungai Ayak Village.
- Monitor land fires through fire patrols and through fire tower which is carried out every day.

The auditor team has also conducted a fire control simulation on the fire task force team in Parna Tengah 2 Estate, Parna Tengah 1 Estate and testing of fire control facilities and infrastructure owned by the company. The simulation results are known that the company's fire task force team can run a simulation well and firefighting equipment can be used at any time.

### 7.11.3

The company has also involved stakeholders in adjoining locations for fire prevention and control measures by conducting socialization of land fire control to the community and employees, for example on March 17, 2022 which was attended by 84 Participants from Employees and Communities of Empajak Village, Tapang Pulau, and Sungai Ayak Village. The results of interviews with representatives of the Empajak Village community revealed that the company had carried out socialization of fire control to the community. In addition, in the company area there is also a signboard prohibiting land burning activities and the dangers of land fires.

**Status: Comply**

### 7.12

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

#### 7.12.1

Based on the verification of the document it is known that the company conducted land clearing over November 2005 without the HCV study. The company has conducted a Luca study conducted by Pili - Green Network with a study area of 16,178.43 ha and was sent to RSPO on November 12, 2021 along with disclosure. The Luca study was a pass by RSPO on January 31, 2022 according to email from indarawan.suryadi@rspo.org. From the results of the LUCA it is known that the total FCL was 117.19 Ha and the Environmental Remediation Area of 196.99 Ha.

#### 7.12.2

The company has identified HCV which was carried out in October 2019 - November 2020 by PT Anugrah Lintas Zaman with a Non-ALS HCV assessment team with a study area of 16,178.43 Ha. In accordance with Interpretation Indicator 7.12.2 and Annex 5 (P&C 2018) Section 3.2 which states, "The RSPO HCV assessment review applies to non-ALS HCV assessments for non-certified plantations (no new land clearing), the company reviews the assessment documents HCV to RSPO. Company can show email from RSPO (khing.suli@rspo.org) on 14 October 2021 stating that There is no further requirement for RSPO HCV assessment review. This is based on the Interpretation of Indicator 7.12.2 and Annex 5 (P&C 2018) Section 3.2 that states, "The RSPO HCV assessment review is applicable for non-ALS HCV assessments for uncertified plantations (no new land clearing) dated Jan 2009 - 21 June 2019." Therefore, PT PAM may proceed on the other compliance steps towards certification.

From the results of the HCV study, it is known that there are areas of HCV 1, HCV 2, HCV 3, HCV 4, HCV 5 and HCV 6. The identified HCV area is 3,135.60 Ha consisting of 1,377.07 Ha HCV No GO Area and 1,758.53 Ha HCV Go Area. The company has delineated

the HCV area from the HCV assessment with the actual conditions. The HCV area as a result of the HCV delineation carried out by the company is 1,994.08 Ha with details:

- Parna Selatan Estate area of 1,066.30 Ha
- Parna Tengah 1 Estate area of 123.22 Ha
- Parna Tengah 2 Estate area of 81.45 Ha
- Parna Utara 1 Estate area of 411.41 Ha
- Parna Utara 2 Estate area of 311.70 Ha

Based on the results of the document review, it is known that the company does not clear new land after 15 November 2018 so that the company does not have an obligation to conduct an HCS study.

Based on the results of field observations in the HCV River Ayak Block O35 Division 2 Estate Parna Tengah 2 and River Engkerauk Block R25 Estate Parna Selatan is known that river borders are protected by the company. Some of the activities carried out by the company are by installing a sign as a limit for the application of chemicals and planting crops, pulau, and meranti. In addition, there are no former chemical applications on the river border.

### **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 company had an HCV management plan for 2022-2026 compiled by the Consultant of PT Anugrah Lintas Zaman in January 2021 with the preparation of HCV management and monitoring plans involving the surrounding village community and employees. The HCV management plan will be evaluated every year. The plan has contained the management plan, monitoring, time system and the person in charge of implementation. In the HCV management matrix explained the management plan consists of:

- Area Consolidation
- Inventory and identify site conditions
- Boundary Marking
- Boundary sign maintenance
- Installation of area, flora and fauna protection warning boards
- Installation of a no-hunting board and damage to flora
- HCV area patrol
- Rehabilitation and enrichment
- Implementation of sustainable oil palm plantation management practices
- Prevention and control of the spread of exotic and invasive species
- HCV area socialization
- Community education
- Employee training
- Preparation and improvement of SOPs
- Organizational Structure Improvement
- Coordination with related agencies.

The company has not yet reviewed the 5th annual management of high conservation value areas due to the new HCV management and monitoring plan for the preparation in January 2021.

An integrated management plan has been developed in consultation with relevant stakeholders and includes directly managed areas and broader and relevant landscape level considerations. This is evidenced by the company's HCV management plan which was developed by involving stakeholders such as the surrounding village community and employees. Management activities planned by the company also include areas that are managed directly and take into account the wider landscape such as maintaining the presence of rivers and HCV areas located on community land, anticipating land fires in the company area and in the area around the company, increasing employee and community knowledge by conducting socialization of HCV.



Companies can show some implementation of HCV management and monitoring plans for the 2021 period, for example:

- The HCV socialization includes the protection of animals and plants to the community from Entabah Village which was held on March 23, 2022.
- HCV socialization includes the protection of animals and plants to the community from Tapang Pulau Village which was held on February 23, 2022.
- Monitoring the HCV area of riverbanks that is carried out every month, for example for the period of July 2022, it is known that there are no disturbances such as hunting for animals, animal traps, and there are no traces of chemical applications.
- Monitoring of animals and plants for the period of 2021. The types of animals found were, for example *Monyet ekor panjang* (*Macaca fascicularis*), *Elang Bondol* (*Haliastur indus*), *Pekaka emas* (*Pelargopsis capensis*), *Tikus Hutan* (*Rattus tomanicus*), *Biawak* (*Varanus Salvator*), *Gaharu* (*Aquilaria malaccensis*), *Kempas* (*Koompassia malaccensis*).
- Installation of sign board prohibition on spraying river borders carried out in Division 3 Estate South Parna, Division 5 Parna Tengah 1 Estate, Division 2 Parna Utara 1 Estate, and Division 2 Parna Tengah 2 Estate.

Based on the results of field observations in the HCV River Ayak Block O35 Division 2 Estate Parna Tengah 2 and River Engkerauk Block R25 Estate Parna Selatan is known that river borders are protected by the company. Some of the activities carried out by the company are by installing a sign as a limit for the application of chemicals and planting crops, pulai, and meranti. In addition there are no former chemical applications on the river border.

#### 7.12.5

Based on the results of document verification, it is known that there are identified HCV areas located on community lands that have not been compensated by the company. The company has communicated intensively with land owners by socializing the existence of HCVs. Based on the results of interviews with the company's PIC, it is known that the company does not yet have an agreement with the land owner community to maintain the HCV area. activities carried out by the company by conducting intensive socialization to land owners. The company can show the minutes of socialization of the existence of HCV to the community and land owners, for example:

- Minutes of PT PAM's HCV socialization to the community and land owners in Semadu Village which was held on March 25, 2022.
- Minutes of PT PAM's HCV socialization to the community and land owners in Sungai Ayak Village which was held on July 25, 2022.
- Minutes of PT PAM's HCV socialization to the community and land owners in Kumpang Bis Village which was held on March 17, 2022.

#### 7.12.6

The company has a program to educate the workforce about RTE species status. The program is also included in the Company's HCV management plan. The program includes activities to increase knowledge and skills (for all staff and plantation employees, especially special officers in charge of managing HCV/HCV and monitoring important species, especially endangered species.

The company routinely conducts socialization to the community and workers in the company regarding the existence of endangered plants and animals, which are carried out in conjunction with the socialization of the HCV area, for example, the socialization of HCV including the protection of animals and plants to employees from Parna Tengah 1 Estate, Parna Tengah 2 Estate, and Parna Selatan Estate which was carried out on July 20, 2022.

Based on the results of interviews with harvest and spray officers at the Parna Tengah 1 Estate, Parna Tengah 2 Estate, and Parna Selatan Estate, it is known that the company prohibits workers from maintaining protected animals and plants and is prohibited from catching, hunting, and killing animals as well as the prohibition of destroying animals in HCV area. In addition, the results of observations in employee housing did not show any employees caring for protected or unprotected animals.

#### 7.12.7

The company can show an evaluation record for 2021. The results of the 2021 HCV monitoring and species status and RTE evaluation conducted on 20 January 2022, are:

- The realization of work in 2021 achieved the cumulative progress of its implementation of 98.2% and there were 2 activities that had not been carried out as many as 2 activities such as several reforestation and revegetation activities of the HCV river border area, and maintenance and maintenance of forest trees.
- There is an area that must be rehabilitated and minimalist in chemical contact, especially the DO area of river border buffer zone.

- Rehabilitation of river riparian areas in Block P 53 Estate Parna Tengah 2 with pulau plant species.

The follow-up of the evaluation results carried out is as follows:

- There is an increase in training capacity in the deepening of conservation management.
- Carry out rehabilitation and minimization of chemical contact, especially in the river border buffer zone area.
- Maintenance and care of forest tree plants in river border areas.
- Update data on vegetation (plants) and wildlife in PT PAM's HCV area.

Based on the results of the evaluation, it is known that the implementation of HCV area management is going quite well. The follow-up to the evaluation results is used as input for the management and monitoring of HCV areas in the next period. The results of interviews with the company's PIC, the results of the evaluation carried out will be used as input for the implementation of monitoring HCV and RTE Species for the next period.

#### 7.12.8

Based on document verification, the following evidence was obtained:

1. Based on document verification, it was found that there were areas in the Company where oil palm was planted without prior HCV assessment between 2006-2016, because the HCV assessment was only completed in 2020 and the HCV assessment has been approved by the RSPO.
2. The company has conducted a LUCA study conducted by PILI - Green Network with a study area of 16,178.43 Ha and was submitted to the RSPO on 12 November 2021 in conjunction with the Disclosure. The LUCA study was certified as PASS by the RSPO on 31 January 2022 according to the email from indarawan.suryadi@rspo.org. From the LUCA results, it is known that the Total FCL is 117.19 Ha and the Environmental Remediation Area is 196.99 Ha.
3. Due to the existence of an FCL of 117.19 HA and an Environmental remediation Area of 196.99 Ha, the Company has sent a Concept Note for RaCP to the RSPO and has been endorsed in principle on 23 May 2022.
4. Based on the Remediation and Compensation Procedure (RaCP) related to Land Clearance Without Prior High Conservation Value (HCV) Assessment which was approved on 12 November 2015 on page 9 it is stated that "Management units with remediation and/or final social or conservation liability can only proceed with RSPO certification once an HCV compensation project plan has been developed and accepted by the RSPO Compensation Panel".
5. Furthermore, the company has also sent a Compensation Plan Proposal – RaCP to the RSPO on 2 June 2022. However, there has been no approval of the RaCP Proposal from the RSPO. Companies can show the progress of RaCP to the RSPO, namely:
  - On 2 June 2022 the company has sent a Compensation Plan Proposal – RaCP PT Parna Agromas to the RSPO (kasihputri@rspo.org).
  - There is an email reply from RSPO (kasihputri@rspo.org) dated 6 June 2022 explaining 1. The RSPO Secretariat will prepare a Letter of Undertaking for the payment of the Compensation Plan Evaluator. 2. Only upon receipt of payment will the evaluator begin a review of the compensation plan. 3. Meanwhile, the RSPO Secretariat will check the documents and return them if there are problems for clarification.
  - On June 13, 2022, there was an email from the RSPO explaining several matters related to the Letter of Undertaking (LoU) and the RaCP Plan is currently in the internal review stage.
  - On 13 June 2022 the company has sent a revised Letter of Undertaking (LoU) to the RSPO.
  - On 2 June 2022 there was an email from the RSPO (kasihputri@rspo.org) explaining the results of PT Parna Agromas' internal RaCP review.
  - On June 26, 2022, there was an email from the company related to the revision of the RaC Plan of PT Parna Agromas in accordance with the results of a review from the RSPO.
  - On 7 July 2022, there was an email from the RSPO (kasihputri@rspo.org) explaining that the Compensation Plan was in the process of being reviewed by the evaluators.
  - On 22 July 2022, there was an email from RSPO (kasihputri@rspo.org) explaining the results of PT Parna's RaC Plan review for the company to respond to and revise.
  - On August 15, 2022, the company has responded to the results of the RaC Plan review of PT Parna Agromas which was sent to the RSPO via email.
  - On September 2, 2022, there was an email from the RSPO (kasihputri@rspo.org) explaining the results of the RaCP Plan review regarding problems related to Project Carbon.
  - On 3 September 2022 the company has responded to the results of the RSPO review which has been emailed to the RSPO.

Based on this evidence, the company has not been able to show evidence that the RaCP Plan of PT Parna Agromas has been approved by the Compensation Panel in accordance with the Remediation and Compensation Procedure (RaCP) document related to Land Clearance Without Prior High Conservation Value (HCV) Assessment. **NCR No 2022.13 with Major Category**

7.12.8

Status: NCR No 2022.13 with Major Category

**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
IC	This matter will be verified further at annual surveillance audit	NA
	<b>Status: Not Applicable</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
IC	This matter will be verified further at annual surveillance audit	NA
	<b>Status: Not Applicable</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
IC	This matter will be verified further at annual surveillance audit	NA
	<b>Status: Not Applicable</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
IC	This matter will be verified further at annual surveillance audit	NA
	<b>Status: Not Applicable</b>	

### 3.3 Summary of RSPO Partial Certification.

- Based on interviews with the Empajak Village Head and Semadu Village Head as well as 5 previous land owners, it is known that PT Parna Agromas has a partnership scheme that is fully managed by the company, where the plasma consists of 2 cooperatives, namely the Kopbun Sawit Jaya and the KUD Belitang Hilir.
- From the results of the document review, it is known that there is a cooperation agreement between PT Parna Agromas and the Kopbun Sawit Jaya and the KUD Belitang Hilir where it is explained in the agreement that the management is fully carried out by the company.
- The company has included the Full Managed Plasma in the Time Bound Plan, where the timeframe for RSPO certification is June 2023. However, it has not been able to show a positive guaranteed statement made based on a self-assessment, namely an internal audit to that plantation plasma (uncertified management units).

The company has not been able to show a positive guaranteed statement made based on the self-assessment, namely the internal audit to the uncertified management units. **This becomes Non-conformity No.2022.14 with minor category.**



### 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 IC Assessment

NCR No.	:	2022.01	Issued by	:	Hasiholan Sihombing
Date Issued	:	16 September 2022	Time Limit	:	ASA 1
NC Grade	:	Minor	Date of Closing	:	17 December 2022
Standard Ref. & Requirement	:	2.1.2 A documented system for ensuring legal compliance is in place. This system has means to track changes to the law and also includes listing and evidence on evaluation of legal compliance of all contracted third parties, such as: recruitment agencies, service provider and labour contractor.			
Evidence observed (filled by auditor):  The company shows a list of contracted third parties listed in the stakeholder list for the period September 2022, namely 2 CPO transporters, 2 PK transporters, 1 GMO building contractor, 2 biogas construction contractors and 19 wholesale contractors. However, the company has not been able to show the evaluation mechanism and evidence of evaluation of legal compliance by all contracted third parties.					
Non-Conformance Description (filled by auditor):  The company has not been able to show the evaluation mechanism and evidence of evaluation of legal compliance by all contracted third parties.					
Root Cause Analysis (filled by organization audited): Lack of understanding of the Certification Unit to ensure that third parties/ contractors have been evaluated for legal compliance for all of their activities.					
Correction (filled by organization audited): The unit of certification will list and show documents regarding legal provisions and statutory regulations related to contracted third parties such as OHS, Environment, Labor and Plantation Aspects.					
Corrective Action (filled by organization audited): 1. An evaluation is carried out at the time of reviewing the law register either routinely or at certain times in connection with compliance with laws and regulations for OHS, environmental, labor and plantation aspects within the company and to contracted third parties. 2. Provide understanding to employees who are appointed to review law registers either routinely or at certain times to ensure that contracted third parties/contractors have been evaluated for legal compliance for all their activities.					
Assessor Evaluation and Conclusion (filled by auditor): Verification date November 16, 2022 The company shows evidence in the form of Documents of legal provisions and statutory regulations for third parties on OHS aspects No. PAM-F-EHSS-SMK3-23-00-01 revision 4 which took effect 14 November 2022.  However, there are still a number of things that need to be addressed and demonstrated by the company, including the following: <ul style="list-style-type: none"><li>In the case of corrective actions, the company has not shown that the contractor has complied with legal requirements for other aspects.</li><li>Regarding preventive measures, companies can review the corrective actions taken.</li></ul>					

Based on this, the discrepancy in this indicator has not been fulfilled.

**Verification date December 17, 2022**

The company shows evidence in the form of:

- Law registers documents consisting of OHS, plantation, labor and environmental aspects to evaluate contractors.
- Evidence of socialization regarding the contractor's evaluation mechanism to the PIC who will evaluate the contractor.

Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.

<b>Verified by</b>	<b>Hasiholan Sihombing</b>
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NCR No.	:	2022.02	Issued by	:	Hasiholan Sihombing
Date Issued	:	16 September 2022	Time Limit	:	ASA 1
NC Grade	:	Minor	Date of Closing	:	11 January 2023
Standard Ref. & Requirement	:	2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party.			
Evidence observed (filled by auditor):					
<ul style="list-style-type: none"><li>• The company shows a list of contractors listed in the stakeholder list for the period September 2022, for example for CPO transporters such as CV Mitra Jo Valen, for FFB suppliers such as CV Sumber Sawit Kita and for wholesale contractors such as Sugeng and Nurdani, but the company has not been able to show that the contracts Cooperation has its own clause regarding the fulfilment of relevant legal obligations.</li><li>• The company shows a piece of work agreement letter No. 051/SPK-PB/PAM-KPT2/6/2022 in which a second party with the initials name N acts for and on behalf of himself to accept work, namely harvesting and estate maintenance activities, but the company has not can show that the contractor is already a legal entity in accordance with government regulation No 35 of 2021 in article 20 which states that "Outsourcing companies must take the form of a legal entity and must fulfil business permits issued by the Central Government".</li><li>• Based on interviews with harvest workers in Division 2 KPT-1, spray workers in Division 1 KPT-2, spray workers, fertilizer workers and FFB loading workers in Division 3 KPU-1, it is known that there are workers with outsourcing status but do not have a work agreement both with the contractor and with the company. The company also has not been able to show the work agreement of the worker with the Outsourcing status.</li><li>• The company shows a list of wholesale employees with a total of 1,349 people, for example for harvest work with the initials EC, M and SH, but it has not been able to show an outsourcing employee work agreement with a contractor in accordance with government regulation No 35 of 2021 in article 18 which states that "Employment Relations between the Outsourcing Company and the employed Worker/Laborer, based on permanent worker or contract worker".</li><li>• The company shows proof of payment of Social Security Administrative Body Employment Outsourcing for the period August 2022 with a total payment of 218 people, but it has not been shown that another 1,131 people have been registered and paid by the contractor for Social Security Administrative Body Employment, in accordance with Minister of Manpower Regulation No. 5 of 2021 article 3 paragraph 1 which states that every employer must register workers as participants in Social Security Administrative Body Employment.</li></ul>					
Non-Conformance Description (filled by auditor):					
Based on the evidence above, it can be concluded that:					
<ol style="list-style-type: none"><li>1. The company has not been able to show that the cooperation contract has its own clause regarding the fulfilment of the relevant legal obligations.</li><li>2. The company has not been able to show that the contractor is a legal entity in accordance with government regulation No 35 of 2021.</li><li>3. The company has not been able to show that the outsourcing workers have had an employment relationship in accordance with</li></ol>					

government regulation No 35 of 2021.

4. The company has not been able to show that outsourcing workers have been registered as social security agency of Employment participants in accordance with Minister of Manpower Regulation No. 5 of 2021.

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

1. Lack of monitoring from the certification unit to ensure that the clause regarding fulfilment of relevant legal obligations has been written in the cooperation contract with third parties,
2. Lack of monitoring from the certification unit to ensure that all third parties are legal entities.
3. Lack of monitoring from the certification unit to ensure that contract workers already have a working relationship in accordance with government regulations 35 of 2021
4. Lack of monitoring from the certification unit to ensure that contract workers are registered as Social Security Agency of employment participants.

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

1. Conduct outreach to third parties regarding plans to revise cooperation contracts between the certification unit and contractors to ensure that the clauses regarding fulfilment of relevant legal obligations are contained in the latest/extended Cooperation Contracts.
2. Ensure that the contractor is a legal entity.
3. Conduct outreach to contractors to ensure that wholesale workers already have a working relationship/work contract in accordance with government regulations 35 of 2021.
4. Conduct outreach to contractors of contract workers to ensure that contract workers have been registered as Social Security Agency of employment participants.

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

Ensure that the unit of certification has monitored the contractor to ensure that the contractor has fulfilled the relevant legal obligations.

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

**Verification date November 10, 2022**

The company shows evidence in the form of:

- Attendance list for outreach to third parties related to work agreements with contractor workers and Social Security Agency registration for contractor workers.
- Deed of establishment for third parties for CV Putri Tunggal Batuah Kasmoro, CV Group Bersama and CV Permata Izzi.
- Work agreement letter workers with CV Putri Tunggal Batuah Kasmoro and CV Permata Izzi

However, the company has not shown evidence of corrective actions in the form of:

- In point 1, the Company has not shown that the cooperation contract with the contractor has a separate clause regarding the fulfilment of relevant legal obligations.
- In point 3, the company has not shown a list of contractor workers
- In point 4, the company has not shown that contractor workers have been registered with Social Security Agency

Based on the foregoing, the discrepancy in this indicator has not been fulfilled.

**Verification date November 16, 2022**

The company shows evidence in the form of:

- List of contract workers for CV Putri Tunggal Batuah Kasmoro and CV Permata Izzi.
- Contractor workers have been registered with Social Security Agency, for example at CV Permata Izzi, totalling 10 people.

However, the company has not shown evidence of corrective actions in the form of:

- In point 1, the company has not shown that the cooperation contract with the contractor has a separate clause regarding the fulfilment of relevant legal obligations.

- In point 4, the company has not shown that other workers (apart from 10 workers who have been shown) have been registered with health insurance.
- In corrective actions, the company has not been able to show evidence of the mechanism of monitoring and evaluation of legal compliance for contractors and PICs that carry out the mechanism.

Based on the foregoing, the discrepancy in this indicator has not been fulfilled.

**Verification date November 25, 2022**

The company shows evidence in the form of:

- List of contractor employees who have been registered in November 2022.
- Progress of Social Security Agency compliance for contractor workers

However, the company has not shown evidence of corrective actions in the form of:

- In point 1, the Company has not shown that the cooperation contract with the contractor has a separate clause regarding the fulfilment of relevant legal obligations.
- In corrective action, the company has not been able to show the procedures and PIC in charge of ensuring contractor monitoring.

Based on the foregoing, the discrepancy in this indicator has not been fulfilled.

**Verification January 11, 2023**

The company shows evidence in the form of:

- The company shows a work agreement between contractors and piece workers, for example, signed on November 8, 2022.
- The company shows an update of the work agreement with the contractor which has been included in article 6 paragraph 12, namely the contractor is required to comply with the system that applies to PT PAM and fulfil relevant legal obligations.
- The company shows a law register document which aims to monitor contractors in OHS, plantation, labor and environmental aspects which are evaluated by the company's HRD.

Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.

<b>Verified by</b>	<b>Hasiholan Sihombing</b>
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NCR No.	:	2022.03	Issued by	:	Rahmat Abdiansyah
Date Issued	:	16 September 2022	Time Limit	:	15 September 2023
NC Grade	:	Major	Date of Closing	:	02 January 2023
Standard Ref. & Requirement	:	<b>2.3.1</b> <b>For all directly sourced FFB, Palm Oil Mill (POM) requires:</b> <ul style="list-style-type: none"><li>• Information regarding the geolocation of FFB origins;</li><li>• Proof of ownership status, right/claim of the land by grower/smallholder;</li><li>• If relevant, valid planting/operational/trading license , or is part of a cooperative which allows the buying and selling of FFB.</li></ul>			
<b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"><li>• Based on the verification of PT Parna Agromas' FFB supplier list document, it is known that apart from the own estates, the company also receives FFB directly from the Plasma Cooperatives, namely the KUD Belitang Hilir and the Koperasi Perkebunan Sawit Jaya.</li><li>• From the results of the document review, it is known that there is a cooperation agreement between PT Parna Agromas and the Koperasi Perkebunan Sawit Jaya and the KUD Belitang Hilir where it is explained in the agreement that the management is fully carried out by the company.</li><li>• The company can show the list and land area of the landowners with the following details:</li></ul>					

1. The Koperasi Perkebunan Sawit Jaya consists of 2,505 Smallholders with a land area of 2,390.49 Ha (3,375 plots of Land)
  2. The KUD Belitang Hilir consists of 914 farmers with a land area of 1,171.28 hectares (1,465 land parcels).
- The KUD Belitang Hilir can show proof of land ownership status in the form of SHM and SKT for 1,424 land parcels, but for 41 land parcels it cannot be shown.
  - The Koperasi Perkebunan Sawit Jaya has not been able to show proof of land legality for all of its land (3,375 plots).
  - The company can show the coordinates of the KUD Belitang Hilir Office and the Koperasi Perkebunan Sawit Jaya. However, information on the coordinates of the farmer's land cannot be shown yet.

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

Based on this evidence, there is still information regarding the geolocation of the FFB origin location and proof of legality for plasma land that has not been shown by the company.

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

- There have been 3 company take overs, the physical files have been mixed up between the legality documents for the core land and the legality for the plasma land, the list files are based on the order of the documents, the format for the list of documents has not yet been shown with the document letter number, the list of documents has not been written down geolocation, all of these things have caused it to not be able to indicated because it takes time to sort, check the contents of the document, rearrange, re-input, enter document letter number and geolocation data.
- Geolocation data collection cannot be shown because it is still in the process of separating, compiling and inputting a list file specifically for plasma legality documents. After the list is completed, it will be followed by inputting geolocation data, so that the progress of the geolocation information adjusts to the progress of compiling the plasma legal document list.

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

PT PAM sends proof of geolocation and legality of the plasma land and sends a time plan for the fulfilment plan

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

To ensure that documentation related to geolocation data and land legality is well documented, the unit of certification will ensure that the SOP for Land Acquisition and Acquisition is carried out properly, and in the SOP for Land Acquisition and Acquisition a PIC has been appointed who will carry out the land acquisition and acquisition process in the area PT PAM.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification November 18, 2022**

The company has sent proof of improvement in the form of:

- Documents listing documents for the plasma area of the Sawit Jaya Cooperative, which total 33 plots of land with an area of 104.69 Ha. The document also explains the geolocation information of the 33 parcels of land. However, the company must also show the legality of the land (SKT/SHM) of the Farmer's Land along with other parcels that have not been shown from the Sawit Jaya Cooperative because the Sawit Jaya Cooperative consists of 2,505 farmers with a land area of 2,390.49 Ha (3,375 Land plots).
- Time Plan for Completeness of Geolocation Database and Legality of Palm Oil Cooperative Plasma with an Area of 2,390.49 Ha.
- Root Cause Analysis, Correction, Corrective Action that has been identified by the Company. but there are still questions/auditor notes on Root Cause Analysis, Correction, Corrective Action which the Company must explain again.

Based on this explanation, the non-compliance with this indicator is declared not fulfilled.

**Auditor Verification December 29, 2022**

The company has sent proof of improvement in the form of:

- Document of List of Land Legality of members and coordinates of the land of members of the Sawit Jaya Cooperative. As for the legality of the land, in the form of Land Compensation Letters and land coordinate points that have been completed as many as 379 parcels with an area of 829.05 Ha and there is still a shortage of 1,561.44 Ha. For example, the company shows land legality documents in the form of a Certificate of Compensation for Farmers' Land, namely:



1. AJUN.1 with Legality Number 012/SP/Mrb/31-I/07 on January 31, 2007 with coordinate points 0°11'36.149" N and 111°2'46.662" E.
  2. Diben with Legality Number 61/SP/KB/28-VIII/10 dated 20 August 2010 with coordinates 0°13'28.788" N and 111°2'47.152" E.
- Time Plan for Completeness of the Geolocation Database and Legality of Plasma Cooperatives of the Sawit Jaya Cooperative which was approved by the President Director on December 19, 2022. The document explains that the Company will complete 800 Ha of land legality and geolocation deficiencies in the January-April 2023 period and the May - August 2023 as much as 761.44 Ha.
  - Root Cause Analysis, Correction, Corrective Action that has been identified by the Company. but there are still questions/auditor notes on Corrective Actions that must be explained again by the Company.

Based on this explanation, the non-compliance with this indicator is declared not fulfilled.

**Auditor Verification January 02, 2023**

The company has demonstrated improvements in Corrective Actions to fix root causes and ensure non-conformities recur. The company has also shown the SOP for Land Acquisition or Land Acquisition with SOP Number 04/HUMAS&CSR/(0)/0322 which has been in effect since March 2022 and in the SOP it is explained that the Public Relations & CSR Department is responsible for documenting land acquisition. Based on the proof of improvement sent by the company, this discrepancy is declared **fulfilled** and will be observed again in the next assessment to ensure compliance with land legality and geolocation information from the Sawit Jaya Cooperative and the Belitang Hilir Cooperative in accordance with the Time Plan they have.

<b>Verified by</b>	<b>Rahmat Abdiansyah</b>
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NCR No.	:	2022.04	Issued by	:	Sentot Adi Subandono
Date Issued	:	16 September 2022	Time Limit	:	15 September 2023
NC Grade	:	Major	Date of Closing	:	19 December 2022
Standard Ref. & Requirement	:	3.6.1 All operational activities risk assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.			
Evidence observed (filled by auditor):					
Hazard Identification and Risk Analysis					
The results of field observations and document studies, it is known that some activities have not been included in the IBPRPR document for plantations and POM. The results of confirmation with the PIC, it is known that these activities have not been identified in the IBPRPR, including but not limited to:					
1. Measuring the depth of sludge in the WWTP					
2. Boiler manufacture					
3. 1000-liter fuel tank in engine room					
4. Ayak River water intake activities					
5. CPO stock taking / sounding activities					
6. Transfer of WT tractor (Wheel Tractor) and transport of loader power					
7. Transfer of grabber and transportation of loader power					
8. Spray and harvest together in 1 block					
9. Fertilize and harvest together in 1 block					
Non-Conformance Description (filled by auditor):					
Based on the above evidence, it is known that not all operational activities have carried out hazard identification, risk assessment, and risk control.					
Root Cause Analysis (filled by organization audited):					

<p>The HIRARC procedure does not cover risk control for all activities in the company (operational and non-operational), as well as activities that are commonly carried out in oil palm plantations and mechanisms when conducting HIRARC reviews either routinely or at certain times.</p>	
<p><b>Correction (filled by organization audited):</b> Hazard Identification and Risk Analysis by revising HIRARC</p>	
<p><b>Corrective Action (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>Revised the HIRARC SOP and socialized the revised HIRARC SOP to the relevant departments.</li> <li>The HIRARC review is carried out according to procedures and ensures that all sections and activities are covered in HIRARC.</li> </ul>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Auditor Verification 04 November 2022</b></p> <ol style="list-style-type: none"> <li>Corrective action is a corrective action/action plan based on root cause analysis, so that the non-conformity will not recur in the future. Please reformulate the corrective action after carrying out the repair of the root cause analysis.</li> <li>The company shows evidence of improvement, in the form of: <ul style="list-style-type: none"> <li>HIRARC PAM Oil Mill with document number PAM-F-EHSS-SMK3-09/46 ~ PAM-F-EHSS-SMK3-09/94, valid October 28, 2022 and has been approved by the EHSS Leader, who has identified activities including measurement sludge in the ETP (Effluent Treatment Plant), 1000-liter tank operation in the engine room, activities in the reservoir area (maintenance and inspection of the water intake where the ladder is filled with pipes), CPO stock taking, and construction at POM. Already received.</li> <li>HIRARC PAM Oil Mill with document number PAM-F-EHSS-SMK3-09/01 ~ PAM-F-EHSS-SMK3-09/94, valid October 28, 2022 and has been approved by the EHSS leadership, who has identified activities including activities Tractors, pesticides and fertilizer applications are in the same block as harvesting and construction activities. Already received.</li> </ul> </li> </ol> <p><b>Conclusion 04 November 2022:</b></p> <ul style="list-style-type: none"> <li>The root cause analysis does not yet explain the mechanisms involved in preparing the HIRARC and the HIRARC review mechanisms. Please identify again.</li> <li>Please show corrective action regarding PPE.</li> <li>Please reformulate and show evidence of corrective action referring to the improvement of the root cause analysis.</li> </ul> <p>Based on this, the discrepancy is declared not fulfilled.</p> <p><b>Auditor Verification December 19, 2022</b> The company shows improvement again, as follows:</p> <ol style="list-style-type: none"> <li>The root cause analysis is acceptable.</li> <li>Correction is acceptable.</li> <li>Corrective action has been accepted.</li> <li>HIRARC dissemination documents to KPU-1, KPU-2, KPT-1, KPT-2, and KPS employees during the morning assembly on November 1, 2022.</li> <li>Dissemination of HIRARC SOP and HIRARC Review with related parties in the estate on October 24, 2022.</li> <li>Socialization of HIRARC SOP and HIRARC Review with related parties at PKS on 24 October 2022.</li> <li>The HIRARC procedure with code PAM-P-EHSS-SMK3-09 revision 02 effective date 20 October 2022, which has regulated the HIRARC review mechanism.</li> <li>Review of HIRARC Mill and Gardens update dated 28 October 2022, which has discussed depth measurements in the WWTP area, construction, 1000-liter fuel tank in the engine room, stock taking, safe operation of heavy equipment, harvesting and fertilizing sprays and spraying.</li> </ol> <p>Based on this, the discrepancy is declared to have been <b>fulfilled</b> and will be observed again during the next audit.</p>	
<b>Verified by</b>	<b>: Sentot Adi Subandono</b>

<b>NCR No.</b>	<b>:</b>	<b>2022.05</b>	<b>Issued by</b>	<b>:</b>	<b>Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>:</b>	<b>16 September 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>15 September 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>6 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.2.2</b> <b>Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed.</b>			
<b>Evidence observed (filled by auditor):</b>  <ul style="list-style-type: none"> <li>The company shows the Company Regulations for the period 2022-2024 which explain, among others: <ul style="list-style-type: none"> <li>Article 5 paragraph 1 explains that employees are divided into 7 levels such as level V is non-staff employees, level VI is permanent daily employee and level VII is casual daily employee.</li> <li>Article 5 paragraph 2 explains that non-staff employees are divided into groups D1-D4; E1-E4; F1-F4; and G1-G4.</li> <li>Article 8 paragraph 1 point b explains that salary is determined based on the type of work, expertise, skills, work performance, condition, and position price which is regulated according to the position and class of employees.</li> </ul> </li> <li>Letter No. 003/PAM/HRD/INT/II/2022 regarding salary adjustment for 2022 employees explained that the 2022 payroll system will be adjusted to the Sekadau district minimum wage in 2022 amounting to Rp2,486,031 with an attachment to the salary scale structure for groups D1-D4; E1-E4; F1-F4; and G1-G4, but there is no salary adjustment for permanent daily employee and daily employee levels in accordance with Company Regulation and government regulation No. 36 of 2021 in Article 21 paragraph 3, namely the structure and scale of wages that are notified at least of the structure and scale of wages in the class of positions in accordance with the position of the worker/laborer concerned.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> Based on the evidence above, it can be concluded that the company has not been able to show the determination of salaries / wages for the permanent daily employee and daily employee levels in accordance with company regulations and applicable regulations.					
<b>Root Cause Analysis (filled by organization audited):</b> The salary scale structure for PT PAM employees contained in HRD has not yet included a detailed explanation of the pay scales for permanent worker and Fixed Period Working Agreement employees					
<b>Correction (filled by organization audited):</b> PT PAM will revise related to the wage scale structure					
<b>Corrective Action (filled by organization audited):</b> Monitor the wage scale structure and update it annually					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification Date 31 October 2022</b> The company shows in the form of a 2022 salary scale structure with employee groups G1-G7, D1-D4, E1-E4, F1-F4, permanent worker and Fixed Period Working Agreement, but has not been studied for root causes, corrective actions and preventive actions as well as evidence for this .  Based on this, the incompatibility of this indicator has not been fulfilled.  <b>Verification date November 6, 2022</b> The company has reviewed the root of the problem, corrective and preventive actions, for example in the form of revising the 2022 wage scale structure which regulates the minimum wage for the permanent worker and Fixed Period Working Agreement groups.					

Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.

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

<b>NCR No.</b>	<b>:</b>	<b>2022.06</b>	<b>Issued by</b>	<b>:</b>	<b>Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>:</b>	<b>16 September 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>15 September 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>3 December 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.2.3</b> <b>There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.</b>			

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

- Based on the results of the review of the employee overtime time document, the company shows the number of overtime hours, for example for mill personnel at the sterilizer station, among others as follows:

PERSONNEL	DATE / MONTH													
	June				July		TOTAL (Hours)	July						TOTAL (Hours)
	27	28	29	30	1	2		11	12	13	14	15	16	
H	15	3	4	4	3	5	34	14	4	3	4	3	6	34
HS	-	4	3	4	4	6	21	4	4	4	4	4	-	20

From the sample data, it was found that there was over time that was more than 18 hours/week.

- SOP for overtime No. SOP 04 which was published on September 1, 2013 in section V point 2 explains that "overtime working hours can only be done for a maximum of 3 hours in 1 day and 14 hours in 1 week".
- The company shows a letter from the Office of Social, Manpower and Transmigration of Sekadau Regency No. 560/18/Sosnakertrans dated January 20, 2014 to reply to a reply letter from the company regarding the work time deviation permit which explains that "the work time deviation permit is not required, so that in the implementation of overtime the company refers to Law No. 13 of 2013 article 78 which in paragraph 1 point b explains that "overtime work can only be done for a maximum of 3 hours in 1 day and 14 hours in 1 week".
- Government Regulation no. 35 of 2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time, and Termination of Employment in article 26 paragraph 1 explains that "overtime work can only be done for a maximum of 4 hours in 1 day and 18 hours in 1 week"

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

Based on the evidence above, it can be concluded that there are still employees who work overtime in excess of the maximum overtime hours stipulated in company procedures and applicable regulations.

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

Lack of understanding of PT PAM's PIC unit certification regarding the calculation of overtime work to comply with applicable government regulations in accordance with Government Regulation No. 35 of 2021.

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

- Make Revisions regarding Process Activity Shift Schedules at the CPO Mill in accordance with applicable regulations
- Show proof of overtime recap after implementation of the revised Shift Schedule

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

The company periodically conducts outreach to personnel through the HRD Department to KTU CPO Mill, CPO Mill staff and CPO

<p>Mill workers to ensure that the shift schedule for CPO Mill operational work related to overtime is in accordance with applicable labor regulations.</p>	
<p><i>Assessor Evaluation and Conclusion (filled by auditor):</i></p> <p><b>Verification November 9, 2022</b></p> <p>The company shows revisions to the working hours of CPO Mill employees with 4 hours of overtime every day, but the company has not been able to show and provide an explanation, namely:</p> <ul style="list-style-type: none"> <li>• In corrective action, the company has not shown proof of overtime recap for the implementation of the latest shift schedule.</li> <li>• In Corrective Action, the company has not shown improvements regarding the lack of understanding of the PIC in overtime calculation.</li> </ul> <p>Based on this, the discrepancy in this indicator has not been fulfilled.</p> <p><b>Verification Date December 3, 2022</b></p> <p>The company shows evidence of improvement and preventive measures in the form of:</p> <ul style="list-style-type: none"> <li>• Implementation of overtime, for example for sterilizer workers for the period October - November 2022 which does not exceed 18 hours a week.</li> <li>• Documentation of socialization regarding overtime hours on December 2, 2022 which was attended by 10 participants.</li> </ul> <p>Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.</p>	
<p><b>Verified by</b></p>	<p><b>Hasiholan Sihombing</b></p>

<b>NCR No.</b>	<b>: 2022.07</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 16 September 2022</b>	<b>Time Limit</b>	<b>: ASA 1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 16 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<p><b>6.5.3</b>  <b>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified in accordance with applicable regulations in Indonesia.</b></p>		
<p><b>Evidence observed (filled by auditor):</b></p> <p>The company shows the identification of new mothers and pregnant women for the period of September 2022, with the number of new mothers giving birth as many as 52 people and the number of pregnant women as many as 5 people, but the company has not been able to show the results of the assessment of the needs of new mothers by asking for their opinions, and taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia.</p> <p><b>Non-Conformance Description (filled by auditor):</b></p> <p>Based on the evidence above, it can be concluded that the company has not been able to show the results of the needs assessment for new mothers by asking for their opinions, and taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <p>Lack of understanding from the PT PAM PIC regarding how to carry out / the mechanism for conducting the Assessment of new mothers</p>			
<p><b>Correction (filled by organization audited):</b></p> <p>1. Pointing at the pic in conducting the assessment of new mothers giving birth</p>			



2. Shows the results of the assessment of new mothers giving birth	
<i>Corrective Action (filled by organization audited):</i> The company periodically conducts outreach to pic in conducting assessments of new mothers giving birth	
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> <b>Verification November 6, 2022</b> The company shows evidence in the form of: <ul style="list-style-type: none"> <li>• Identification of employees who have recently given birth updated in October 2022.</li> <li>• New mother assessment survey form to be conducted on 22-26 September 2022.</li> <li>• Management review of the results of the assessment survey for new mothers giving birth on October 14, 2022 with the results of giving permission if the mother will provide exclusive breastfeeding, hold posyandu services and provide consulting services.</li> </ul> <p>However, companies need to respond to several things such as:</p> <ul style="list-style-type: none"> <li>• The company needs to review the root of the problem in this indicator.</li> <li>• The company needs to review corrective actions / precautions taken so that the discrepancy is not repeated and is guided by the root of the problem that arises.</li> </ul> <p>Based on the foregoing, the discrepancy in this indicator has not been fulfilled.</p> <b>Verification November 9, 2022</b> The company responds to the auditor's response to the root of the problem, but the company has not shown several things, namely: <ul style="list-style-type: none"> <li>• In corrective actions, the company has not shown a PIC in charge of conducting an assessment for new mothers.</li> <li>• In Corrective Action, the company has not shown improvements related to the lack of understanding of the PIC in the assessment of a new mother's child.</li> </ul> <p>Based on the foregoing, the discrepancy in this indicator has not been fulfilled.</p> <b>Verification date November 16, 2022</b> The company shows evidence in the form of: <ul style="list-style-type: none"> <li>• Appointment of a gender committee as PIC in conducting assessments of new mothers giving birth</li> <li>• Socialization regarding the assessment of new mothers giving birth which was held on 12 November 2022 which was attended by 15 participants.</li> </ul> <p>Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.</p>	
<b>Verified by</b>	<b>Hasiholan Sihombing</b>

<b>NCR No.</b>	<b>:</b>	<b>2022.08</b>	<b>Issued by</b>	<b>:</b>	<b>Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>:</b>	<b>16 September 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>15 September 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>19 December 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.7.3</b> <b>Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</b>			

**Evidence observed (filled by auditor):**
**PPE Usage Compliance**

- The company has the PAM-P-EHSS-SMK3-08 SOP on the Request, Procurement, and Use of PPE revision 1 which is effective July 13, 2020, which regulates, among others, that workers are required to use the PPE provided by the company correctly.
- The company has carried out hazard identification, risk assessment and plantation risk control in the IBPRPR document which was approved by the EHSS Leader and effective from April 1, 2022. The document has explained the hazards and risks of each activity, including:
  - Heavy machinery handling activities, work steps to drive heavy equipment, with the danger of slipping/rolling/collision, with the risk of serious injury/fatality, then risk control is carried out by using PPE safety shoes, safety belts, and safety helmets.
  - Harvesting activities, walking in Path carrying *egrek/dodos* and cutting fruit bunches to moving/transporting fruit bunches to Collection point. Identified hazards include falling, being bitten by venomous animals, falling bunches, and being pricked by thorns. Identified risks of bodily injury and poisoning. So, risk control is carried out using PPE rubber boots, safety helmets, gloves, and safety goggles.
- Based on observations and interviews with Excavator Operators in trenching activities in Block P46 Division 1 KPT-2, it is known that operators do not wear safety shoes when operating excavators. The shoes are removed and placed in the excavator cabin. Then the results of observations and interviews with Excavator Operators in road maintenance activities in Block T21 Division 2 KPS, it is known that safety shoes and safety helmets are not used. From the results of the interview, it is known that it is more comfortable to take off safety shoes and avoid getting dirty in the cabin.
- The results of observations of harvesting activities in several estates, it is known:
  - Harvesting activities in Division 1 Block S67/68 KPT-1, it is known that harvesters use PPE safety helmets, rubber boots, cloth gloves but do not wear safety goggles.
  - Harvesting activities in Division 1 Block P46 KPT-2, it is known that harvesters use PPE safety helmets, masks, cloth gloves, and rubber boots but do not wear safety goggles.
  - Harvesting activities in Division 1 Block V31 KPS and Division 3 Block R12/13 KPS, it is known that harvesters when working do not use safety helmets and do not use safety goggles.

**Rinse house**

- The company already has SOP 06/SOP-Pesticides & Herbicides/PAM/XII/13 which is valid on March 1, 2014 regarding Procurement, Storage, Use, Handling of packaging waste, and First Aid in case of pesticide/herbicide poisoning. The procedure states:
  - Wash work equipment and PPE in a safe place so as not to pollute rivers, waterways, or other sources.
  - Washing work clothes contaminated with pesticides/herbicides
  - Bathe with soap until clean.
  - PIC's explanation that the activity was carried out at the rinse house.
- The results of interviews with spray workers in Block P46 Division 1 KPT 2, it is known that work tools and PPE are stored in the rinse house, but bathing and changing clothes are carried out at their respective homes. The results of observations in the Division 1 rinse house, it was found that there was no change of clothes.
- The results of interviews with spray workers in Block R63 Division 2 KPT 1, it is known that the cleaning of work tools, cleaning of PPE and its storage are carried out at the workers' homes. Self-cleaning and changing of clothes are also carried out at home. The results of observations in the Division 2 rinse house, it is known that there is a rinse house, but it is not used according to its designation.
- The results of interviews with KPS Division 1 spray workers at the estate office, it was found that the cleaning of PPE and work tools was carried out at the rinse house, but to take a shower and change clothes at home. The results of the observation of the Division 1 rinse house, it is known that there is no place for clean clothes and the water reservoir for used washing is still empty.

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

Based on the above evidence, it is known that:

1. The company has not been able to show evidence that the relevant PPE has been used in all operational activities according to the procedures and IBPRPR (HIRARC) it has.
2. Based on the evidence observed, it is known that washing PPE and cleaning yourself and changing clothes after applying pesticides are not in accordance with company procedures.

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

1. There is no awareness of workers on the importance of occupational safety and health.
2. Not optimal monitoring and inspection from officers in the field, currently more monitoring is carried out during morning briefings.
3. There is no optimal implementation regarding sanctions for workers who do not use PPE.

**Rinse house**

Lack of workers' understanding of Occupational Safety and Health when interacting with pesticides and after applying pesticides

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

1. Conduct outreach to all workers regarding the importance of using PPE in preventing or reducing risks.
2. Make circulars regarding the completeness of PPE, its correct use, the monitoring process and sanctions if the workforce does not comply.

**Rinse house**

1. Preparation of Work Instructions for the Management of PPE and Spraying Equipment
2. Socialization of SOP 06/SOP-Pesticide & Herbicide/PAM/XII/13 and Socialization of Work Instructions to all spraying workers

**Corrective Action (filled by organization audited):**
**Compliance with the use of PPE**

- Increased awareness of harvest workers and excavator operators regarding the importance of using PPE through continuous socialization and distribution of circulars regarding the use of PPE and sanctions if workers do not comply in the field.
- Monitoring is carried out through weekly inspections of harvesters in implementing K3 and excavator operators, one of the points related to the use of PPE.

**Rinse house**

Ensure periodic monitoring is carried out as planned by the EHSS Dept.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Conclusion 04 November 2022:**

- The root cause analysis has not shown the cause of disciplinary action, mechanism for monitoring PPE compliance while working, and mechanism for sanctions. Please identify again.
- Please show corrective action regarding PPE.
- Please reformulate and show evidence of corrective action referring to the improvement of the root cause analysis.

Based on this, the discrepancy is declared not fulfilled

**Auditor Verification 07 November 2022**

The company shows evidence of improvement as follows:

1. Root cause analysis of the use of rinse houses still does not explain the main causes of non-compliance occurring. Please re-identify.
2. Correction, has been accepted.  
Evidence of repair/correction:
  - a. EHSS Leadership Work Instruction dated 05 November 2022 number 09/EHSS/PT.PAM/INT/XI/2022 concerning Management of PPE and Spraying Equipment
  - b. Documentation of briefings and cleaning of work tools, PPE, and bathing in the rinse house. However, the location and time for taking the documentation have not been announced. For evidence of correction improvements, refer to the results of observations during the audit (field visits, interviews, and document review). Please show again proof of correction.
3. Corrective action, has been received and please show the evidence

Based on this, the discrepancy is declared not fulfilled.

**Verify November 18, 2022**

The company shows additional evidence of improvement, as follows:

1. Socialization regarding storage, use, handling of packaging waste, and first aid in case of poisoning, as follows:
  - Estate KPS Division 1 on 14 October 2022
  - Estate KPT 1 Division 2 on 19 October 2022
  - Estate KPT 2 Division 1 on 21 October 2022
2. Activities in KPT 1 Division 2 rinse rooms, Division 1 KPT 2 rinse rooms, and KPS Division 1 rinse rooms in October 2022, such as washing work tools, PPE, work clothing, bathing, storage of work tools, storage of PPE, and workers after showering and changing clothes, and getting ready to go home.

The evidence above has been accepted as proof of correction.

Conclusion:

1. There is Auditor's comment on the root cause analysis; Root cause analysis of the use of rinse houses still does not explain the main causes of non-compliance occurring (still discussing the completeness and condition of PPE). Please re-identify.
2. Need to show proof of corrective action.

Based on this, the non-conformity is declared not fulfilled.

**Auditor Verification 24 November 2022**

The company shows evidence of improvement as follows:

1. Analysis of the root of the problem that has been received.
2. Checklist of EHSS Inspection for spraying activities in Division 1 KPS on October 14, 2022, Division 2 KPT 1 on October 19, 2022, and Division 1 KPT 2 on October 21, 2022. The inspections carried out include confirmation to employees regarding the explanation of the dangers of working with pesticides, bringing food and drinks, washing PPE and work tools and storing them, as well as bathing and changing into clean clothes.

Based on the improvements and evidence shown, the discrepancies related to the use of the rinse house have been declared fulfilled and will be observed again in the next audit.

**Auditor Verification December 19, 2022**

The company demonstrated acceptable root cause analysis improvements. This means that root cause analysis, correction, and corrective action have been accepted. The company has again shown additional evidence of improvement regarding the use of PPE, as follows:

1. Socialization on the use of PPE to excavator operators on 24 to 25 October 2022 at KPS and KPT2.
2. Socialization on the use of PPE for security on 17-22 October 2022 at KPS, KPT 1, and KPT2.
3. Pasting of a circular letter regarding the use of PPE on the KPU 1, KPU 2, KPT 1, KPT 2, and KPS notice boards on November 2, 2022. Letter from EHSS leadership dated October 19, 2022, regulates, among other things, the provision of PPE by companies according to needs, obligations wearing PPE for workers who have received it, mechanisms for replacing damaged PPE, management of PPE exposed to chemicals, and sanctions for violations.
4. Inspection on the compliance of PPE and work tools to Harvesters at KPS Division 3 Block R12 on 22 October 2022, KPT 2 Division 1 Block P46 on 20 October 2022, and KPT 1 Division 1 Block S67 on 17 October 2022.
5. Inspection of compliance with PPE and work tools to Harvesters at KPS Division 2 Block T21 on 24 October 2022 and KPT 2 Division 1 Block P46 on 25 October 2022.

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

<b>Verified by</b>	<b>:</b>	<b>Sentot Adi Subandono</b>
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<b>NCR No.</b>	<b>:</b>	<b>2022.09</b>	<b>Issued by</b>	<b>:</b>	<b>Rahmat Abdiansyah</b>
<b>Date Issued</b>	<b>:</b>	<b>16 September 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>30 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.3.1</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations</b>			
<b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"> <li>Based on the SOP for the management of household waste and Hazardous and Toxic waste (hazardous and toxic materials) with SOP number 12 on September 1, 2013, it is explained that once a week the janitor transports garbage from a temporary disposal site and throwing it into a landfill that has been provided with landfill distance is at least 1 km from settlements and rivers.</li> <li>The results of the field observations in the Landfill Blok V19 Division 1 KPS are known that the distance of the landfill to the housing is less than 1 km, which is <math>\pm</math> 50 m away.</li> <li>The results of field observations at the Landfill Division 1 KPU-1 are known that the distance from the Landfill to the Housing is less than 1 Km, which is 20-30m.</li> </ul>					
<b>Non-Conformance Description</b> <i>(filled by auditor):</i>  Based on the evidence the company has not been able to show evidence that the distance of the Final Disposal Site (landfill) of the household waste is in accordance with the SOP owned					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Lack of socialization regarding SOP No 12 dated 1 September 2013 concerning Management of household waste and hazardous waste (hazardous and toxic materials), namely regarding the distance of the landfill from housing at least 1 Km.					
<b>Correction</b> <i>(filled by organization audited):</i> Evaluate each Landfill and carry out the removal or deactivation of Landfills that are < 1 Km.					
<b>Corrective Action</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>Revised SOP No. 13 of 2013 regarding the Inspection checklist form related to Landfills</li> <li>Conduct regular socialization of OHS and Environmental SOPs in each estate</li> <li>Carry out old landfill closures and make landfills according to the recommended distance from the SOP, namely a minimum of 1 km</li> <li>Create a new Landfill Distribution Map for each estate</li> </ul>					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Auditor Verification November 6, 2022</b> The company has sent proof of improvement in the form of: <ul style="list-style-type: none"> <li>Map of the PT Parna Agromas Landfills location which informs the location of the Landfills.</li> <li>Root cause analysis, Correction, and Corrective Action. However, there are still auditor notes/questions related to root cause analysis, corrections, and corrective actions carried out by the company.</li> </ul> Based on this explanation, non-compliance with this indicator is declared as Not Fulfilled.					
<b>Auditor Verification November 18, 2022</b> The company has sent proof of improvement in the form of Root Cause Analysis, Correction and Corrective Action which have been identified by the Company. However, there are still Auditor's notes/questions related to Corrections and Corrective actions taken by the company as explained in the correction and corrective actions column. Based on this explanation, the non-compliance with this indicator is declared not fulfilled.					

**Auditor Verification November 30, 2022**

The company has sent proof of improvement in the form of:

- Documentation of deactivation and creation of new Landfill Division 1 KPU1.
- Documentation of deactivation and creation of new landfills in Division 1 KPS.
- Landfill distribution map that is >1Km from the housing.
- Document for Revision of SOP for Household Waste and Hazardous Waste Management with Number PAM-P-EHSS-ENV-12 Revision 1 dated 21 November 2022. The revised SOP adds supporting Documents and Suggestions to the Landfill Inspection Checklist Form and adds points to the section Procedures for Household Waste Management, namely the EHSS Inspector will carry out periodic inspections for the area of housing cleanliness and landfill conditions.
- Minutes of socialization of the Revised SOP for Household Waste and Hazardous Waste Management with Number PAM-P-EHSS-ENV-12 Revision 1 dated 21 November 2022.

Based on the evidence of improvement provided by the company, the discrepancies in this indicator are declared **Fulfilled** and will be observed again in the next assessment.

<b>Verified by</b>	<b>Rahmat Abdiansyah</b>
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NCR No.	:	2022.10	Issued by	:	Rahmat Abdiansyah
Date Issued	:	16 September 2022	Time Limit	:	ASA 1
NC Grade	:	Minor	Date of Closing	:	09 January 2023
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 <i>(filled by auditor)</i> :					
<ul style="list-style-type: none"><li>Based on the SOP for the Management of household waste and Hazardous and Toxic waste (hazardous and toxic materials) with SOP Number 12 dated September 1, 2013, it is explained that:<ul style="list-style-type: none"><li>Residents of housing are required to dispose of their waste in the place provided.</li><li>All hazardous waste generated by the activities of PT Parna Agromas will be temporarily accommodated/collected in special places according to their respective types.</li><li>All Hazardous waste should not be disposed of, but handed over to a licensed company.</li></ul></li><li>Based on interviews with company representatives, it is known that the Company has a licensed Hazardous Waste Temporary Storage located in GMOs. Each Estate and Factory unit will collect the Hazardous waste in the Satellite Hazardous Waste Temporary Storage in each unit and then it will be submitted to the licensed Hazardous Waste Temporary Storage in the GMO.</li><li>Based on the results of field observations in the Mill housing estate, it is known that there is household waste scattered behind the employee housing.</li><li>Based on the results of field observations in the Housing of Division 1 KPT 2 employee, it is known that there is a household waste in the housing drainage channel. In addition, there are dangerous waste types of oil packaging behind employee housing.</li><li>Based on the results of field observations in the employee housing Division 2 KPT 2, it is known that there is household waste in the housing drainage channel. In addition, there is Hazardous Waste in the form of used paint packaging and Glyphosate pesticide packaging behind the employee housing.</li><li>Based on the results of field observations at KPT 2 and KPS when the auditor team checked the HGU stakes, it was found that there was Plastic/Inner Fertilizer in the pile of midribs. The locations are in the vicinity of Block N35 Division 4 and Block L37 Division 4 KPT 2 and Block R11 Division 3 KPS. The results of the identification of waste and the results of interviews with the Company's PIC revealed that Plastic/Inner Fertilizers fall into the category of Hazardous Waste.</li><li>Based on the results of field observations in the Division 1 KPS housing area, it is known that there is a household waste behind the housing that is not placed in the trash.</li></ul>					
Non-Conformance Description <i>(filled by auditor)</i> :					



Based on this evidence, the company has not been able to show evidence that the waste disposal is in accordance with the procedures for managing household waste and hazardous waste.

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

Lack of available waste management facilities, infrastructure and human resources, there is no periodic disposal schedule, lack of outreach to employees, foremen, assistants and managers regarding the differences between domestic waste and hazardous waste and what handling should be done.

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

Carry out cleaning of Inner Plastics, domestic waste and hazardous waste in the field and hand over to the hazardous waste temporary storage area.

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

- Conduct periodic inspections and discuss inspection results at OHS Committee meetings
- Conduct outreach to every occupant of housing related to hazardous waste handling
- Create a Logbook for returning sacks and inner fertilizers, (exit = entry)
- Procurement of trash bins and special human resources related to the management of domestic waste and hazardous waste in residential areas
- Conduct active and passive outreach to each employee regarding the difference between household waste and hazardous waste to employees, Foremen, Assistants and Managers.

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

**Auditor Verification November 6, 2022**

The company has sent proof of improvement in the form of root cause analysis, correction and corrective action. However, there are still auditor notes/questions related to root cause analysis, corrections, and corrective actions carried out by the company.

Based on this explanation, non-compliance with this indicator is declared as Not Fulfilled.

**Auditor Verification November 18, 2022**

The company has sent proof of improvement in the form of Root Cause Analysis, Correction and Corrective Action which have been identified by the Company. However, there are still Auditor's notes/questions related to Corrections and Corrective actions taken by the company as explained in the correction and corrective actions column. Based on this explanation, the non-compliance with this indicator is declared not fulfilled.

**Auditor Verification December 29, 2022**

The company has sent proof of improvement in the form of:

- Documentation of cleaning of Inner Plastics, Domestic Waste and Hazardous Waste.
- Documentation of hazardous waste and Inner Plastic handover to hazardous waste temporary storage.
- Minutes of discussion of inspection results at the OHS Committee meeting which was held on 28 October 2022 which was attended by 16 participants.
- Safety inspection activities in the housing areas of Division 1 and 2 employees which were carried out on November 7 and 8 2022. The results of the inspections carried out did not reveal traces of burning by employees in the housing area.
- EHSS Program in 2023. Based on the EHSS program, there are inspection activities in residential areas which will be carried out every 2 months. This is done as a corrective action taken by the company to fix the root cause of the problem so that the non-conformity does not recur.
- Root Problems, Corrections and Corrective Actions that have been identified by the company. but there are still auditors' comments on Corrective Action, namely the Company must show evidence of corrective Actions carried out as follows:
  1. Conduct outreach to every occupant of housing regarding hazardous waste handling.
  2. Create a Logbook for returning sacks and inner fertilizers, (exit = entry).
  3. Procure trash bins, schedule for disposal and special human resources related to the management of domestic waste and hazardous waste in residential areas.
  4. Conduct active and passive outreach to each employee regarding the difference between household waste and hazardous

waste to employees, Foremen, Assistants and Managers.

Based on the evidence above, non-compliance with this indicator is declared as Not Fulfilled.

**Auditor Verification January 09, 2023**

The company has sent proof of improvement in the form of:

- Documentation of cleaning Inner Fertilizer and hazardous waste in the field and proof of delivery to the Temporary Storage of hazardous waste.
- Documentation of household waste cleaning at Mill Housing, Estate KPT-2 and KPS.
- Proof of recording of Inner Fertilizers and other hazardous waste entering the hazardous waste temporary storage area from November 6 2022 to December 27 2022. The amount of hazardous waste entering the hazardous waste storage area is 0.08 tons.
- Documentation of socialization regarding household waste and hazardous waste management at the KPT2 and KPS estates.
- Minutes of discussion of inspection results at the OHS Committee meeting which was held on October 28, 2022 which was attended by 16 Participants.
- Documentation of the provision of trash cans in employee housing, for example in Estate KPT1, KPT2 and KPS.
- Decree Number 002/HRD/PAM/SK/I/2023 concerning the placement of employees from SM HRD & Legal on 3 January 2023 which decided on the placement of employees as cleaners at Estate KPT1.
- Decree Number 003/HRD/PAM/SK/I/2023 concerning the placement of employees from SM HRD & Legal on January 3, 2023 which decided on the placement of employees as cleaners at the KPT2 Estate.
- Decree Number 001/HRD/PAM/SK/I/2023 concerning the placement of employees from SM HRD & Legal on 3 January 2023 which decided on the placement of employees as cleaners at the KPTS Estate.
- EHSS Program in 2023. Based on the EHSS program, there are inspection activities in residential areas which will be carried out every 2 months.

Based on the evidence of improvement submitted by the Company, the discrepancies in this indicator are declared **Fulfilled** and will be observed again in the next assessment.

<b>Verified by</b>	<b>Rahmat Abdiansyah</b>
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NCR No.	: 2022.11	Issued by	: Rahmat Abdiansyah
Date Issued	: 16 September 2022	Time Limit	: ASA 1
NC Grade	: Minor	Date of Closing	: 18 November 2022
Standard Ref. & Requirement	7.3.3 The unit of certification does not use open fire for waste disposal.		
Evidence observed <i>(filled by auditor)</i> : <ul style="list-style-type: none"><li>Based on the SOP for the Management of household waste and Hazardous waste (Hazardous and Toxic Materials) with SOP Number 12 dated September 1, 2013, it is explained that all Non-Hazardous waste should not be burned to destroy it because it will cause air pollution.</li><li>Based on the results of field observations at the Division 2 Housing KPT 2, it is known that there are 3 points of burning household waste behind the housing.</li><li>Based on the results of field observations in Housing Division 1 KPT 2 it is known that there is a former burning of household waste behind the housing.</li></ul>			
Non-Conformance Description <i>(filled by auditor)</i> : <p>Based on this evidence, there is still domestic waste management by burning where it is not in accordance with the procedures that have been owned by the company</p>			

<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Lack of socialization and monitoring related to the prohibition of burning domestic waste in the housing of estate employees	
<b>Correction</b> <i>(filled by organization audited):</i> Conduct outreach to every employee who occupies housing regarding the prohibition of burning domestic waste, and carry out cleaning of the area where the incinerator is located	
<b>Corrective Action</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>Making circulars from top management regarding the ban on burning garbage, as well as outreach to every housing occupant.</li> <li>Carry out periodic safety inspections related to the ban on burning domestic waste and include the results of the inspections carried out in OHS Committee meetings.</li> <li>Creating a safety inspection program.</li> </ul>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Auditor Verification November 6, 2022</b> The company has sent proof of improvement in the form of root cause analysis, correction and corrective action. However, there are still auditor notes/questions related to root cause analysis, corrections, and corrective actions carried out by the company.  Based on this explanation, non-compliance with this indicator is declared as Not Fulfilled.	
<b>Auditor Verification November 18, 2022</b> The company has sent proof of improvement in the form of: <ul style="list-style-type: none"> <li>Circular Letter on Waste Management in the PT Parna Agromas Residential Area Number 68/EHSS/PT.PAM/INT/XI/2022 dated 5 November 2022 from the President Director of PT PAM which explains the provisions related to household domestic waste management in employee housing.</li> <li>Minutes of the socialization of the circular ban on burning household waste which was carried out on November 5, 2022.</li> <li>Root Cause Analysis, Correction and Corrective Action which have been identified by the Company. However, there are still Auditor's notes/questions related to safety inspection as a Corrective Action carried out by the company so that the root of the problem does not recur in the next assessment.</li> </ul> Based on this explanation, the non-compliance with this indicator is declared not fulfilled.	
<b>Auditor Verification November 18, 2022</b> The company has sent proof of improvement in the form of: <ul style="list-style-type: none"> <li>Safety inspection activities in the residential areas of Division 1 and 2 employees which were carried out on November 7 and 8 2022. The results of the inspections carried out did not reveal traces of burning by employees in the housing area.</li> <li>Documentation of cleaning up of burnt and burnt waste areas in the residential areas of Division 1 and 2 KPT-2.</li> <li>EHSS Program in 2023. Based on the EHSS program, there are inspection activities in residential areas which will be carried out every 2 months. This is done as a corrective action taken by the company to fix the root cause of the problem so that the non-conformity does not recur.</li> </ul> Based on this evidence, discrepancies in this indicator have been <b>fulfilled</b> and will be observed again in the next assessment.	
<b>Verified by</b>	<b>Rahmat Abdiansyah</b>

<b>NCR No.</b>	:	<b>2022.12</b>	<b>Issued by</b>	:	<b>Rahmat Abdiansyah</b>
<b>Date Issued</b>	:	<b>16 September 2022</b>	<b>Time Limit</b>	:	<b>15 September 2023</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>31 October 2022</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>7.10.1</b> <b>GHG emissions for the unit of certification are identified and assessed. Plans to reduce or minimize GHG emissions are implemented, monitored through the PalmGHG calculator, and reported publicly</b>			
<b>Evidence observed</b> <i>(filled by auditor):</i>  Based on the calculation results of PT PAM's GHG emissions through the Palm GHG Calculator for the period January-December 2021, the following information is obtained: <ul style="list-style-type: none"><li>• FFB processed data of 298,370.21 tons.</li><li>• Input data in each estate as follows:<ol style="list-style-type: none"><li>1. Estate Parna Selatan: total area of 2,317.41 Ha; The Planted area of 1,245.44 Ha; Planted in peat covering an area of 807.51 ha.</li><li>2. Parna Tengah 1 Estate: Total Area of 547.67 Ha; The planted area is 421.98 Ha; Planted in Peat covering an area of 0 Ha.</li><li>3. Parna Tengah 2 Estate: Total Area of 331.4 Ha; The planted area is 247.57 Ha; Planted in peat covering an area of 22.1 ha.</li><li>4. Parna Utara 1 Estate: Total Area of 2,094.81 Ha; The planted area is 1,668.79 Ha; Planted in Peat covering an area of 62.89 Ha.</li><li>5. Parna Utara 2 Estate: Total area of 1,019.73 Ha; The planted area is 705.57 Ha; Planted in Peat covering an area of 29.81 Ha.</li></ol></li><li>• Based on the recording documents for water use and utilization of PAM POM shells &amp; fibre POM for the period January-December 2021 it is known that the number of FFB processed was 305,769 tons.</li><li>• Based on the hectare statement of PT PAM, the following information was obtained:<ol style="list-style-type: none"><li>1. Estate Parna Selatan: Total area of 3,142.54 and planted area is 1,534.34 Ha.</li><li>2. Parna Tengah 1 Estate: Total area of 2,275.93 and planted area is 613.1 Ha.</li><li>3. Parna Tengah 2 Estate: Total area of 1,660.33 Ha and planted area is 524.23 Ha.</li><li>4. Parna Utara 1 Estate: Total area of 5,457.31 Ha and planted area is 1,788.63 Ha.</li><li>5. Parna Utara 2 Estate: Total area of 3,272.12 Ha and planted area is 858.58 Ha.</li></ol></li><li>• Based on PT Parna Agromas peat inventory documents, planned information in peat is obtained in each estate, namely:<ol style="list-style-type: none"><li>1. Estate Parna Selatan: Planted area in peat is 897.09 Ha.</li><li>2. Estate Parna Tengah 1: Planted area in peat is 0 Ha.</li><li>3. Estate Parna Tengah 2: Planted area in peat is 26.54 Ha.</li><li>4. Estate Parna Utara 1: Planted area in peat is 62.65 Ha.</li><li>5. Estate Parna Utara 2: Planted area in peat is 38.47 Ha.</li></ol></li></ul>					
<b>Non-Conformance Description</b> <i>(filled by auditor):</i>  Based on this evidence the calculation of GHG emissions through the Palm GHG Calculator conducted by the company has not been done accurately in accordance with the actual conditions					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> There is a difference in the use of basic data in the calculation of the RSPO GHG calculator between the GHG Specialist and PT PAM's Data Center, where the revision of changes to the basic data is not informed to the GHG Specialist so that the calculation data is wrong.					
<b>Correction</b> <i>(filled by organization audited):</i> Revised the RSPO GHG Calculator					
<b>Corrective Action</b> <i>(filled by organization audited):</i> Evaluate and correct/revise GHG data based on the total scope of certification					

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification dated 24 October 2022**

The company has made improvements in the RSPO Palm GHG calculations and submitted root cause analysis, Corrections, and Corrective actions. Based on the auditor's verification as follows:

- The FFB Processed data is in accordance with the actual FFB Processes data for the January-December 2021 period.
- The total area and total planted area data are in accordance with the Hectare Statement.
- Planted in Peat data does not match PT Parna Agromas' Peat Inventory data. Please be sure to reconfirm / explain the difference. The differences are as follows:
  1. Planted in Peat Parna Tengah 2 with an area of 26.45 Ha, while in Peat Inventory with an area of 26.54 Ha
  2. Planted in Peat Parna Selatan with an area of 897.15 Ha, while in Peat Inventory with an area of 897.09 Ha.
  3. Planted in Peat Parna Utara 1 with an area of 62.64 Ha, while in Peat Inventory with an area of 62.65 Ha.
  4. Planted in Peat Parna Utara 2 with an area of 38.17 hectares, while in Peat Inventory with an area of 38.47 hectares.

Based on this explanation, there are still differences in data in the RSPO Palm GHG calculations which the Company must confirm/explain so that the Non-Conformity of this Indicator is declared Not Fulfilled.

**Auditor Verification dated October 31, 2022**

The company has made improvements in the RSPO Palm GHG calculations related to the Planted in Peat data. Based on the verification, it is known that the calculation of planted in peat is in accordance with PT Parna Agromas' peat inventory data. Based on the proof of improvement sent by the company, the non-compliance with this indicator is declared **Fulfilled**.

<b>Verified by</b>	<b>Rahmat Abdiansyah</b>
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NCR No.	:	2022.13	Issued by	:	Rahmat Abdiansyah
Date Issued	:	16 September 2022	Time Limit	:	15 September 2023
NC Grade	:	Major	Date of Closing	:	4 March 2023
Standard Ref. & Requirement	:	7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.			
Evidence observed <i>(filled by auditor)</i> :					
<div>1. Based on document verification, it was found that there were areas in the Company where oil palm was planted without prior HCV assessment between 2006-2016, because the HCV assessment was only completed in 2020 and the HCV assessment has been approved by the RSPO.</div> <div>2. The company has conducted a LUCA study conducted by PILI - Green Network with a study area of 16,178.43 Ha and was submitted to the RSPO on 12 November 2021 in conjunction with the Disclosure. The LUCA study was certified as PASS by the RSPO on 31 January 2022 according to the email from indarawan.suryadi@rspo.org. From the LUCA results, it is known that the Total FCL is 117.19 Ha and the Environmental Remediation Area is 196.99 Ha.</div> <div>3. Due to the existence of an FCL of 117.19 HA and an Environmental remediation Area of 196.99 Ha, the Company has sent a Concept Note for RaCP to the RSPO and has been endorsed in principle on 23 May 2022.</div> <div>4. Based on the Remediation and Compensation Procedure (RaCP) related to Land Clearance Without Prior High Conservation Value (HCV) Assessment which was approved on 12 November 2015 on page 9 it is stated that “Management units with remediation and/or final social or conservation liability can only proceed with RSPO certification once an HCV compensation project plan has been developed and accepted by the RSPO Compensation Panel”.</div> <div>5. Furthermore, the company has also sent a Compensation Plan Proposal – RaCP to the RSPO on 2 June 2022. However, there has been no approval of the RaCP Proposal from the RSPO. Companies can show the progress of RaCP to the RSPO, namely:</div>					

- On 2 June 2022 the company has sent a Compensation Plan Proposal – RaCP PT Parna Agromas to the RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)).
- There is an email reply from RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)) dated 6 June 2022 explaining 1. The RSPO Secretariat will prepare a Letter of Undertaking for the payment of the Compensation Plan Evaluator. 2. Only upon receipt of payment will the evaluator begin a review of the compensation plan. 3. Meanwhile, the RSPO Secretariat will check the documents and return them if there are problems for clarification.
- On June 13, 2022, there was an email from the RSPO explaining several matters related to the Letter of Undertaking (LoU) and the RaCP Plan is currently in the internal review stage.
- On 13 June 2022 the company has sent a revised Letter of Undertaking (LoU) to the RSPO.
- On 2 June 2022 there was an email from the RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)) explaining the results of PT Parna Agromas' internal RaCP review.
- On June 26, 2022, there was an email from the company related to the revision of the RaC Plan of PT Parna Agromas in accordance with the results of a review from the RSPO.
- On 7 July 2022, there was an email from the RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)) explaining that the Compensation Plan was in the process of being reviewed by the evaluators.
- On 22 July 2022, there was an email from RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)) explaining the results of PT Parna's RaC Plan review for the company to respond to and revise.
- On August 15, 2022 the company has responded to the results of the RaC Plan review of PT Parna Agromas which was sent to the RSPO via email.
- On September 2, 2022, there was an email from the RSPO ([kasihputri@rspo.org](mailto:kasihputri@rspo.org)) explaining the results of the RaCP Plan review regarding problems related to Project Carbon.
- On 3 September 2022 the company has responded to the results of the RSPO review which has been emailed to the RSPO.

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

Based on this evidence, the company has not been able to show evidence that the RaCP Plan of PT Parna Agromas has been approved by the Compensation Panel in accordance with the Remediation and Compensation Procedure (RaCP) document related to Land Clearance Without Prior High Conservation Value (HCV) Assessment

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

The unit of certification has not been able to demonstrate that PT Parna Agromas' RaCP Plan has been approved by the RSPO Compensation Panel.

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

PT Parna Agromas is in intensive communication with the RSPO Secretariat to ensure the RaCP is endorsed.

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

PT Parna Agromas Ensures that the RaCP Plan is Satisfactory and completed from the RSPO.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification March 4, 2023:**

The company has sent evidence of correction as follows:

- Email from RSPO ([rspocompensation@rspo.org](mailto:rspocompensation@rspo.org)) on 3 March 2023 stating that **“Remediation and Compensation Plan for PT Parna Agromas has achieved satisfactory evaluation results. Thus, the RaCP process for PT Parna Agromas is now completed”**.
- Compensation Plan Evaluation Report Document of PT Parna Agromas with Evaluation result Satisfactory and Compensation Panel's Endorsement on March 2, 2023.
- Root cause analysis, Correction, and Corrective Action.



Based on the evidence that sent by the company, the non-conformity in this indicator is declared to have been **fulfilled**.

<b>Verified by</b>	<b>Rahmat Abdiansyah</b>
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NCR No.	:	2022.14	Issued by	:	Hasiholan Sihombing
Date Issued	:	16 September 2022	Time Limit	:	ASA 1
NC Grade	:	Minor	Date of Closing	:	20 December 2022
Standard Ref. & Requirement	:	<b>System Certification</b> <b>5.5.3 Requirements for uncertified management units:</b> a. <b>No replacement of primary forest or any area required to maintain or enhance HCVs and HCS</b> in accordance with RSPO P&C criterion 7.12. Any new plantings since 1 January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB. b. <b>Land conflicts</b> , if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8. c. <b>Labour disputes</b> , if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2. d. <b>Legal non-compliance</b> , if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1. e. CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with the requirements 5.5.3 (a) –(d) above based on self-declarations by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach: <ul style="list-style-type: none"><li><b>A positive assurance statement</b> is made, based upon self-assessment (i.e. internal audit) by the Organisation or assessment carried out by an accredited CB. Evidence of the assessment against each requirement shall be demonstrated and if there is non-compliance whether the non-compliance has been actively addressed or communicated to RSPO.</li></ul>			
	<b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"><li>Based on interviews with the Empajak Village Head and Semadu Village Head as well as 5 previous land owners, it is known that PT Parna Agromas has a partnership scheme that is fully managed by the company, where the plasma consists of 2 cooperatives, namely the Kopbun Sawit Jaya and the KUD Belitang Hilir.</li><li>From the results of the document review, it is known that there is a cooperation agreement between PT Parna Agromas and the Kopbun Sawit Jaya and the KUD Belitang Hilir where it is explained in the agreement that the management is fully carried out by the company.</li><li>The company has included the Full Managed Plasma in the Time Bound Plan, where the timeframe for RSPO certification is June 2023. However, it has not been able to show a positive guaranteed statement made based on a self-assessment, namely an internal audit to that plantation plasma (uncertified management units).</li></ul>				
<b>Non-Conformance Description</b> <i>(filled by auditor):</i> <p>The company has not been able to show a positive guaranteed statement made based on the self-assessment, namely the internal audit to the uncertified management units.</p>					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <p>The unit of certification has not yet conducted an internal audit/self-assessment of its uncertified unit/plasma plantation to show a</p>					

positive assurance statement.	
<b>Correction</b> <i>(filled by organization audited):</i> Conducting internal audits/self assessments of PT Parna Agromas' plasma plantations (KUD Belitang Hilir and Kopbun Sawit Jaya)	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Ensure that an internal audit/self-assessment regarding KUD Belitang Hilir and Kopbun Sawit Jaya is carried out three months before the RSPO surveillance audit is carried out.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Auditor Verification December 20, 2022</b> The company has explained the root cause analysis and corrective actions. Then, the company has also sent evidence of improvement in the form of internal audit / self-assessment results of the uncertified management unit, namely KUD Belitang Hilir and Kopbun Sawit Jaya which was held on September 20, 2022.  Based on the evidence presented, it can be concluded that the discrepancies in this indicator have been <b>fulfilled</b> .	
<b>Verified by</b>	<b>Hasiholan Sihombing</b>

**3.4.2. Opportunity for Improvement**

No	Ref.Std.	Description
1	2.1.1	<p><b>The unit of certification complies with all relevant laws and regulations.</b></p> <p>At the time of the Initial Audit assessment, the company was carrying out the construction of Methane Capture. Based on the verification of the Methane capture activity document, it has not been included in the 2019 AMDAL Addendum document. The company has submitted an AMDAL addendum again, only it is constrained by the Laws and Regulations, namely government regulations No 22 of 2021 where currently there is no environmental permit, and it has turned into an environmental approval. Changes to environmental approvals are carried out integrated with other permits. Currently the company is in the process of obtaining a land application permit for the use of liquid waste and has entered the technical approval stage. However, the technical approval has not yet been approved by the Ministry of Environment and Forestry. Based on the results of interviews with the Sekadau Regency Environmental Service, it is known that the company is currently processing the LA permit and is in the process at the Ministry of Environment and Forestry. Before the LA technical approval is completed, the company has not been able to submit an AMDAL addendum because currently changes to the environmental approval must be integrated with all permits. <b>The company has the opportunity to ensure that the licensing process for the use of POME on Land (Land Application) and Changes in environmental approvals can run positively.</b></p> <p><b>Medical examination</b></p> <p>The company has shown the results of the workers' health checks including audiometric examinations and other examinations carried out by the Sakura Clinical Laboratory in June 2022 and the results were informed to the company on 23 August 2022. It is known from the results of these examinations that some workers are advised to use hearing aids and follow-up examinations. to a specialist. The results of interviews with doctors, some of these employees will be re-observed to determine the next action. Based on this, companies are encouraged to ensure that follow-up health checks are carried out according to the results of laboratory examinations and follow-up observations by company doctors.</p> <p><b>License Operators</b></p> <p>PAM Oil Mill has a turbine with a capacity of 1,500 kw (<math>\pm 2,011</math> Hp). Currently the company has 1 operator of class 1 production plane. Minister of Manpower Regulation No. 38 of 2016 in Articles 110, 111 and Table E it is explained that for a prime mover engine with a power of &gt; 214.47 HP, one person must have a power and production plane operator of class I and class II each. Based on interviews with workers revealed that they had been trained by their superiors to operate the machine. The results of interviews with PIC OHS show that they already have a training program for engine room operators in 2023, namely 1 Class 1 Turbine Operator and 1 Class 2 Operator.</p> <p>The results of field observations, it is known that the spray tractor operator Division 1 KPT 2 with the initials Htn does not yet have heavy equipment license. Based on Minister of Manpower Regulation No. 9 of 2010 in article 5 paragraph 1 states " heavy equipment must be operated by heavy equipment operators who have OHS licenses and workbooks according to their types and qualifications".</p> <p>According to the management representative's explanation, the Htn Operator is in charge of replacing, because the operator actually has a permit. However, because it has the potential to become a replacement operator, the company has the opportunity to fulfil the OHS license certification for that operator.</p> <p>At the time of the Audit, the company demonstrated the implementation of OHS license certification for 59 heavy equipment operators. The company has a competency improvement OHS program with training planned for June and December 2022 for OHS tractor Operator, and June and August 2023 for Class 1 and 2 Turbine Operators. Based on this, companies are encouraged to fulfil the relevant OSH licenses for workers.</p>

**3.4.3. Noteworthy Positive Components**

No	Description
1	The Company's commitment to implementing the principles of sustainable palm oil management.
2	Good cooperation from related staff/PIC on audit implementation.
3	Have received BLUE PROPER for the period 2020-2021 from KLHK
4	Has obtained ISPO certificate

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Sekadau District Manpower Office</b>  The results of the interviews revealed that: <ul style="list-style-type: none"> <li>• Wage determination is in accordance with the district minimum wage.</li> <li>• The company has sent mandatory reports such as OHS Committee &amp; work accident reports and trade union meeting activities.</li> <li>• So far, there has never been a report from the employee regarding industrial relations and so on.</li> <li>• Good communication between the company and the Manpower Office.</li> </ul>	There are no issues that need further clarification and this information has been explained in the relevant indicators.
<b>Labor union (Estate &amp; Mill)</b> <ul style="list-style-type: none"> <li>• The company has provided PPE and wages in accordance with applicable regulations.</li> <li>• The company routinely conducts high-risk health checks and periodic health checks.</li> <li>• The company has provided socialization related to company regulations, company policies, work procedures and others.</li> </ul>	There are no issues that need further clarification, and this information has been explained in the relevant indicators.
<b>Villages around the Company</b> <b>Interviewees:</b> <ol style="list-style-type: none"> <li>1. <b>Empajak Village (Village Head)</b></li> <li>2. <b>Semadu Village (Village Head)</b></li> <li>3. <b>Kumpang Bis Village (Village Head)</b></li> </ol> <ul style="list-style-type: none"> <li>• The company absorbs workers from the village.</li> <li>• There are no land tenure problems and conflicts between the company and the surrounding community.</li> <li>• There are no issues regarding environmental pollution for the past 2 year.</li> <li>• The company has socialized about protected animals and conservation areas and put-up signs prohibiting hunting of certain animals around the plantation area.</li> <li>• Socialization on the prohibition of burning has been carried out for land clearing activities.</li> <li>• The company routinely provides assistance to villages in the form of CSR or direct assistance.</li> <li>• Communication between the village and the company is not a problem and the company always responds to requests from the village.</li> </ul>	There are no negative issues from the village community around the company.
<b>5 previous land owners who have been compensated from Empajak Village, Semadu Village, Tapang Pulau Village and Kumpang Bis Village.</b>	



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• Compensation has been carried out with the consent of 2 parties and without any coercion from any party.</li> <li>• Previous land owners get plasma from land compensation with an agreed percentage.</li> <li>• The cost of compensation has been paid in full by the company at a mutually agreed price with complete documentation and is held by each party.</li> <li>• So far, no problems have arisen regarding land compensation.</li> <li>• Communication with the company is not a problem and the company always responds to requests from the village or previous land owners.</li> </ul>	<p>There are no negative issues from previous land owners who have been compensated.</p>
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>• The gender committee consists of male and female representatives.</li> <li>• No cases of sexual harassment in the last 1 year</li> <li>• The company provides rest time for new mothers to breastfeed their children</li> <li>• Menstrual leave is available by reporting mechanism to the foreman and will be checked at the clinic.</li> <li>• Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination.</li> <li>• Every worker has equal rights in terms of employment opportunities.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>Langkau Kita Cooperative (Employee Cooperative)</b> <ul style="list-style-type: none"> <li>• Cooperatives are engaged in buying and selling groceries</li> <li>• All employee is free to become a member of the cooperative with a mandatory fee of IDR 50,000 and a fixed monthly fee of 10,000</li> <li>• The last member meeting was held in October 2021</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>Biogas Construction Contractor (KIS Group)</b> <ul style="list-style-type: none"> <li>• The company has collaborated with the KIS Group in the development of biogas.</li> <li>• The company has paid the progress of the development on time.</li> <li>• The company has provided socialization related to company regulations, company policies, work procedures and others.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>Sekadau District Environmental Service</b> <ul style="list-style-type: none"> <li>• There has been no issue of environmental pollution by the company in the last 2 years.</li> <li>• The company has reported mandatory reports on a regular basis.</li> <li>• The company already has a license in accordance with the provisions.</li> <li>• Currently the company is carrying out technical approvals for Land Application permits and Changes in Environmental Approval at the Ministry of Environment and Forestry.</li> </ul>	<p>There is no negative issue from the Sekadau Regency Environmental Service</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>CV Sumber Sawit Kita and CV Mitra Sawit Borneo</b> <ul style="list-style-type: none"> <li>• Cooperation with companies in the field of FFB sales.</li> <li>• FFB comes from community land around Sanggau and Sekadau Regencies.</li> <li>• The FFB price is determined by the Company and every time there is a change the company will provide information to the FFB supplier.</li> <li>• There are no complaints about FFB prices or FFB payments</li> </ul>	<p>There is no negative issue from FFB Supplier.</p>
<b>Koperasi Perkebunan Sawit Jaya and KUD Belitang Hilir</b> <ul style="list-style-type: none"> <li>• There is a Cooperation Agreement between the Company and the cooperative for the development of the Partnership Plantation.</li> <li>• Plantation management is carried out by the Company.</li> <li>• The price set in the FFB payment is the price set by the Plantation Service.</li> <li>• There were no complaints about FFB prices and FFB payments from plasma cooperatives.</li> </ul>	<p>There is no negative issue from Plasma Cooperative.</p>
<b>Department of Food Security, Agriculture and Fisheries of Sekadau District</b> <ul style="list-style-type: none"> <li>• Companies routinely report LKUP (Plantation Business Activity Report).</li> <li>• The company carried out the last plantation business assessment at the end of December 2022, with the results of a class II assessment.</li> <li>• The company has a plasma plantation with an area of ±3,500 ha</li> <li>• In 2022 there was once a hotspot in the company's concession area, but it has been confirmed that the perpetrators are not from the company but from the community.</li> <li>• The company already has fire prevention facilities that refer to the Ministry of Agriculture 5 of 2018.</li> <li>• The company is quite communicative and responds well to the Office.</li> <li>• There are no social issues that can interfere with the company's operations</li> <li>• The company has conducted training for Independent Smallholders around the plantation</li> </ul>	<p>This has been verified in the report.</p>
<b>Sekadau District Land Office</b> <ul style="list-style-type: none"> <li>• There has been no change in HGU.</li> <li>• There is a report from the Head of the Tapang Pulau Village, that some parts of the village area have entered the HGU but do not feel that the handover of the land has been carried out.</li> <li>• In July 2022, an invitation was made from Committee C of the Kalimantan Barat Province BPN accompanied by staff from the</li> </ul>	<p>This has been verified in the report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Sekadau Regency Land Office regarding indications of the potential for abandoned land in the company.</p> <ul style="list-style-type: none"> <li>The company has reported the progress of using the HGU owned by the company to the Dinas.</li> <li>The company is quite communicative and responds well to the Land Office.</li> </ul>	
<p><b>Local contractor - CV Y.J Selamat - CPO Transporter</b></p> <ul style="list-style-type: none"> <li>Location: Tapang Pulau Village</li> <li>Currently the work contract is still active, namely the transportation of CPO</li> <li>Has 22 CPO transport units registered under it</li> <li>Have workers with permanent status, with an age range of 20-35 years, with a salary range of 3.2 - 6 million</li> <li>Have not registered BPJS for employment and health for workers</li> <li>There has never been a work accident while working with the company</li> <li>PPE workers have been provided</li> <li>There has been socialization of OHS aspects and the use of PPE.</li> <li>There are no complaints while working with the company.</li> </ul>	<p>This has been verified in the report.</p>
<p><b>Local contractor - CV Putri Betuah - worker services</b></p> <ul style="list-style-type: none"> <li>Location: Tapang Pulau Village</li> <li>Currently the work contract is still using Okta Kasmoro (Parent) and has not used Putri Betuah's CV.</li> <li>- Has +_ 40 workers as harvesters and fertilizers, but there is no work contract between CV and workers</li> <li>Payment refers to the contract value.</li> <li>Have not registered BPJS for employment and health for workers.</li> <li>PPE workers have been provided.</li> <li>There has been socialization of OHS aspects and the use of PPE.</li> <li>- There are no complaints while working with the company.</li> </ul>	<p>This has been verified in the report.</p>
<p><b>Issues from social media</b></p> <p><a href="https://sekadau.suarakalbar.co.id/2022/10/tabung-biogas-di-pt-parna-agro-mas-di.html">https://sekadau.suarakalbar.co.id/2022/10/tabung-biogas-di-pt-parna-agro-mas-di.html</a></p>	<ul style="list-style-type: none"> <li>The company shows a work incident report on Saturday, October 1, 2022. The location of the biogas plant, with the victim's name Susilo (Foreman Mechanic PT KIS). The results of the study found that there was an incident at work with Mr. Susilo who was carrying out welding activities on the roof of the reactor tank. When finished, when tightening the bolts suddenly there was an explosion that released fire which caused the roof of the reactor to be damaged. The victim then descended through the stairs. The victim's colleagues immediately took him to the PT PAM clinic for treatment. Burns that occur are 20%. The victim was then referred to Sekadau</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>Hospital.</p> <ul style="list-style-type: none"> <li>• The company shows the revised HIRARC section of construction as of November 28, 2022, for welding operations.</li> <li>• The company shows photo documentation of HIRARC socialization to PT KIS contractor workers dated 30 November 2022.</li> <li>• The company representative explained that after the incident, The GGL had hired a PT TUV SUD consultant. PT TUV SUD has shown the Pre-Assessment-Report for Damaged Reactor Tank and Tank Integrity on January 3, 2023, with an inspection on December 15, 2022. The company representative explained that currently the construction project is stopped, while preparing work tools and resources other. Repairs are planned to restart in May 2023, with a re-assessment by PYT TUV SUD for work readiness.</li> <li>• Workers who experience work accidents are contractor workers who have been registered with Social Security Agency of Employment so that their treatment and recovery are covered by insurance and also still get a salary from the contractor.</li> </ul>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p><b>PT Parna Agromas</b> <b>Management Representative</b></p>  <p><b>Abrar Ramlan</b> Saturday, 04 March 2023</p> </div> <div style="text-align: center;"> <p><b>MUTU International</b> <b>Lead Auditor</b></p>  <p><b>Hasiholan Sihombing</b> Saturday, 04 March 2023</p> </div> </div>

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

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Manpower Agency	Sekadau District	-	By Phone	12 September 2022	✓	
2	Labor Union	Sekadau District	-	Direct Interview	12 September 2022	✓	
3	Gender Committee	Sekadau District	-	Direct Interview	12 September 2022	✓	
4	Langkau Kita Cooperative (Employee Cooperative)	Sekadau District	-	By Phone	12 September 2022	✓	
5	Biogas Construction Contractor (KIS Group)	Sekadau District	-	By Phone	12 September 2022	✓	
6	Environmental Agency	Sekadau District	-	By Phone	12 September 2022	✓	
7	CV Sumber Sawit Kita	Sekadau District	-	By Phone	12 September 2022	✓	
8	CV Mitra Sawit Borneo	Sekadau District	-	By Phone	12 September 2022	✓	
9	Koperasi Perkebunan Sawit Jaya	Sekadau District	-	By Phone	13 September 2022	✓	
10	KUD Belitang Hilir	Sekadau District	-	By Phone	14 September 2022	✓	
11	Department of Food Security, Agriculture and Fisheries	Sekadau District	-	By Phone	12 September 2022	✓	
12	Land Office	Sekadau District	-	By Phone	12 September 2022	✓	
13	Empajak Village	Sekadau District	-	By Phone	12 September 2022	✓	
14	Semadu Village	Sekadau District	-	By Phone	12 September 2022	✓	
15	Kumpang Bis Village	Sekadau District	-	By Phone	12 September 2022	✓	
16	5 previous land owners who have been compensated from Empajak Village, Semadu Village, Tapang Pulau Village and Kumpang Bis Village	Sekadau District	-	By Phone	13 September 2022	✓	
17	Local contractor - CV Y.J Selamat - CPO Transporter	Tapang Pulau - Sekadau District	-	By Phone	12 September 2022	✓	
18	Local contractor - CV Putri Bertuah -	Tapang Pulau - Sekadau District	-	By Phone	15 September 2022	✓	

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
	Worker Services						
19	<b>PAM POM</b> <ul style="list-style-type: none"> <li>• 2 Worker in WWTP</li> <li>• 1 Worker in security post.</li> <li>• 2 Worker in weighbridge</li> <li>• 1 Worker in sorting station</li> <li>• 2 Worker in chemical, temporary storage area and PPE Warehouse</li> <li>• 2 Worker in workshop</li> <li>• 1 Worker in WWTP</li> <li>• 1 Worker in EBA</li> <li>• 1 Worker in Housing</li> <li>• 1 Worker in water reservoir</li> <li>• 1 Forklift Operator</li> <li>• Fire Response team.</li> <li>• 2 Operator in Lori station.</li> <li>• 1 Operator in Sterilizer station.</li> <li>• 2 Operator in Engine room.</li> <li>• 2 Operator in Boiler station.</li> <li>• 1 Operator in Kernel station.</li> </ul>	PT Parna Agromas	-	Direct Interview	12 September 2022	✓	
20	<b>Parna Tengah 1 Estate</b> <ul style="list-style-type: none"> <li>• 1 Worker in Agrochemicals warehouse, Rinse House, Pesticide mixing area and Hazardous Waste Temporary</li> </ul>	PT Parna Agromas	-	Direct Interview	13 September 2022	✓	



No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
	Warehouse <ul style="list-style-type: none"> <li>• 1 team fire fighting</li> <li>• 1 Worker in Housing Complex</li> <li>• 1 Foremen and 6 Worker in Spraying.</li> <li>• 6 Harvester.</li> <li>• 2 Worker in Fertilizer.</li> <li>• 3 Worker in clinic.</li> <li>• 1 genset operator</li> </ul>						
21	<b>Parna Tengah 2 Estate</b> <ul style="list-style-type: none"> <li>• 2 Worker in Warehouse</li> <li>• 6 worker &amp; 1 foreman circle path sprayers.</li> <li>• 1 excavator Operator.</li> <li>• 1 grabber Operator &amp; 1 FFB loader.</li> <li>• 4 manuring worker &amp; 1 foreman.</li> <li>• 4 harvesters.</li> </ul>	PT Parna Agromas	-	Direct Interview	13 September 2022	✓	
22	<b>Parna Selatan Estate</b> <ul style="list-style-type: none"> <li>• 2 Worker Harvesting</li> <li>• 1 Worker in Piezometer</li> <li>• 1 excavator operator</li> <li>• 1 genset operator</li> <li>• 2 Teacher in day-care.</li> </ul>	PT Parna Agromas	-	Direct Interview	14 September 2022	✓	
23	<b>Parna Utara 1 Estate</b> <ul style="list-style-type: none"> <li>• 1 Foremen and 4 Worker in Spraying.</li> </ul>	PT Parna Agromas	-	Direct Interview	14 September 2022	✓	

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> <li>• 3 Harvester.</li> <li>• 2 Worker in Fertilizer.</li> <li>• 1 genset operator</li> <li>• 1 Worker in Agrochemicals warehouse, Rinse House, Pesticide mixing area and Hazardous Waste Temporary Warehouse</li> </ul>						
24	WALHI	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire via email	19 August 2022		✓
25	WWF	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire via email	19 August 2022		✓
26	AMAN	Jakarta	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Questionnaire via email	19 August 2022		✓
27	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire via email	19 August 2022		✓

**Appendix 2. Assessment Program**

DATE	11 - 17 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Sunday, 11 September 2022</b>		
07.10 – 08.45	<b>JAKARTA → PONTIANAK</b>	All Auditor
09.00 – 17.00	From the airport in Pontianak to the location of certification unit	All Auditor
<b>Monday, 12 September 2022</b>		
08.00 – 09.00	<b>OPENING MEETING</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	All Auditor Management of PT Parna Agromas
09.00 – 12.00	<ul style="list-style-type: none"> <li>Stakeholders' consultation to related agencies</li> <li>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any)</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<b>Field Observation to PAM Palm Oil Mill</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Dispatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>	All Auditor
16.30 – 17.00	Submission of audit progress	All Auditor
<b>Tuesday, 13 September 2022</b>		
08.00 – 12.00	<b>Field Observation to Parna Tengah 1 Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	HHS & KFI  HHS & KFI  HHS & KFI
08.00 – 12.00	<b>Field Observation to Parna Tengah 2 Estate</b> Aspect to be verified:	

DATE	11 - 17 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>RAB</b>  <b>SAS</b>  <b>RAB</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<ul style="list-style-type: none"> <li>• Continuing stakeholder consultation (if anything was not done the previous day or if needed)</li> <li>• Continue document verification and completing checklist</li> </ul>	<b>All Auditor</b>
16.30 – 17.00	Submission of audit progress	
<b>Wednesday, 14 September 2022</b>		
08.00 – 12.00	<b>Field Observation to Parna Selatan Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>RAB</b> <b>SAS</b>  <b>RAB</b>
08.00 – 12.00	<b>Field Observation to Parna Utara 1 Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>HHS &amp; KFI</b> <b>HHS &amp; KFI</b>  <b>HHS &amp; KFI</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<ul style="list-style-type: none"> <li>• Continuing stakeholder consultation (if anything was not done the previous day or if needed)</li> <li>• Continue document verification and completing checklist</li> </ul>	<b>All Auditor</b>
16.30 – 17.00	Submission of audit progress	<b>All Auditor</b>

DATE	11 - 17 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Thursday, 15 September 2022</b>		
08.00 – 11.45	<ul style="list-style-type: none"> <li>Continuing field observation</li> <li>Continuing stakeholder consultation (if anything was not done the previous day or if needed)</li> <li>Continue document verification and completing checklist</li> </ul>	All Auditor
11.45 – 14.00	<b>Break</b>	
14.00 – 16.30	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation (if anything was not done the previous day or if needed)</li> <li>Continue document verification and completing checklist</li> </ul>	All Auditor
16.30 – 17.00	Submission of audit progress	All Auditor
17.00 – .....	Interim Meeting (closing meeting preparation)	
<b>Friday, 16 September 2022</b>		
09.00 – 11.00	<b>CLOSING MEETING</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	All Auditor and Management of Unit Certification
11.00 – 19.00	Travel from PT Parna Agromas to Pontianak	All Auditor
<b>Saturday, 17 September 2022</b>		
06.30 – 07.00	Travel from hotel in Pontianak to the airport	All Auditor
08.55 – 10.25	PONTIANAK → JAKARTA (Garuda GA-505)	All Auditor