

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organization : **Andalas Agro Industri Palm Oil Mill – PT Andalas Agro Industri Subsidiary of TSH Resources Berhad**
 Plantation Name : **PT Laras Internusa – Laras Estate**
 Location : Village of Air Rau, Kinali Sub District, Pasaman Barat District, Sumatera Barat Province, Indonesia
 Certificate Code : **MUTU-RSPO/139**
 Date of Certificate Issue : 06 December 2019 Date of License Issue : 06 February 2023
 Date of Certificate Expiry : 05 December 2024 Date of License Expiry : 05 December 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	21 to 25 November 2022	Haikal Ramadhan Kharismansyah (Lead Auditor), Arief Tajalli, Septian Maulana and Ririn Sipayung	Ardiansyah	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	30 January 2023

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Figure 1. Location Map of PT. Andalas Agro Industri and PT Laras Internusa

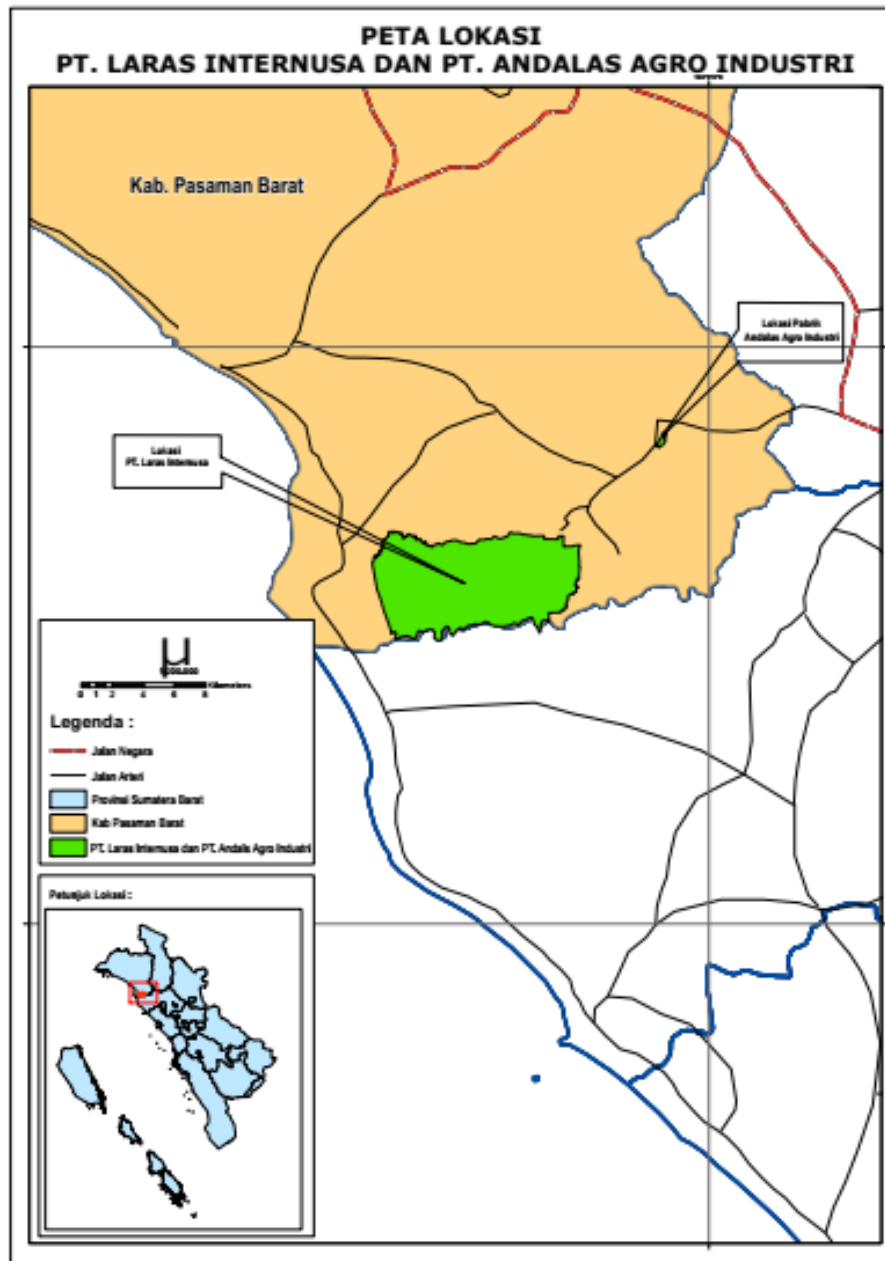


Figure 2. Operational Map of PT. Andalas Agro Industri (AAI POM)

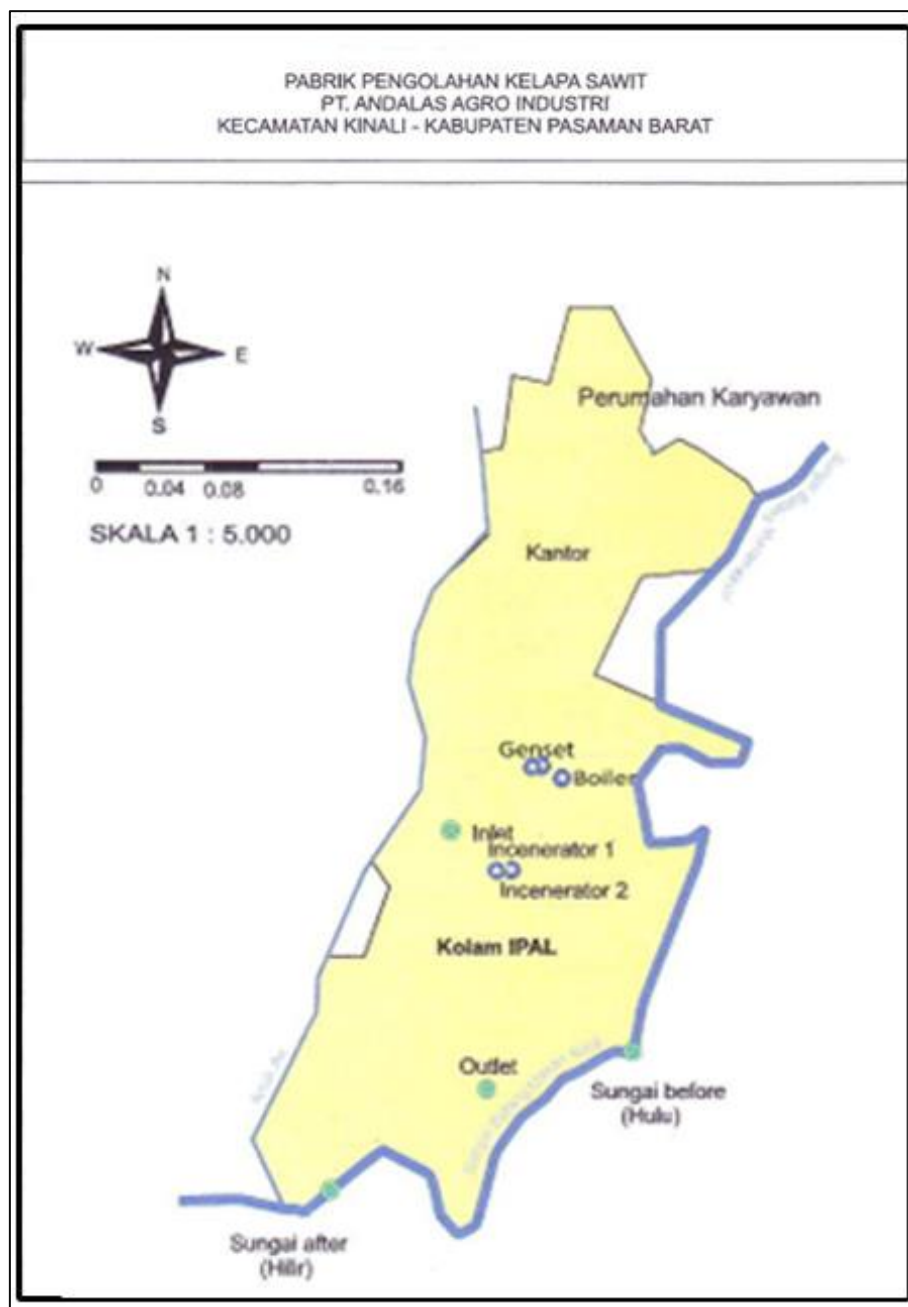
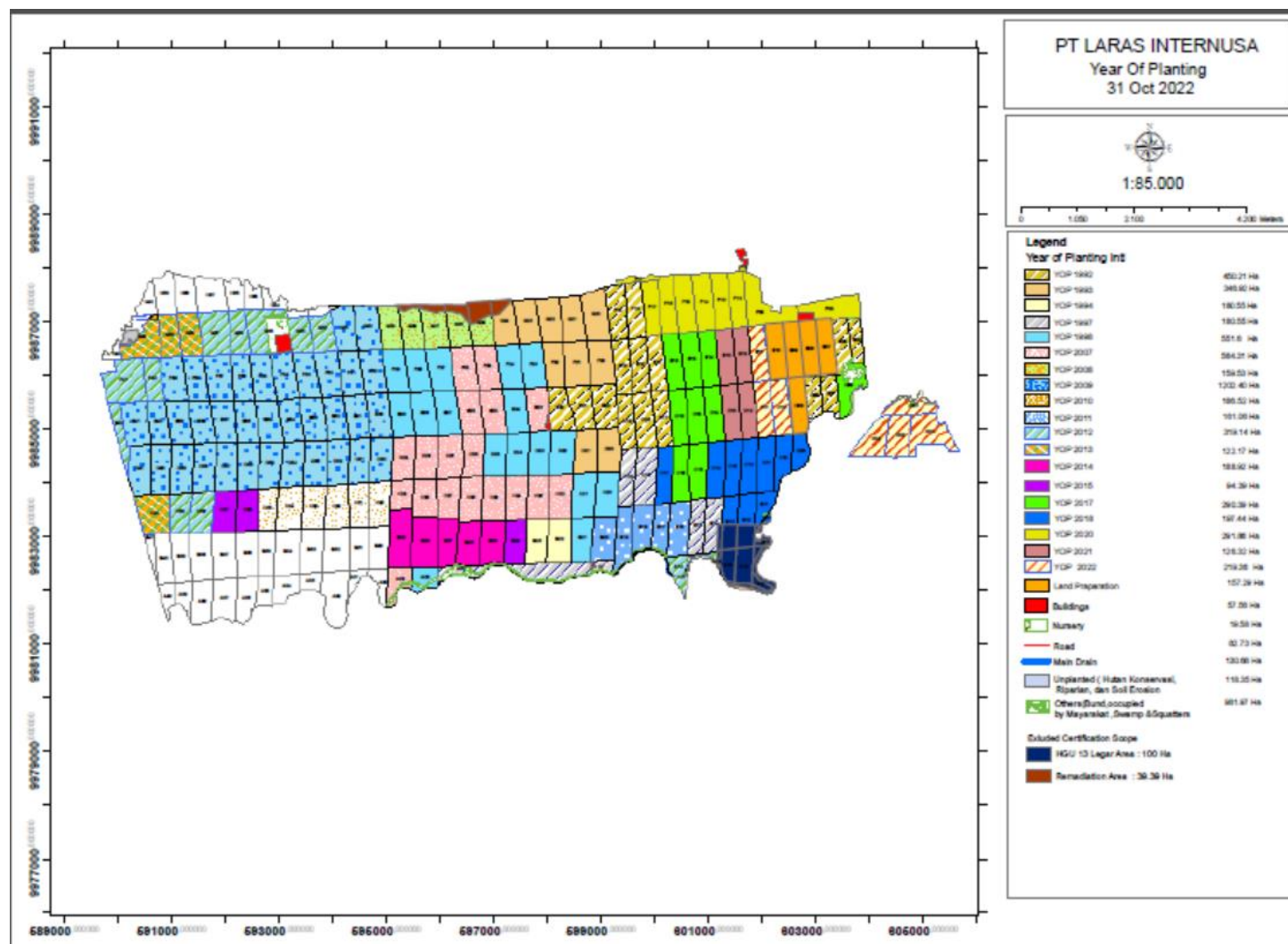


Figure 3. Operational Map of PT. Laras Internusa (Laras Estate)



Abbreviations Used

AAI	:	Andalas Agro Industri
ASA	:	Annual Surveillance Assessment
ANDAL	:	<i>Analisis Dampak Lingkungan</i>
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jasa Sosial</i>
CITES	:	Convention, International, Threatened, Endangered Species
CPO	:	Crude Palm Oil
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EHS	:	Environmental, Health and Safety
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
GHG	:	Green House Gases
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title/Right)
HIRAC	:	Hazard Identification Risk Assessment and Control
HOE	:	Head of Engineering
HRD	:	Human Resource Department
HSE	:	Health Safety and Environment
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISO	:	International Standard Organization
ISPO	:	Indonesia Sustainable Palm Oil
IUCN	:	International Union for Conservation of Nature
KER	:	Kernel Extraction Rate
LIN	:	Laras Internusa
LSU	:	Leaf Sampling Unit
LUC	:	Land Use Change
MSDS	:	Material Safety Data Sheet
MUTU	:	Mutuagung Lestari
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health and Safety Assessment Series
P&C	:	Principle and Criteria
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personnel Protective Equipment
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
RKL- RPL	:	Environmental Management and Monitoring Report
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, threatened or endangered
SARBUKSI	:	<i>Serikat Buruh Industri Perkebunan Sawit</i> (Oil Palm Plantation Industry Labor Union)
SCCS	:	Supply Chain Certification System

SEIA	:	Social Environmental Impact Assessment
SIA	:	Social Impact Assessment
SPO	:	Sustainability Palm Oil
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i> (Indonesian Workers Union)
SOP	:	Standard Operating Procedure
SSU	:	Soil Sampling Unit
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Andalas Agro Industri subsidiary of TSH Resources Berhad	
1.2.2	Contact person	Thambirajan Pillai	
1.2.3	Organisation address and site address	<u>Head Office:</u> Menara TSH No.8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur Malaysia <u>Liaison Office:</u> TSH Resources berhad Office PT. Karya Unggulan Cemerlang, Central Park Office Tower (APL Tower), 11th Floor, Unit 5 Podomoro City. Jl. Letjen S. Parman Kav. 28, Jakarta 11470 Indonesia	
1.2.4	Telephone	+603 – 20840888	
1.2.5	Fax	+603 – 20840808	
1.2.6	E-mail	thambirajan.pillai@tsh.com.my	
1.2.7	Web page address	www.tsh.com.my	
1.2.8	Management Representative who completed the application for certification	Thambirajan Pillai	
1.2.9	Registered as RSPO member	1-0173-14-000-00 on 17th November 2014	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm oil mill and supply base: One (1) Mill: AAI POM (PT AAI) and one (1) estate: Laras Estate (PT LIN)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Andalas Agro Industri POM	Air Rau Village, Sub District of Kinali, Pasaman Barat District, Province of Sumatera Barat, Indonesia	S 00° 03' 14"E 99° 58' 21"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Laras Estate	Sidodadi Village, Sub District of Kinali,	S 00° 06' 40"E 99° 54' 42"

		Pasaman Barat District, Province of Sumatera Barat, Indonesia		
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State HGU HGB		7,409.00 Ha 28.1437 Ha	
	• Community		- Ha	
	Total		7,437.144 Ha	
	*Scope certification is an area of 6,315.784 Ha due there are areas that not included in the scope (An area of 1,021.36 Ha consisting of community occupation area and HGU 100 Ha due the name change process from PT TSG to PT LIN)			
1.5.2	Area Statement			
	Total area		6,315.78	
	Planted area		5,878.70	
	Immature area		794.83	
	Mature area		5,083.87	
	Building		57.60	
	Nursery		19.58	
	Roads		82.73	
	Drainage		130.68	
	Mill (HGB)		28.14	
	Unplantable area (riparian & soil erosion)		118.35	
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year		Laras Estate (Ha)	
	1992		450.21	
	1993		346.92	
	1994		68.19	
	1997		180.55	
	1998		551.67	
	2007		564.31	
	2008		159.53	
	2009		1202.40	
	2010		186.52	
	2011		161.06	
	2012		319.14	
	2013		122.17	
	2014		188.98	
	2015		94.39	
	2017		290.39	
	2018		197.44	
	Mature Area		5,083.87	
	2020		291.86	
	2021		126.32	
	2022		219.36	

	Land preparation for replanting	157.29						
	Immature Area	794.83						
	TOTAL	5,878.70						
1.6.2	New Planting area after January 2010	- Ha						
1.6.3	Planting Cycle	2 nd Cycle						
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	
	AAI POM	60	136,995.48	28,815.82	21.03	5,920.55	4.32	
	<i>*Production data source from 12 months before assessment (November 2021 to October 2022)</i>							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/yr)	Yield (ton/ha/yr)	Supplied to Mill FFB (ton/year)		%
	Laras Estate	6,315.78	5,083.87	122,493.07	24.09	122,493.07	100	
	<i>*Production data source from 12 months before assessment (November 2021 to October 2022)</i>							
1.7.3	FFB description from other source							
	Name of sources/Organization (RSPO certified / non-certified)	Type of Organization		number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)		
	MLKS Cooperative	Smallholder		1,050	231.02	4,299.03		
	Remediation area and HGU 13	PT LIN			139.39	10,203.38		
	TOTAL					14,502.41		
	<i>*Production data source from 12 months before assessment (November 2021 to October 2022)</i>							
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (Ton)		Realization from November 2021 to October 2022 (Ton)		
	FFB Processed			143,000		122,493.07		
	CPO Production			30,000		26,940.10		
	Palm Kernel (PK) Production			6,500		4,218.98		
1.8.2	Product selling							
	Type of selling product			Actual selling product for last year November 2021 to October 2022 (MT)				
	CSPO sold as RSPO certified product			0				
	CSPK sold as RSPO certified product			2,516.28				
	CSPO sold under another scheme			0				
	CSPK sold under another scheme			0				
	CSPO sold as conventional			25401.20				
	CSPK sold as conventional			297.27				
1.8.3	Estimate of Certified FFB Claim							

		Name of Estate		Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)	
		Laras Estate		6,315.78	5,083.87	130,000	25.57	
		*Projected FFB production for 12 months of certificate						
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO Out put (tones) Extraction (%)		Palm Kernel Out put (tones) Extraction (%)		Supply Chain Module
	AAI POM	60	130,000	32,500	25.00	6,500	5.00	
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2015				-			
	ISO 14001: 2015				-			
	ISO 45001:2018				-			
	ISCC				-			
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Malaysia							
	Kunak POM	2018	Maju Sawit Estate	2018	Sabah, Malaysia	Certified		
			Wakuta Estate	2018	Sabah, Malaysia	Certified		
			LKSK Estate	2018	Sabah, Malaysia	Certified		
			Landquest Estate	2018	Sabah, Malaysia	Certified		
			RT Estate	2022	Sabah, Malaysia	Pending LUCA approval		
	Lahad Datu POM	2017	Gumantong Estate	2017	Sabah, Malaysia	Certified		
			OYH Estate	2017	Sabah, Malaysia	Certified		
	Sabahan POM	2019	Sabahan Estate	2019	Sabah, Malaysia	Certified		
	Indonesia							
	Andalas Agro Industri POM	2019	Laras Internusa Estate	2019	Sumatra Barat, Indonesia	Certified		
			LARAS C (liability area and HGU 13)	2022	Sumatra Barat, Indonesia	Delay LUCA & HGU		
			KUD MLKS	2023	Sumatra Barat, Indonesia	Planned Audit 2023		
	Sarana Prima Multi Niaga POM	2017	Sarana Prima Multi Niaga Estate	2017	Kalimantan Tengah, Indonesia	Certified		
			Mitra Jaya Cemerlang Estate	2022	Kalimantan Tengah, Indonesia	HGU Progress		
	Farinda Bersaudara	2022	Farinda Bersaudara Estate	2022	Kalimantan Timur, Indonesia	LUCA is still not approved yet		

	POM		Teguh Swakarsa Sejahtera Estate	2022	Kalimantan Timur, Indonesia	LUCA is still not approved yet
			Munte Waniq Jaya Perkasa Estate	2022	Kalimantan Timur, Indonesia	LUCA is still not approved yet
			Perkebunan Sentawar Membangun Estate	2022	Kalimantan Timur, Indonesia	HGU Progress
	Andalas Wahana Berjaya POM	2022	Andalas Wahana Berjaya Estate 1	2022	Sumatra Barat, Indonesia	Awaiting for LUCA finalization and RaCP
			Andalas Wahana Berjaya Estate 2	2022	Sumatra Barat, Indonesia	HGU Progress
	PT Bulungan Citra Agro Persada		Bulungan Citra Agro Persada Estate	2023	Kalimantan Utara, Indonesia	Planned Audit November 2022
	PT Andalas Wahana Sukses		Andalas Wahana Sukses Estate	2023	Kalimantan Utara, Indonesia	Planned Audit November 2022
<i>Time Bound Plan updated February 2022</i>						
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	LIN has a scheme of smallholders which is KUD MLKS. The certification unit has been planned to certify the KUD on 2023.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA - 3	<p>1. Haikal Ramadhan Kharismansyah (Lead Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001:2015, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS. Did some audit ISPO scheme with aspects best management practices. During this audit, he assigned to verify legal aspect, land dispute, SCCS, worker welfare and transparency, TBP and partial certification aspect.</p> <p>2. Arief Tajalli (Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, Social, GHG, and Waste management aspects.</p> <p>3. Septian Maulana (Auditor). Indonesian Citizen, Bachelor of Economic, Pamulang University. Have experience as sustainability staff on oil palm plantation. Training have been followed including Occupational Health and Safety Expert Candidate certification by Ministry of Manpower and Transmigration of Indonesia; Basic Fire Fighting and Basic First Aid; Awareness Integrated Management Systems (ISO 14001, and ISO 45001 in 2020); Awareness (ISO 19011, ISO 17065; and ISO 17021) in 2020; ISO 9001:2015 Lead Auditor in 2021, ISPO Lead Auditor in 2021, RSPO Lead Auditor in 2021 and Awareness Social Audit SMETA in 2022. In this audit activity was verified Best Management Practices Aspect, Long-term Management Plan and OHS.</p> <p>4. Ririn Wahyuni Sipayung (Auditor Trainee). Experience working as a Sustainability Assistant for 6 years in several private oil palm plantation companies in Indonesia. The training that has been attended includes Training Lead Auditor 9001: 2015 IRCA, Refreshment New ISPO (PERMENTAN 38 Year 2020), Awareness (ISO 9001, ISO 14001, ISO 45001: 2018, ISO 19011: 2018, ISO 17021: 2015, ISO 17065 : 2012), In House Training (Best Management Practice, Environment, Labor, Social, and Transparency), Prospective Occupational Safety and Health Expert (AK3U) by KEMENAKER RI, ISPO Auditor Certification by LPP and ISPO Commission, Traceability Supply Chain and Smallholder Engagement and so on. Has carried out several audit activities and in this audit, activity verified the aspects of worker welfare and transparency under the supervision of the Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT. Mutuagung Lestari.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA - 3	<p>Number of auditors: 3 auditor and 1 Auditor Trainee</p> <p>Number of days for ASA-3 Onsite audit: 5 days</p> <p>Number of working days for ASA-3 Onsite audit: 15 Working days</p>
2.2.2	Assessment Process
ASA - 3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Andalas Agro Industri & PT Laras Internusa to the requirements of Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</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) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the</p>

results are the subject will be verified at the next assessment phase (ASA-4). Improvement of findings from ASA-2 findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA - 3	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>AAI POM (PT AAI)</p> <ul style="list-style-type: none"> • Spare part storage. Observation for material handling, environmental and OHS aspect. • Chemical storage. Observation for material handling, environmental and OHS aspect. • Workshop. Observation and Interview with 2 workers related to OHS and workers welfare aspect. • Temporary hazardous waste storage. Observation for OHS, material handling, and hazardous waste management. • Engine room. Observation and interview with 1 worker related OHS and workers welfare aspect. • Boiler Station. Observation and interview with 3 workers related OHS and workers welfare aspect. • Press Station. Observation related OHS and workers welfare aspect. • Sortation and Loading Ramp Station. Observations and interviews related work procedure, safety aspect, worker welfare etc. • Dispatch Station. Field observation related to safety aspect, environment aspect etc. • Water Treatment Plant. Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc. • Security Post. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc. • Weighbridge Station. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc. • HGB Pole no. 2 & 3. Observation legal boundary • Waste Water Treatment Plant and outlet POME disposal to river. Observation and interview related to palm oil mill effluent management and potensial contamination • Water Intake and reservoir. observations and interview related to water sources and water management for mill process activities. • Fiber and Shell Area. Observation and interview related to waste management and potential contamination. • Strove (Mini Incinerator). observations and interview related to EFB burning activities. • Hydrant No. 02 (Kernel Station). Observations regarding simulation of fire emergency response facilities. • Boundary pole No 1, 4, 6. Observation related to legal boundary <p>Laras Estate (PT LIN)</p> <ul style="list-style-type: none"> • Replanting area Block E12 – E15. Observation related replanting mechanism with zero burning. • Riparian, Block A13, B11, and D05. Field observation related to conservation area and environment aspect. • HGU Pole No. 02, 03, 11, and 43. Observation related to legal boundary. • Buffer of Certification Scope and RaCP area. Observation related to traceability management. • Emplacement, Block E09. Observation and interview to resident related to domestic waste management, amenities sufficiency, complaint mechanism. • Nursery. Observation and interview related BMP, OHS and worker welfare. • Mixing Warehouse Laras B. Observation and interview related BMP, OHS, worker welfare and environment. • Rinse House Laras B. Observation and interview related BMP, OHS, worker welfare and environment. • Landfill Block G40 Laras B. Observation domestic waste management. • Manuring Block F30 Laras B. Observation and interview related BMP, OHS, worker welfare and environment. • Harvesting Block G40 Laras B. Observation and interview related BMP, OHS, worker welfare and environment.

	<ul style="list-style-type: none"> • Racking Block G30 Laras B. Observation and interview related BMP, OHS, worker welfare and environment. • Piezometer No. 11. Observation related peat management. • Subsidence Pole Block F29. Observation related peat management. • Racking. Block F22 and F23. Observations and interviews regarding agronomic aspects, employment aspects, and worker welfare aspects • Manuring. Block B15. Observation related best practices, OHS and worker welfare aspect • Harvesting. Block B12 and B13. Observation related best practices, OHS and worker welfare aspect • Landfill. Block D5. Observation relates domestic waste management • Subsidence pole number 04. Observation related best practices, OHS and worker welfare aspect • Barn Owl Box. Block C12. Observation related IPM • Sycanus Rearing. Observation related IPM
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA - 3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Andalas Agro Industri and PT Laras Internusa was held by:</p> <ul style="list-style-type: none"> • Public announcement in MUTU website on 07 November 2022 • Public consultation meeting with government institution of Pasaman Barat District and village representatives on 22 November 2022 • Public consultation meeting with internal stakeholders and contractor 22 November 2022 • Consultation with NGO (Sawit Watch, WALHI and WWF) via email on 11 November 2022
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) 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 Andalas Agro Industri POM – PT Andalas Agro Industri and PT Laras Internusa Subsidiary of TSH Resources Berhad operation consisting of one (1) mill and one (1) oil palm estate.

During the assessment, there were one (1) Nonconformities were assigned against Major and zero (0) Minor Compliance Indicator; no nonconformance(s) against supply chain requirement for CPO mill Andalas Agro Industri POM and five (5) opportunities for improvement were identified.

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

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has an SOP for Requests for External Information and Communication (No. ST-SOP07-05 Rev 05 dated 12 April 2022). The procedure describes open and transparent methods of communication and consultation with stakeholders, workers, growers, local communities or other affected parties. Community Development is responsible for communication and consultation, including outreach procedures and company policies. Requests for information must be answered by the company within 21 working days.</p> <p>The company also has management documents available to the public, including:</p> <ul style="list-style-type: none"> • Company use rights (location permits, plantation business permits, etc.) • Occupational health and safety (K3) plan • Social and environmental impact plans and assessments • HCV Documentation • Pollution prevention and prevention plans • Complaints and complaints • Continuous improvement plan • Human Rights Policy, etc <p>Based on this explanation, the company already has procedures related to requesting and providing information along with relevant documents that can be accessed by the public.</p>	
1.1.2	<p>The unit of certification can show evidence that information has been received in an appropriate form and language related to stakeholder engagement, company rights and obligations that have been conveyed to all relevant stakeholders, including:</p> <p><u>Compliance with Social and Environmental Regulations</u></p> <p><u>PT Andalas Agro Industri (PT AAI)</u></p>	

- Evidence of PT AAI POM's RKL-RPL Report for Semester 1, 2022 AAI unit which was reported to the Environmental Office of Pasaman Barat District and Sumatera Barat Province on July 26, 2022.
- Evidence of RKL-RPL and Hazardous Waste Management Report of PT AAI unit AAI POM Semester 1, 2022 which was reported to the Ministry of Environment and Forestry on 27 July 2022 with ID TTE 1658911057-12457.
- Evidence of Report on the Management of Hazardous Waste, Solid Waste and Liquid Waste of PT AAI unit AAI POM Quarter II, 2022 which was reported to the Environmental Office of Pasaman Barat District and Sumatera Barat Province on 26 July 2022.

PT Laras Internusa (PT LIN)

- Evidence of PT LIN's Laras Estate Unit RKL-RPL Report for Semester 1, 2022 which was reported to the Pasaman Barat District Environmental Service and Sumatera Barat Province on July 22, 2022.
- Evidence of the RKL-RPL and Hazardous Waste Management Report of PT LIN Laras Estate unit Semester 1, 2022 which was reported to the Ministry of Environment and Forestry on 28 July 2022 with ID TTE 1658963213-16882.
- Evidence of PT LIN's Hazardous Waste Management Report, Laras Estate unit, Quarter II, 2022, which was reported to the Environmental Office of Pasaman Barat District and Sumatera Barat Province on July 22, 2022.
- Evidence of a Biodiversity Monitoring Report for the 2022 period (monitoring activities will be carried out in February 2022) and has been reported to the BKSDA of Sumatera Barat Province on May 13, 2022.

Compliance with OHS Regulation:

- Proof of sending PT Andalas Agro Industri OHS Committee Report online for example for the third quarter of 2022 through the website: bit.ly/reportP2K3 on 7 October 2022
- Minutes of Handover of PT Laras Internusa's OHS Committee Report for the third quarter of 2022 to the Pasaman Barat District Manpower Office on 28 October 2022

Compliance with Legal Regulation:

- Investment Activity Report with number LK1618211 PT AAI dated 10 October 2022
- Investment Activity Report with number LK1618384 PT LIN dated 10 October 2022
- Report on the utilization of HGU to Pasaman Barat District BPN for the 2021 period January 10, 2022

Compliance with manpower Regulation:

The company already has information that can be accessed by multiple parties, including:

- Compulsory Employment Report of PT Andalas Agro Industri which was reported on 27 July 2022 and required to report back on 27 July 2023
- Compulsory report on Employment of PT Laras Internusa which was reported on 05 July 2022 and required to report back on 05 July 2023
- Report on the use of 2 foreign workers reported on June 15 2022 with document number 25/HRD/LIN/VI/2022 to the Head of Immigration Office Class II Non TPI Agam
- Report on the use of 1 foreign worker reported on November 14 2022 with document number No.40/HRD/LIN/X/2022 to the Head of Immigration Office Class II Non TPI Agam
- Report on the use of 2 foreign workers reported on June 15 2022 with document number No.40/HRD/LIN/X/2022 to the Head of Immigration Office Class II Non TPI Agam

1.1.3

The company has an SOP for Requests for External Information and Communication (No. ST-SOP07-05 Rev 05 dated 12 April 2022). The procedure describes open and transparent methods of communication and consultation with stakeholders, workers, growers, local communities or other affected parties. Community Development is responsible for communication and consulting, including dissemination of company policies and procedures. Requests for information must be answered by the company within 21 working days.

Companies can show records of information recording, for example the realization of the application letter sent by the Pasaman Barat Government on November 11 2021 regarding Pasaman Barat PS funding assistance.

1.1.4

The company has an SOP for Requests for External Information and Communication (No. ST-SOP07-05 Rev 05 dated 12 April 2022). The procedure describes open and transparent methods of communication and consultation with stakeholders, workers, growers, local communities or other affected parties. Community Development is responsible for communication and consulting, including dissemination of company policies and procedures. Requests for information must be answered by the company within 21 working days. SOP has been disseminated through pamphlets in unit offices.

Based on interviews with the Pasaman Barat District Office of Environment and Manpower, they already know how to communicate and consult with the company.

1.1.5

The company has a list of contact details and stakeholders, which consists of the names of stakeholders, addresses, contact persons and types of business fields and agencies which consist of:

- 18 Vendors and suppliers which include suppliers of goods needed by mills, including CV Apindo Teknik Jaya, CV Calindo Techno, PT Citra Musi Lestari, etc.
- 18 contractors including CV One Karya Mandiri, CV Cahaya Silpas, etc
- 2 factory contractors consisting of CV Blessing Jaya and CV Elok Bersama
- 7 traditional and village leaders including the Head of Jorong VI Koto Selatan, Head of Kinali Sub District, Wali Nagari linali, etc.
- 5 Government Agencies, including the Kinali Health Center, the Environment Agency, the Plantations Service, etc

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 human rights and responsible business policy no. ST-POL09-03 revision 03 dated January 2018. The policy explains that TSH understands and realizes the importance of protecting human rights and is fully committed to eliminating human rights violations and effectively managing issues that support human rights and the FPIC process and implementing practices business in an ethical and responsible manner. The policy also explains that the company respects reasonable business behavior and prohibits fraudulent use of funds and resources.

The company has conducted outreach regarding the code of ethics, for example based on the results of interviews with contractors it is known that contractors already have an understanding regarding the code of business ethics.

1.2.2

As one of the mechanisms for monitoring compliance with the implementation of the code of ethics, the company conducts internal audit activities, the implementation of which is contained in procedures including:

- Internal Audit Sustainability SOP number ST-SOP09-04 (revision 04) took effect in November 2017.
- Quality Management Daily Audit SOP number QT-SOP01-29 (revision 29) is valid in May 2017.

As evidence of monitoring a code of ethics, one of which is in the financial sector, the company has conducted a financial audit conducted by a Public Accounting Firm as contained in the financial audit report, for example the financial year as of 31 December 2021 as follows:

- PT Andalas Agro Industry Financial Audit Report No. 00708/2.1133/AU.1/01/0020-1/1/IV/2022 dated 4 April 2022 with fair opinion.
- PT Laras Internusa Financial Audit Report No. 00713/2.1133/AU.1/01/0020-1/1/IV/2022 dated 4 April 2022 with fair opinion.

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 AAI POM certification unit is under PT AAI, while for the plantation area it is under PT LIN. in fulfilling compliance, the company has complied with all relevant laws and regulations, namely by having the following documents:

Compliance with OHS and Best Management Practices Regulation:

- The company has used registered pesticides
- No use of invasive species for pest control
- Has carried out management of peatlands
- Carry out land management activities without burning
- Have personnel who have obtained a license or certificate according to the type of work
- Provide PPE to workers in accordance with the results of identification of sources of danger and risk control

Compliance with Legal Regulation:

HGU

The company already has a HGU area of 7,409 Ha with the following details:

- HGU No. 1 of 1995 for an area of 7,000 Ha issued on March 21, 1995 (In HGU Decree No. 37 of 1994 it is stated that the validity period is until December 31, 2029). Acquisition of this area is a take over from PT Tri Sangga Buana
- HGU Certificate No. 20 of 2009 for a land area of 136 Ha and the right valid until February 16, 2044
- HGU Certificate No. 19 of 2009 for a land area of 173 Ha is valid until 16 February 2044
- HGU Certificate No. 13 dated 29 November 1999 is valid until 29 November 2034 covering an area of 100 Ha and still in the name of PT Tri Sangga Buana. This area is still in the process of changing ownership to PT Laras Internusa and is not included in the current scope of certification)

HGB

- SK BPN no. 1/HGB/BPN/2004 concerning the granting of HGB a.n PT Andalas Agro Industry for land in the Pasaman Regency, Sumatera Barat Province covering an area of 28.1437 ha dated 8 January 2004 valid 30 years from the date of ratification.
- HGB certificate no. 4 ends September 24, 2034 for PT Andalas Agro Industri area of 281,437 m²/28,1437 ha

Thus the total HGU and HGB owned is 7,437.144 Ha. However, the scope of certification is an area of **6,315.784** Ha due there are areas that not included in the scope i.e :

- An area of 1,021.36 Ha consisting of community occupation areas (B30 up to B41, A30 up to A40, G41, G40, G40, G39, G38, G37, G36, G33, G32 H34 up to H40) and the RaCP area (G29, G20, G27, G26, G25, G24)
- Area 100 Ha in block (B14, B13, B12, B11, A14, A13, A12 and A11) HGU on name change process.

Compliance with manpower Regulation:

The company already has a document of Decree of the Governor of Sumatera Barat Number 562-889-2021 concerning the Minimum Wage for Sumatera Barat Province in 2022 which stipulates a wage of IDR 2,512,539

Compliance with Social and Environment Regulation:

PT Andalas Agro Industri (PT AAI)

- The company has environmental documents in the form of an Addendum to DPLH (Environmental Management Document) on behalf of PT AAI for the activities of the Palm Oil Processing Factory covering an area of **28.1437 Ha** with a capacity of **60 Tons of FFB/hour** which has been approved by the Pasaman Barat District Environmental Office Number 660/ 039/PENG.DPLH/2018 dated 16 May 2018. The addendum is related to the addition of Boilers, Turbines, Storage Tanks, WWTP Ponds, Road Repairs and Addition of Employee Houses located in Kinali Sub District, Pasaman Barat District.
- Based on the Addendum to the environmental document, the company has also obtained an Environmental Permit based on DPMPTSP Decree of Pasaman Barat District Number 503/15/DPMPTSP/V-2018 dated May 24 2018 for Palm Oil Processing Factory activities covering an area of **28.1437 Ha** with a capacity of **60 Tons FFB/ hours**.
- Hazardous and Toxic Waste Management Permit for PT AAI unit AAI POM based on DPMPTSP Pasaman Barat District Decree Number 503/05/IPLB3/DPMPTSP/X-2019 dated 7 October 2019 which is valid for 5 years from the date of stipulation, with the location being at the coordinates S 00° 03' 14.2" and E 99° 58' 24".
- Permit for Disposal of Liquid Waste to Water Bodies (IPLC) for PT AAI based on DPMPTSP Pasaman Barat District Decree number 503/04/DPMPTSP/II-2019 dated 20 February 2019 which is valid for 5 years from the date of stipulation.
- The company already has a Surface Water Utilization Permit for PT AAI unit based on the Sumatera Barat Provincial DPMPTSP Decree Number 611-06-2019 dated August 2 2019 and is valid for 10 years. The document contains provisions for a surface

water withdrawal quota of **14,400 m³/month** for 10 hours/day with 25 working days located on the Pisangutan River, Kinali Sub District, Pasaman Barat District.

PT Laras Internusa (PT LIN)

- The company already has environmental documents in the form of AMDAL, RKL and RPL documents for oil palm plantation activities covering an area of 11,050 Ha on behalf of PT Tri Sangga Guna (PT TSG) which have been approved by the Minister of Forestry and Plantation of the Republic of Indonesia based on Decree Number 121/Menhut-II /2000 December 21, 2000.
- Because the AMDAL document still uses the previous company's entity, PT LIN updated the environmental documents, namely in the form of the 2015 ANDAL, RKL and RPL documents for Oil Palm Plantation Activities covering an area of **11,318 Ha** on behalf of PT Laras Internusa (PT LIN).
- Based on the Addendum to the environmental document, the company has also obtained an Environmental Permit based on Decree of the District Head of Pasaman Barat Number 188.45/726/BU-PASBAR/2015 dated 13 August 2015. However, the Environmental Permit is only valid for an area of **7,000 Ha** referring to the HGU certificate No. 1 year 1995.
- Hazardous and Toxic Waste Management Permit for PT LIN Laras Estate unit based on DPMPTSP Decree of Pasaman Barat District Number 503/03/DPMPTSP/XI-2018 dated 30 November 2018 which is valid for 5 years from the date of stipulation, with a location located at coordinates S 00° 06 ' 19" and E 99° 54' 45".

Based on the licensing data above, it can be seen that there are HGU areas within the scope of certification that have not yet been included in the scope of the 2015 Environmental Permit, namely HGU No. 19 of 2009 covering an area of 173 Ha and HGU No. 20 of 2009 covering an area of 136 Ha. However, from an environmental perspective, the area was included in the 2000 AMDAL and 2015 ANDAL studies. In this regard, the company has made efforts to update the ANDAL document which can be demonstrated with some documented evidence, including:

- Letter Number 365/SK/WN.KNL/IX-2020 issued by the representative of Nagari Kinali on September 7 2020 concerning Recommendations for Approval of Spatial Suitability for the company's HGU area of 7,409 Ha which consists of HGU Number 1 of 1995 covering 7,000 Ha, HGU Number 19 of 2009 covering an area of 173 Ha, HGU Number 20 of 2009 covering an area of 136 Ha, and HGU Number 13 of 1999 covering an area of 100 Ha.
- Request for Recommendation for Space Utilization Permit Number 05/LIN-I/CD/2021 from PT Laras Internusa which was received on January 21, 2021 by the Regent of Pasaman Barat.
- Letter of Recommendation Number 04/REK/C.KNL/II/2021 issued by the Regent of Pasaman Barat on 3 February 2021 regarding the Recommendation for Permit for Management of Spatial Use to PT Laras Internusa.
- Minutes of the results of the Site Review conducted by the Pasaman Barat District Spatial Planning Coordination Team on February 9 2021. The results of the field survey show that companies are directed to attach administrative requirements (HGU certificates, SHM, conservation areas, etc.) to the Regional Spatial Planning Coordination Team Pasaman Barat District.
- Evidence of receipt from Head of Public Works and Spatial Planning Office of Pasaman Barat District dated 23 February 2021 regarding submission of HGU overlay maps, HGU certificates, HGU coordinates, IUP, plasma park year maps, PT LIN plasma maps and plasma MoU agreements with the company.
- Based on the results of field visits and document verification in points 4 and 5, information was obtained that there were Convertible Production Forest (HPK) areas, so that on March 10, 2021, the company sent a letter to the Director General of Forestry Planning and Environmental Management, Ministry of Environment and Forestry regarding the Affirmation of the Status of Forest Areas for the location of HGU Number 13 of 1999 where there is an area of 41.06 Ha that is included in the HPK according to the Appendix Map of SK Number 8089/MENLHK-PKTL/KHU/PLA-2/11/2018.
- Because they did not receive a response from the Ministry of Environment and Forestry, the company sent another letter dated July 20, 2022 Number 009/LIN/LGL-OL/VI/2022 to the Director General of Forestry Planning and Environmental Management, Ministry of Environment and Forestry regarding Application for Completion of Licensing in the Forestry Sector. Until the ASA-3 audit was conducted, the Ministry of Environment and Forestry had not yet responded to the letter.

Based on this, the company has the opportunity to ensure that the process of updating environmental assessment documents for the entire scope of PT LIN continues, and documents the entire process. **(OFI)**.

2.1.2

The company already has a list of regulations (law register) which are divided into the fields of Occupational Health and Safety, Environment, Labor, and Operational Legal. As stated in SOP No. ST-SOP09-04 Rev 4 dated November 2017 concerning Internal Audit Sustainability, among others, states that the evaluation period for compliance with regulations is once a year. Based on the

results of a document review, for example the evaluation of contractors for CV Cahaya Silpas, it is known that the evaluation carried out was not specific regarding the clauses for fulfilling legal compliance as stated in the work agreement for example fulfillment related to minimum wages, BPJS membership, PPE compliance, and the existence of work ties with employers.

In terms of implementation, third parties who have contracts are in the stage of fulfilling legal compliance, for example Wahyono as a fertilizer loading and unloading contractor with 4 members and has fulfilled the fulfillment of the minimum wage and BPJS Health membership. Meanwhile, BPJS Employment membership has not yet been registered. Similar information was also obtained from interviews with CV Anugerah Mandiri, which had not registered BPJS Employment for its members.

Based on this, the company has the opportunity to consistently evaluate legal compliance for all contracted third parties according to the principle of continuous improvement so that contracted third parties will eventually fulfill all the required legal compliance. **OFI**

2.1.3

The company has procedures for monitoring and maintaining the boundary stakes listed in the HGU SOP No. ST-SOP06-03 which explains several points including:

- HGU standards and benchmark sizes
- Maintenance of access to HGU stakes
- Monitoring HGU Stake Locations
- Stakes Repair
-

Some of the important points contained in the SOP include monitoring the HGU every once a month and if there is a stake that is missing or damaged it must be repaired within a maximum of 30 days. Based on the monitoring results of the HGU stakes which were last implemented in October 2022, it is known that there are 59 stakes throughout PT LIN operational area. Of these, 4 of them are in the occupation area while the rest are in good condition. In addition to the HGU stake, PT AAI also monitors the HGB stake. The results of monitoring of the stakes in November 2022 revealed that there were 6 HGB stakes and all were in good condition.

Based on the results of field visits to HGU stakes Nos 02, 03, 11 and 43, it was found that the stakes were in good condition according to the monitoring results.

	Status: Comply	
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2.2

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

2.2.1

The company already has a list of contractors that work with the company, namely:

- 18 Vendors and suppliers which include suppliers of goods needed by factories, including CV Apindo Teknik Jaya, CV Calindo Techno, PT Citra Musi Lestari, etc.
- 18 contractors including CV One Karya Mandiri, CV Cahaya Silpas, etc
- 2 mill contractors consisting of CV Berkas Jaya and CV Elok Bersama

2.2.2

The company already has a cooperation agreement document, for example with CV Cahaya Silpas which is engaged in the transportation of FFB with agreement number 126/SPK-LIN/B/CV.CS/X/2022 made on 01 September 2022.

The SPK with contractors has explained compliance with applicable laws, such as:

- The second party is obliged to provide wages to their employees in accordance with the UMSK that applies in the Regency
- Second parties are required to register their employees for BPJS Employment and BPJS Health
- The second party is prohibited from employing children under 18 years of age, forced labour and workers from human trafficking
- The second party is obliged to provide PPE to all of its employees and requires all of its employees to wear PPE while working.

From the results of interviews with CV Cahaya Silpas, it was found that the remuneration given to employees had followed the UMK of Pasaman Barat District and working employees had been given BPJS Employment and Health.

2.2.3

The company has an equal opportunity and discrimination document in October 2015 which explains, among others:

- TSH Resources Berhad strictly prohibits discrimination against anyone based on age, race, caste, nationality, religion, physical disability, gender, sexual orientation, organizational membership, political affiliation or social status.
- Not tolerating any form of discrimination based on age, race, caste, nationality, religion, gender, etc
- Ensuring all employees within the company are treated without discrimination
- Comply with national anti-discrimination laws and provide equal opportunity, etc

The company can also show the work agreement document with the contractor number 111/SPK-LIN.B/CV/IX/2022 which was made on August 1, 2022 and in article 10 of Labor and Wages which explains that in accordance with the regulations issued by the RSPO, that the second party is prohibited from employing children under 18 years of age, forced labor, and workers from human trafficking.

Status: Comply

2.3

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

2.3.1

The FFB received by AAI POM comes from PT Laras Internusa which is a certified area and KUD MLKS which is a plasma plantation from PT Laras Internusa (uncertified area). The data regarding the MLKS Cooperative

- Geolocation: 0°08'07.4"S 99°48'06.4"E
- Cadastral document for the area Manage cooperatives
- Deed of Establishment of KUD MLKS

Another uncertified source is the RaCP area which is part of PT Laras Internusa but has not yet been included in the scope of certification.

2.3.2

In accordance with the explanation from party 2.3.1, the company does not accept FFB from other third parties.

Status: Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE
3.1

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

3.1.1

The company shows PT AAI & PT LIN including scheme smallholders long-term budget documents for the period 2021 - 2027 which informs CPO revenues, PK revenues, empty shell & EFB, Cost of FFB, Cost of sales, gross profit, loss before taxation, loss after taxation, FFB purchased (MT), processed FFB (MT), Processing capacity / hour, percent of capacity, CPO Production, OER (%), PK Production, KER (%), CPO Price / MT, PK Price / MT and FFB Price / MT. For example, projection for 2022 – 2024 briefly as follows:

Description	2022	2023	2024
Own Estate FFB Production (MT)	148,574	156,003	163,803
Smallholders FFB Production (MT)	4,698	4,933	5,179
FFB Process (MT)	162,646	148,207	150,000
OER (%)	21.50	21.50	21.50
KER (%)	4.50	4.50	4.50
CPO Production (MT)	34,969	31,865	32,250
Palm Kernel Production (MT)	7,319	6,669	6,750

3.1.2

Companies can show a replanting plan document that is reviewed annually. The replanting program shown for the period 2021 – 2026

is briefly as follows:

Description	2021	2022	2023	2024	2025	2026
Program (Ha)	126.32	385.22	350.90	446.23	362.67	437.75
Realization (Ha)	124.79	209.43	0.00	0.00	0.00	0.00

3.1.3

Based on the results of interviews with management representatives, it was stated that management review activities are carried out once a year. Companies can show records of management reviews, for example:

- Management Review Minutes of PT Laras Internusa in 2021 which was held on January 17, 2022 which among other things discussed related to:
 - 2021 program review
 - Review of RSPO ASA-2 and Internal Audit Sustainability audit results
 - K3 program performance review
 - Review of environmental management and handling performance
 - Review of social activities
 - Best Management Practices
 - Continuous improvement recommendations
- Minutes of Management Review of PT Andalas Agro Industry in 2021 which was held on January 11, 2022, which among other things discussed related to:
 - Review of RSPO ASA-2 and Internal Audit Sustainability audit results
 - OHS program performance review
 - Review of environmental management and handling performance
 - Review of social activities
 - Best Management Practices
 - Continuous improvement recommendations

Status: Comply

3.2

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

3.2.1

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

Social and Environmental Aspect

- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable energy accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.
- Green House Gas Management and using land clearing with mechanical and zero-burning policy.
- Drilling wells to meet the needs of clean water provided for each emplacement.

Best Management Practices Aspect:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.

- Conducting water management on peat.

3.2.2

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

Name of RSPO Member	: TSH RESOURCES BERHAD
RSPO Membership Number	: 101731400000.00
Name of Certified Unit	: Andalas Agro Industri POM
Name of Certification Body	: Mutu International
RSPO PalmTrace ID Number	: RSPO_PO1000004340
Number of Mills	: 1
Number of Estates	: 1
Production Area (ha) - Estate	: 5,084
Certified Area (ha) - Estate	: 6,316
High Conservation Value (HCV) Area (ha)	: 0
Peatlands - Planted (ha)	: 5,658
Peatlands - Unplanted (ha)	: 182
Freshwater Usage per PO produced tonne	: 5.25

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Based on document review and interviews with management, it is known that up to the implementation of the RSPO ASA-3 activities, there have been no changes to the procedures owned by the company. The company has sets of procedures for oil palm cultivation and palm oil processing which are available in the Indonesian language. Procedures for oil palm cultivation include land clearing, water and soil conservation, integrated pest management, plant keeping, harvesting and transportation while procedures for palm oil processing include FFB receipts, FFB grading, FFB processing, and CPO quality sampling.

Based on the results of field visits and interviews with workers, for example fertilizing activities, harvesting activities and St. Boilers, it is known that workers can explain the work process flow in their respective parts.

3.3.2

As one of the mechanisms for consistently checking the implementation of procedures, the company carries out internal audit activities whose implementation is contained in procedures including:

- Internal Audit Sustainability SOP number ST-SOP09-04 (revision 04) took effect in November 2017.
- Quality Management Daily Audit SOP number QT-SOP01-29 (revision 29) is valid in May 2017.

In addition, related to the work carried out by the contractor, an inspection is carried out every time a payment is submitted or when submitting the Minutes of Work Implementation.

3.3.3

Companies can show records of monitoring and follow-up of non-conformances that arise, for example:

- RSPO Internal Audit Report which was carried out April 5 – 8 2022. Based on the report, a total of 13 non-conformances were found, all of which had been fulfilled and accompanied by evidence of compliance.
- Monthly Report Quality Management of PT Laras Internusa (Laras A and Laras B) which informs issues that arise from operational activities including: harvesting, manuring, weeding, nursery, land clearing, supply, ablation, and sanitation.

Status: Comply

3.4

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

3.4.1

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

Environmental Impact Assessment (EIA)

The AAI POM certification unit is under PT AAI and Laras Estate is under PT LIN, the company already has an Environmental Impact Assessment (EIA) document that covers all areas included in the scope of certification and can be proven based on the following documents:

PT Andalas Agro Industri (PT AAI)

- The company has environmental documents in the form of an Addendum to DPLH (Environmental Management Document) on behalf of PT AAI for the activities of the Palm Oil Processing Factory covering an area of 28.1437 Ha with a capacity of 60 Tons of FFB/hour which has been approved by the Pasaman Barat District Environmental Office Number 660/ 039/PENG.DPLH/2018 dated 16 May 2018. The addendum is related to the addition of Boilers, Turbines, Storage Tanks, WWTP Ponds, Road Repairs and Addition of Employee Houses located in Kinali Sub District, Pasaman Barat District.
- Based on the Addendum to the environmental document, the company has also obtained an Environmental Permit based on DPMPTSP Decree of Pasaman Barat District Number 503/15/DPMPTSP/V-2018 dated May 24 2018 for Palm Oil Processing Factory activities covering an area of 28.1437 Ha with a capacity of 60 Tons FFB/hours.

PT Laras Internusa (PT LIN)

- The company already has environmental documents in the form of AMDAL, RKL and RPL documents for oil palm plantation activities covering an area of 11,050 Ha on behalf of PT Tri Sangga Guna (PT TSG) which have been approved by the Minister of Forestry and Plantation of the Republic of Indonesia based on Decree Number 121/Menhut-II /2000 December 21, 2000.
- Because the AMDAL document still uses the previous company's entity, PT LIN updated the environmental documents, namely in the form of the 2015 ANDAL, RKL and RPL documents for oil palm plantation activities covering an area of 11,318 hectares on behalf of PT Laras Internusa (PT LIN).
- Based on the Addendum to the environmental document, the company has also obtained an Environmental Permit based on Decree of the Regent of Pasaman Barat Number 188.45/726/BU-PASBAR/2015 dated 13 August 2015. However, the Environmental Permit is only valid for an area of 7,000 Ha referring to the HGU certificate No. 1 year 1995.
- Based on the licensing data above, it can be seen that there are PT LIN's HGU areas within the scope of certification that have not yet been included in the scope of the 2015 Environmental Permit, namely HGU No. 19 of 2009 covering an area of 173 Ha and HGU No. 20 of 2009 covering an area of 136 Ha. However, from an environmental perspective, this area was included in the 2000 AMDAL and 2015 ANDAL studies. In this regard, the company has made efforts to update the ANDAL document in 2020 as described in indicator 2.1.1.

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

Social Impact Assessment (SIA)

The company already has social impact identification documents, namely the Identification Study of Social Impacts on Palm Oil Plantations and Mills (SIA) of PT AAI and PT LIN, in 2017. The studies were conducted on 7-11 March 2014 and 16-18 November 2015, and revision on 1- 3 February 2017 by Malaysian Environmental Consultants Sdn Bhd involving affected parties as evidenced based on socialization meeting / Public Consultation of Social Impact Assessment (SIA), 19 November 2015 in the Hall of Kinali Sub District consisting of representatives from the surrounding Villages and Districts, community leaders, government district as well as company representatives. Evidence of community involvement in the form of a list of attendees, photos of implementation and a sample attached questionnaire are included in the SIA document. The assessment method was carried out using a list of questionnaires that had been prepared through an interview system and measurable data collection.

The SIA study explains the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and culture of the communities in the villages around the company, environmental management

efforts in the social, economic and cultural fields as well as perceptions community about the existence and benefits of PT AAI and PT LIN. A social impact assessment is included as part of a complement to all environmental impact assessments. Participatory evidence with affected parties is shown in the form of attendance at the FGD meetings and photographs during interviews. The report also contains a matrix of the Social Management Plan and Social Monitoring Plan which contains recommendations for the management of identified social impacts.

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

3.4.2

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

Environmental Impact Assessment (EIA)

Based on the results of PT AAI and PT LIN's RKL-RPL document verification for Semester 1 of 2022, it can be concluded that all management and monitoring parameters requested in the environmental document matrix have been implemented. The unit of certification has also evaluated each parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes trend evaluation, critical level evaluation, and compliance evaluation. Based on the evaluation results it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations show no indication of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the suitability between the management and monitoring plan and its implementation in the field. Several things can be concluded from the results of the RKL-RPL document review Semester 1 of 2022, including:

- There is no test result value above the quality standard for POME discharged into the river.
- There is no test result value above the quality standard for emission, air quality and ambient parameters.
- There is no significant lowering of the peat water level.
- Improving outreach and monitoring to prevent occupation of protected area areas.
- Utilizing palm oil mill solid waste as a substitute for fertilizers and fossil fuels.
- Community Development activities for recruiting local people as employees are considered quite effective in avoiding social conflicts and controlling community unrest.

Based on the results of field observations in the EFB storage area, WWTP area and Water Intake area as well as the conservation area, there was no indication or potential for environmental pollution from the company's activities. The results of interviews with the community around the company also stated that they did not feel any environmental impact related to the company's operational activities. The company has also carried out environmental management in accordance with the RKL-RPL by installing signboards for conservation areas, prohibiting land burning, planting local plants on canal borders and so on. Based on the results of interviews with sprayer and fertilizing officers, they also stated that they were aware of the ban on the use of chemicals in locations close to water sources such as canals, reservoirs or artificial ponds.

The unit of certification has also prepared an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to relevant agencies, for example the 2022 RKL-RPL Report for Semester 1 which was sent to the Pasaman Barat District Environmental Service with proof of receipt dated 22 July 2022 (PT LIN) and 26 July 2022 (PT AAI) which is equipped with a stamp, signature and name of the recipient as well as proof of document delivery note. Based on the results of interviews with the Environmental Service regarding reporting on the implementation of the RKL-RPL, the unit of certification routinely conducts this and until the time the audit was conducted there were no complaints or conflicts related to the environment from NGOs or local communities around the company.

Social Impact Assessment (SIA)

The 2017 SIA review document is used as a guide in preparing the social impact management program which is updated every 2 years, the company updates the SIA review every 2 years as was done in 2019 and the latest update is based on the Social Impact Assessment Report document (SIA) Upgrade Version 2022. The review was conducted by the same external party as previous SIA studies. The document contains a number of social programs, including regular social assistance for surrounding communities, economic improvement through cooperation with companies, opening job vacancies, and increasing welfare through community empowerment programs. Program planning is carried out based on the results of the Focus Group Discussion on 5 – 10 February 2022 for the scope of internal and external stakeholders including the village community around the company. The results of potential and risk analysis with documentary evidence and absences are attached in the minutes. The program is a general plan that will be implemented by the company based on an analysis of stakeholder needs and mapping of stakeholders who are directly or indirectly related to the company. Thus, the planned program is directed as much as possible to strengthen the company's relationship, communication and cooperation with all stakeholders.

The Company also evaluates the Management Plan annually to monitor the progress of program management, for example if there are programs that need to be discontinued, continued or added. The evaluation of the management plan refers to the 2021 Social Impact Management results document, the evaluation activity is also a reference in preparing the 2022 program. listed in the 2021 Social Impact Management Plan have been implemented. The document also includes social programs to avoid/mitigate negative social impacts, partnership programs for farmers, human rights, CSR programs, gender equality, education and public health. There were no new impacts identified by the company, so for the 2022 period it will continue all programs that have been determined in the previous year. However, regarding tenure issues that occur within the company's operational area, this has occurred since PT LIN acquired the area and until now there has been no additional area of the occupied area.

Interviews with worker representatives also stated that there was no form of discrimination against workers, no underage workers were found, the company had also fulfilled the rights of its employees, several important facilities for employees had been provided by the company such as housing, water, electricity, places of worship, facilities educational infrastructure (schools), and other facilities although there are some differences in perceptions between companies and workers which will be explained in more detail in indicator 3.4.3. The company also allocates resources for the maintenance of all facilities. The informants also stated that they could voice their views through their own representative institutions or the spokesperson they chose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans.

3.4.3

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

Environmental Impact Assessment (EIA)

The company involves the Department of Environment and the Ministry of Environment and Forestry to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents which are sent every certain period which can be proven in indicator 1.1.2. The company also does not block all environmental agencies from entering if they are going to carry out field verification in their management area. It aims to obtain advice and advice in carrying out environmental management in accordance with the government's vision, mission and programs so that they can run synergistically. This can be proven based on the results of interviews with the Pasaman Barat District Environmental Service which conducted a field visit around July 2022 to carry out periodic monitoring. Monitoring and updating related to the management of environmental impacts is also carried out simultaneously with the evaluation of HCV management which is explained in more detail in indicator 7.12.4. But in general, all recommendations from the evaluation of HCV management which are carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

Social Impact Assessment (SIA)

Based on the analysis of the 2022 Upgrade Version of the Social Impact Assessment Report (SIA) document, the social impacts in this assessment are divided into social impacts, economic impacts and environmental impacts. The social impact assessment is carried out based on the perceptions of community representatives in the assessment location that represent the community. the company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts both on the external and internal levels, and so on as explained in indicator 3.4.2. The company conducts annual evaluations to align data collection related to public perceptions regarding the

Management Plan SIA and adjust it to the latest requirements according to conditions in the field.

The 2022 SIA assessment was carried out on 5 – 10 February 2022 which also aims to review social impact management for the 2020 - 2021 period and develop a social management plan for the 2022 – 2024 period. The process has been participatory involving relevant stakeholders. In the review activity, the company applied the 7 RSPO principles regarding socially and environmentally responsible development of plantations with reference to the Free, Prior, Informed and Consent (FPIC) Principles. The FPIC principle that forms the basis of the company in carrying out the process of developing oil palm plantations includes involving representatives of women, village heads, land owners around the company area, independent smallholders, and all affected parties. The document also contains recommendations and plans for implementing activities in overcoming social issues that need to be carried out by PT. LIN and factory PT. AAI, among others:

- Thoroughly investigate the individuals who indicated acts of corruption (money deposited through workers' accounts and wages deposited with permanent workers) at PT. LIN.
- Reviewing the wage system for harvest workers and ensuring workers receive the provincial minimum wage.
- Provide free PPE and work equipment to workers and replace the equipment if it is damaged or not fit for use according to evidence without having to wait for it to expire.
- Providing safe drinking water for workers free of charge.
- Providing clean water for bathing and washing in all workers' housing and providing rainwater collection in workers' housing.
- Renovating workers' housing to make it livable and ensuring sanitation in workers' housing and free of pet cages.
- The company immediately facilitates plasma cooperatives to obtain HGU immediately.
- Do not employ casual daily workers or entrusted workers or make them permanent workers.
- The company immediately disseminates company regulations to workers.

Based on the verification results of the 2022 SIA management results documents and records of social management activities for 2022, it can be shown that some of these recommendations have been implemented by the company. However, in the process not all of them have been completely resolved so that during the ASA-3 audit activities carried out there were still some of these issues. Based on the results of field observations and interviews with stakeholders, some information regarding the above issues was obtained, including:

- The company already has a gender committee, but based on the results of interviews with workers, they stated that they did not know about the Gender Committee, even though the workers already knew the lines of communication and complaints when there were cases of harassment and others.
- The company has allocated 1,000 hectares of land for plasma development, but in reality, not all of these areas have been built up with plasma. The results of interviews with cooperative management stated that they were ready, but the company had not been able to make it happen. Meanwhile, based on the results of interviews with the management, it was stated that the company had committed to building plasma but due to several obstacles such as inundated land areas, internal cooperative conflicts, and land occupation, construction was difficult. The company can also show evidence that ±281 Ha of plasma has been built as well as justification and evidence of the constraints faced. The identification of the auditors concluded that there were differences in understanding regarding the plasma development process which could have long-term impacts if not immediately mitigated.
- The results of interviews with traditional leaders and management stated that there was a community FFB sale and purchase agreement in 2020. However, until the time the audit was conducted, the sale and purchase activities had not been realized due to several considerations. This had led to a conflict in closing PT AAI's factory access in 2020. The company has been able to resolve the conflict but there are still potential negative social impacts in the future.
- Based on the results of the interviews, information was obtained that there was a garbage disposal area around the Laras B housing complex which had an impact on smell and lots of mosquitoes. However, based on the results of field observations, information was obtained that the company already has a Final Waste Disposal Site (TPSA) which is located quite far from the Laras B residential area, the company has also provided temporary trash bins in each house which are transported weekly to TPSA. This indicates that workers are not aware of the existence of TPSA, so they still dispose of domestic waste around the housing.
- Based on the results of interviews with harvesters, it was stated that the presence of livestock (cows) had an impact on reduced worker productivity caused by damaged access to harvests due to the passage of cows. The results of interviews with management stated that they had carried out management of livestock (cattle) that entered the operational area by outreach to livestock owners and prohibiting the entry of livestock in certain areas. However, the results of field observations show that there

are still many cattle in the company's operational areas which indicate that management activities have not been effective and have the potential to cause negative social impacts in the future.

- The results of interviews with all samples of harvesters stated that they had never received a Top-Up, besides that workers also demanded that rice be given to workers who did not enter with a permit. However, the results of interviews and verification of documents show that the company has provided Top-Up and related to the provision of rice it does not include wages but gifts for workers who work full time for one month (without being absent for any reason). This shows that there are differences in perceptions between management and workers.

Based on the identification of all the issues above, it was concluded that the provision of information was not comprehensive enough to cause social issues that have the potential for negative social impacts for the company and stakeholders in the long term. Therefore, companies are encouraged to establish more comprehensive communications so that all information conveyed can be properly and comprehensively received and no misunderstandings occur, so that they can mitigate and anticipate all of these issues. **OFI.**

3.4.3	Status: Comply
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3.5

A system for managing human resources is in place.

The company already has employment procedures, including:

Recruitment procedures established in 2019:

- In general, recruitment costs borne by the company consist of transportation costs, medical check-ups, meals while on the trip, including household expenses in accordance with company policy
- Each prospective employee who will be accepted must meet the qualifications determined in accordance with the position applied for and be over 18 years of age

Remuneration

- Checkroll employee wages are paid once a month, namely the first Sunday of the following month or no later than the 10th of the following month
- Payment of wages is made by transfer to each worker's bank account
- The bank used is following the bank determined by the company

Overtime work (wages structure, benefits and employee remuneration)

- In addition to compensation for regular working hours, employees are given compensation for overtime hours based on the provisions of the overtime rate in the stipulated labor regulations
- Calculation of overtime pay if overtime work is carried out on weekly rest days or official holidays
- Employees must obtain approval for overtime work

Job Performance Assessment

- HRD informs relevant leaders about the implementation of an annual routine performance appraisal and also distributes it.
- The employee's direct supervisor then fills out the appraisal form, with the approval of the Manager/Senior Manager

Position Promotion approved on 27 April 2020:

- Employees have good work performance, which can be seen from the results of work performance appraisal
- Employees have good work discipline and attendance
- Willing and able to follow and implement all company policies, systems and procedures as well as company regulations

The company can also show the implementation of its employment procedures, for example, there is a job vacancy with number 001/PT.AAI/HRD/III/2022 which informs about recruitment for general workers with the condition that they must be 18 years old and the recruitment process fee is free of charge.

In addition, based on the results of interviews with unions, the company does not charge recruitment fees to workers in the company.

3.5.2

The company has kept employee data documentation. For employee recruitment, the steps for recruitment are a job application letter,

CV, copy of identity card, and supporting documents such as certificates, diplomas, and transcripts. The company shows employee track record documents kept in each unit (factory and plantation)

Companies can also show employee recruitment documents, including work agreement documents with number 71/PKWT/HRD/PT.LIN/B/IX/2022 with employee initials DH for the Upkeep job position made on September 5, 2022 and companies can also show documentation recruitment such as CVs, job applications, ID cards, assessment results and the results of the employee's medical examination.

From the results of interviews with workers and trade unions it is known that the employment procedures have been carried out by the company in accordance with applicable regulations. Employees also know about work procedures such as termination, retirement or promotion.

Based on this explanation, it can be seen that the company has provided equal rights to employees in accordance with applicable laws and regulations.

Status: Comply

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

3.6.1
Companies can show documents regarding Hazard Source Identification, Risk Assessment and Control of TSH Group PT Andalas Agro Industri (Mill) and PT Laras Internusa (Estate) for the period January - December 2022. These documents provide information regarding the type of activity, potential hazards, OHS risks, risk assessment prior to controlled (opportunities and consequences), type of risk control, risk assessment after being controlled (opportunities, consequences, level of risk) and person in charge.

Based on the results of field visits and interviews, for example with workers at the Mill in the boiler area, it is known that workers have used PPE as required and have knowledge regarding the sources of danger in their work area.

3.6.2
The company demonstrates monitoring of the effectiveness of the OHS plan in dealing with health & safety risks including:

- Report on the results of the Occupational Health Check Up (Medical Check Up) of PT Andalas Agro Industry dated November 14, 2022 which includes Physical Examination (106 workers), Spirometry (76 workers) and Audiometry (72 workers). Based on the MCU report, it was found that 4 workers had hypertension but on special examinations (Audiometry and Spirometry) all of them got normal results.
- PT Laras Internusa's OHS Committee meeting minutes September 13, 2022 which briefly discussed the evaluation of work accidents in August 2022 and submissions regarding the use of PPE.
- Minutes of PT Andalas Agro Industri's OHS Committee meeting on September 12, 2022 which briefly discussed checking emergency response facilities (first aid kits, fire extinguisher, hydrants), firefighting simulations, routine signboard monitoring, etc.

Status: Comply

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

3.7.1
The company has indicated a Training Program for each unit in 2022. The training also includes parties who need training such as staff, workers and contractors. The sustainability team and the HR department are responsible for the development of training program scheduling and training implementation. The training program document informs the type of training, plan/schedule and attendance. The 2022 training program includes work instructions such as:

- Emergency response procedures
- Supply Chain certification training
- Work instructions at the loading ramp station
- Work instructions at the clarification station
- etc

Companies can also show minutes of training implementation such as safety induction for guests and contractors before carrying out work at PT Andalas Agro Industry on June 14, 2022.

Based on this explanation, the company already has a training program that can be accessed by all staff and stakeholders.

3.7.2

The company has indicated a Training Program for each unit in 2022. The training also includes parties who need training such as staff, workers and contractors. The sustainability team and the HR department are responsible for the development of training program scheduling and training implementation. The training program document informs the type of training, plan/schedule and attendance. The 2022 training program includes work instructions such as:

- Emergency response procedures
- Supply Chain certification training
- Work instructions at the loading ramp station
- Work instructions at the clarification station
- etc

Companies can also show minutes of training implementation such as safety induction for guests and contractors before carrying out work at PT Andalas Agro Industry on June 14, 2022.

Based on this explanation, the company already has a training program that can be accessed by all staff and stakeholders.

3.7.3

The training program period of 2022 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2022 was conducted in June 2022. The training was subjected to RSPO SCC System. Training attended by relevant personnel in mill and estate. The personnel who involved training from mill are production clerk, weighbridge clerk, security, assistant, and other relevant staff, furthermore the participants from estate are harvesting supervisor, field assistant, head of administration, transportation clerk, harvesting clerk, production clerk and other staff.

Based on interviews with the workers involved in SCCS operations, such as security (for FFB receiving verification), weighbridge operator (for dividing the amount of certified and uncertified sourced), and Administration Head (for recording and monitoring the MB data), knowing that the workers understood the SCCS mechanism, and the MB record has conducted and monitored well. Furthermore, based on interview with field assistant, production clerk and other estate staff they also have an understanding related to RSPO including the certified and non-certified area as well as adding stamp 'FFB certified' in consignment letter of FFB from certified area.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

The module used is Mass Balance because AAI POM processes FFB from certified and uncertified sources

3.8.3

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

Product	Estimate Production period of March 06, 2022 – February 05, 2023	Actual Production (MT) of previous audit March – October 2022	Estimate Production for 12 month (MT)
FFB	143,000	89,211.07	130,000
CSPO	30,000	18,712.33	32,500
CSPK	6,500	3,905.68	6,500

3.8.4

Andalas Agro Industri POM has meet the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO

member and on RSPO IT Platform:

License ID	CB129321
Member Name	TSH Resources BHD – Andalas Agro Industri POM, PT AAI
Member ID	RSPO_PO1000004340
RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)
Start date	06/03/2022
End date	05/02/2023

3.8.5

The company has procedures related to supply chain implementation in the document Standard Operating Procedures for Supply Chain – Mass Balancing (No. Doc. ST-SOP19-03, Revision 03 dated 4 October 2021). The document provides information about the SCCS supply chain system, including:

- Procedures for implementing the supply chain model (IP, SG or MB).
- Recording of product shipments and receipts.
- Roles and responsibilities of each personnel.
- Explanation of product information (name of seller/buyer, date of loading, supply chain model, unique identification number, number of products and also product description).
- SCCS training for all relevant staff which is conducted once a year.
- Document retention period of at least 2 years.
- Procedures also require that all use of RSPO trademarks and claims must comply with RSPO rules on marketing communications and claims requirements.
- The use of palm trace by the Department of Sustainability in the process of announcing certified product shipments.
- Regarding product sales through other schemes or conventionally, it must be removed from the RSPO IT facility.
- SCCS internal audit is conducted once a year by the Sustainability Department
- In the MB supply chain model, input and output quantities of RSPO palm oil products are balanced over a fixed inventory period not exceeding 3 months.
- Complaint handling mechanisms and product review management.

The company procedures refer to the latest RSPO provisions, namely the RSPO Supply Chain Certification System revised 1st February 2020.

3.8.6

The procedure to conduct supply chain internal audit already set in Standard Operational Procedures for Supply Chain – Mass Balance (No. Doc. ST-SOP19-03, Revision 03 dated 4 October 2021). Where, internal audits related to the implementation of SCCS are carried out once a year by the sustainability department. Internal audit addresses all audit findings and discrepancies related to SCCS. A summary of audit results should be submitted for management review. As evidence that the SCCS audit report is the basis for discussion in the management review. Management Review of RSPO SCCS implementation conducted on 17 January 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement

3.8.7

Product	Estimate Production period of March 06, 2022 – February 05, 2023	Actual Production (MT) of previous audit March 22 – October 2022
FFB	143,000	89,211.07
CSPO	30,000	18,712.33
CSPK	6,500	3,905.68

Based on the tabel known there is no over production of certified product compared to the quota. for handling non-conforming oil palm products, has been set in Standard Operating Procedures for Supply Chain – Mass Balancing (No. Doc. ST-SOP19-03, Revision 03 dated 4 October 2021).

3.8.8

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

Despatch period (MT) (March - October 2022)	
CSPO sold under RSPO Scheme	-
CSPO sold under other scheme	-
CSPO sold as conventional	18,397.52
CSPK sold under RSPO Scheme	3,261.45
CSPK sold under other scheme	-
CSPK sold as conventional	761.96

Product	Actual Production (MT) of previous audit March – October 2022
FFB	89,211.07
CSPO	18,712.33
CSPK	3,905.68

*Opening stock CSPO are 470.24 MT

*Opening stock CSPK are 283.93 MT

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include TR-a60acd49-8a3d dated July 05, 2022 with buyer reference number 025/DO-PK/AAI/UIP/VI/22 for CSPK with volume 100 MT

3.8.9; 3.8.10; 3.8.11

The company does not outsource the entire production process for certified products. The transport of certified products is carried out directly by the buyer (PT Usaha Inti Padang)

3.8.12

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

- FFB**

March - October 2022 : 89,211.07 MT

- CSPO**

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total	Stok CPO	
	Cert	Non Cert		RSPO	Other scheme	Non Cert		Certified	Non Certified
Mar to Oct 2022	18,712.33	2,262.27	20,974.60	--	-	18,397.52	18,397.52	785.05	-

*Opening stock CSPO are 470.24 MT

- CSPK**

Period	CSPK production (MT)		Total	Cert PK Dispatch (MT)			Total	Stok PK	
	Cert	Non Cert		RSPO	Other scheme	Non Cert		Certified	Non Certified
Mar to Oct 2022	3,905.68	474.44	4,380.41	3,261.45	-	761.96	4,023.41	166.20	-

*Opening stock CSPK are 283.93 MT

Based on the mass balance calculation, it is known that:

- CSPO production is 18,712.33 MT and sold as RSPO non certified 18,387.52 53 so that CSPO stock is 785.05 Mt (There is an opening stock from previous license)

- CSPK production is 3,905.68 MT and sold as RSPO product amounting to 3,261.45 MT and as non RSPO certified with amount 761.96 MT so that CSPK stock is 166.20 MT

3.8.13 & 3.8.14

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

3.8.15

SCSS module used in PT AAI Mass Balance (MB), because the mill receives FFB from the certified sources and uncertified

3.8.16

AAI POM during the current license period (March – Oct 2022) performs the following transactions :

- CSPO production is 18,712.33 MT and sold as RSPO non certified 18,387.52 53 so that CSPO stock is 785.05 Mt (There is an opening stock from previous license)
- CSPK production is 3,905.68 MT and sold as RSPO product amounting to 3,261.45 MT and as non RSPO certified with amount 761.96 MT so that CSPK stock is 166.20 MT

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

Stock Transactions

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-2522d835-fa89	09-05-2022	CSPO	Mass Balance	Credit Allocation	2.088
ST-TR-44c4c3de-84e5	25-04-2022	CSPO	Mass Balance	Credit Allocation	2.144
ST-TR-73c3ea54-2912	14-10-2022	CSPO	Mass Balance	Credit Allocation	2.529

ST-TR-7db116a4-32a9	14-11-2022	CSPO	Mass Balance	Credit Allocation	2.100
ST-TR-88640433-ca32	11-05-2022	CSPO	Mass Balance	Credit Allocation	4.000
ST-TR-8fb327-62d6	05-07-2022	CSPO	Mass Balance	Credit Allocation	395
ST-TR-973da57e-ca2f	12-09-2022	CSPO	Mass Balance	Credit Allocation	2.903
ST-TR-9daa33d4-9461	16-03-2022	CSPO	Mass Balance	Credit Allocation	5.258
ST-TR-a5bae66c-cc08	07-12-2022	CSPO	Mass Balance	Credit Allocation	1.825
ST-TR-b83c86ca-981d	15-12-2022	CSPO	Mass Balance	Credit Allocation	236
ST-TR-e1771332-5d3a	03-08-2022	CSPO	Mass Balance	Credit Allocation	2.527

*Volume in MT

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example Transaction TR-a60acd49-8a3d dated July 05, 2022 for CSPK with volume 100 MT and the shipping date is 20 July 2022.

3.8.17

The company has made claim of RSPO certified product in the off product such as WB ticket, salescontract, and delivery order and its has been meet with RSPO marketing and communication

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

The company have Policy of Human Rights and Business Ethics (No. ST-POL09-03 Rev 03 dated January 2018), set the protection of human rights, and committed to removing human rights violations.

Based on interview with stakeholder such as government agency, community around, labor union, and workers known that there is no indication of human rights violation.

4.1.2

Based on interview with stakeholder such as government agency, community around, labor union, and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

Status: Comply

4.2

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

4.2.2, 4.2.3

The company already has a complaint resolution procedure set out in an external conflict resolution document established in February 2021 which explains, among other things:

- The company determines the priority of conflicts such as identifying the urgency of conflicts or those that are urgent
- In conflict management, both the complainant and the company are freed to access legal and technical advice from an independent third party, the ability of the complaining party to choose people or groups who can provide support and/or act as observers, as well as the option to involve a third-party mediator
- All information in the negotiation meeting must be documented
- If the conflict cannot be resolved through negotiation, mediation must be carried out
- Etc

The company also has a document for handling workers' complaints which is stated in which explains, among other things, that the company is committed to maintaining the confidentiality of identities and providing protection for all employees who submit complaints, including complaints that are "anonymous" or "whistleblower" in nature.

In terms of ensuring the system is understood by affected parties, including those who cannot read or write, the company conveys information orally (in person) or through its representatives who can read and write.

4.2.4

The company already has a complaint resolution procedure set out in an external conflict resolution document established in February 2021 which explains, among other things:

- The company determines the priority of conflicts such as identifying the urgency of conflicts or those that are urgent
- In conflict management, both the complainant and the company are freed to access legal and technical advice from an independent third party, the ability of the complaining party to choose people or groups who can provide support and/or act as observers, as well as the option to involve a third-party mediator
- All information in the negotiation meeting must be documented
- If the conflict cannot be resolved through negotiation, mediation must be carried out
- Etc

Status: Comply

4.3

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

4.3.1

The company contribution to community development is manifested in the CSR program. Based on the CSR implementation report for the 2022 period, it is known that the program priorities are as follows:

1. Social Sector
2. Cultural Sector
3. Religion
4. Education Sector
5. Health Sector

Based on the flowchart in the report, it is also known that program preparation is based on the results of community meetings and submission of proposals. Some of the CSR realizations include the following:

1. Assistance of heavy equipment and sand and stone materials for Jalan Kejorong Koja
2. Donation of 8 cows for the Eid al-Adha event to 8 jorongs around the company
3. Material assistance in the form of cement for the Darul Khoirot Islamic Boarding School
4. Material assistance for farmer's bridge line 516
5. Assistance in maintaining the Jorong Air Rau environment

In addition to CSR, the company is also developing plasma plantations through the MLKS cooperative, which is still in progress until now. Based on the results of interviews with representatives of the Jorong Koto Gadang Jaya (Koja) community, the Wali Nagari Anam Koto Selatan Jorong Air Rau, and community leaders Datuk Sanngo Marajo and Datuk Rangkayo Basa, it is known that the company has contributed to the development of the surrounding community, community leaders and Jorong representatives also said that the synergy of the CSR program has been implemented so far

Status: Comply

4.4

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

4.4.1

HGU

The company already has a HGU area of 7,409 Ha with the following details:

- HGU No. 1 of 1995 for an area of 7,000 Ha issued on March 21, 1995 (In HGU Decree No. 37 of 1994 it is stated that the validity period is until December 31, 2029). Acquisition of this area is a take over from PT Tri Sangga Buana
- HGU Certificate No. 20 of 2009 for a land area of 136 Ha and the right valid until February 16, 2044
- HGU Certificate No. 19 of 2009 for a land area of 173 Ha is valid until 16 February 2044
- HGU Certificate No. 13 dated 29 November 1999 is valid until 29 November 2034 covering an area of 100 Ha and still in the name of PT Tri Sangga Buana. This area is still in the process of changing ownership to PT Laras Internusa and is not included in the current scope of certification)

HGB

- SK BPN no. 1/HGB/BPN/2004 concerning the granting of HGB a.n PT Andalas Agro Industry for land in the Pasaman Regency, Sumatera Barat Province covering an area of 28.1437 ha dated 8 January 2004 valid 30 years from the date of ratification.
- HGB certificate no. 4 ends September 24, 2034 for PT Andalas Agro Industri area of 281,437 m²/28.1437 ha

Thus the total HGU and HGB owned is 7,437.144 Ha. However, the scope of certification is an area of **6,315.784** Ha due there are areas that not included in the scope i.e :

- An area of 1,021.36 Ha consisting of community occupation areas (B30 up to B41, A30 up to A40, G41, G40, G40, G39, G38, G37, G36, G33, G32 H34 up to H40) and the RaCP area (G29, G20, G27, G26, G25, G24)
- Area 100 Ha in block (B14, B13, B12, B11, A14, A13, A12 and A11) HGU on name change process.

Plantation Business Permit

- Decree of Pasaman Baman Regent No. 188.45/256/BUP-PASBAR/2007 dated 9 May 2007 for oil palm commodities for a land area of 4000 ha to PT LIN, located in Langgam Katiagan Village, Kinali Sub District, Pasaman Barat District.
- Pasaman Barat District Head Decree No.: 188.45/597/BUP-PASBAR/2008 concerning the granting of a plantation business license to PT LIN for an area of 3000 Ha located in Langgam Katiagan Village, Kinali Sub District, Pasaman Barat District, dated 30 Des 2008
- Pasaman Barat Regent Decree no.: 188.45/446/BUP-PASBAR/2010 concerning granting a plantation business license to PT LIN for an area of 136 Ha located in Sidodadi Village, Kinali Sub District, Pasaman Barat District, dated 24 August 2010
- Pasaman Barat District Head Decree No.: 188.45/445/BUP-PASBAR/2010 concerning the granting of a plantation business permit to PT LIN covering an area of 173 Ha located in Sidodadi Village, Kinali Sub District, Pasaman Barat District, dated 24 August 2010
- Pasaman Barat District Head Decree no.: 188.45/1225/BUP-PASBAR/2013 regarding the granting of IUP – P to PT Andalas Agro

Industri, with an area of 30 Ha and a capacity of 60 tons/hour, dated 24 Des 2013.

4.4.2; 4.4.4; 4.4.5

The company has not carried out any new land clearing activities. Most of the land acquisition is from take over of PT TSG for an area of 7,000 Ha. There is a record for land acquisition for HGU 136 Ham HGU 173 Ha, and HGB for example statement letter dated June 5, 2006 on behalf of Purnomo having his address at Kinali Pasaman Barat, releasing 20,000 m2 of land area, located in Jorong Koto Gadang Jaya, certificate of ownership no.: 157 dated July 26, 1994, stating the relinquishment of rights to PT LIN, have received compensation in the amount agreed, the signing was carried out directly by the land owner and representatives of PT LIN witnessed by the Head of BPN Pasaman Regency, register no.: 86/PHAT/BPN-2006.

The company also provide examples of land acquisition activities that have followed FPIC procedures, for example there is evidence of settlement of a 68 Ha land dispute (location and boundaries cannot be shown by the claimer) by the community of Koja Ridwan CS. PT LIN has won based on the decision of the Pasaman Barat District Court no.: 14/Pdt.G//2017/PN.Psb dated 20 Nov 2017. Evidence of the FPIC settlement can be shown:

- Minutes of meeting involving the Head of Kinali Sub District on 31 Jan 2001 (PT TSG)
- Letter of demand from the people of Koja dated 11 August 2017
- Minutes of the follow-up discussion meeting with PT LIN on August 8, 2017
- Minutes of the meeting on 11 August 2017 which stated that PT LIN asked for time to provide answers
- Letter from PT LIN to the claimer regarding the response dated August 18, 2017 which refuses to fulfill the claimer's request (land claimed in the HGU)
- PT LIN filed a lawsuit to the District Court on August 23, 2017 because the community blocked PT LIN's FFB and CPO access roads.
- On 20 November 2017 the court's decision stated that PT LIN had the rights to the land and declared peace between the two parties.

From the results of verifying the GRTT documents and the results of interviews with the village and the previous landowner, it was conveyed that the land acquisition negotiation process was carried out with the land owner directly/not represented

4.4.3

The company already has an operational map of the managed area which is an area under the company's legal rights. The map informs the mill location, estate location, block boundaries, location of HGU stakes, and other areas

4.4.6

Based on the results of interviews with stakeholders it was informed that the company has had a positive impact such as employee recruitment, development of scheme smallholders and CSR assistance.

Status: Comply	
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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- 4.5.8

The company have a procedure to identify and assess any legal, customary and user rights (PMA-SOP16-01), apart from that, there is a compensation payment policy set out in Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the value of compensation for planting grown in HGU locations. The PT LIN decree stipulates the compensation for compensation based on classification according to the condition of the stands at the location to be compensated. The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. There is no planting established on local people's land that have legal of land. All area of planting has been released to the company through compensation and landowners are given the freedom to release their land without coercion. Especially for areas within the scope of certification covering an area of 6,315.784 hectares, there are no ongoing disputes.

Status: Comply	
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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 – 4.6.4

The Company has compiled SOP of Land Compensation, document is contained in the SOP for land disputes contained in land dispute no: document PMA-SOP16-01 issue date March 24, 2018, in the SOP it is explained that if there are land claims and claims from any party will be resolved completely, validity checks of the owner will be carried out, negotiations, deliberation efforts and carry out measurements and mapping jointly with the affected parties. The SOP also explains related to verification of demands and deliberation / negotiation, deliberative settlement and negotiations involving the village head / sub-district head, signing of an agreement, and if negotiations and deliberations are not successful, legal channels will be carried out. Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the value of compensation for planting grown in HGU locations. The PT LIN decree stipulates the compensation for compensation based on classification according to the condition of the stands at the location to be compensated. The compensation process for the certification scope was last carried out in 2006 and documented. The results of verification of compensation documents and interviews with the community show that the compensation process is carried out directly to the land owner and is given equal opportunity to both men and women, and land owners are given the freedom to release their land without coercion.

Status: Comply
4.7
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.
4.7.1 – 4.7.3

There is no new land acquisition conduct by the company. The company has a procedure for identifying people and / or community groups entitled to compensation which is presented in the PMA-SOP16-01 document issued March 24 2018 and Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the compensation value for planting planted in HGU locations. The procedure explains how to calculate and apply fair compensation, as well as compensation that FPIC must be implemented from the start of plantation and mill development. Companies that do not own new land and pay compensation or compensation payments in 2006.

The auditor conducted consultations with the surrounding villages, it was known that the community benefited from the company in the form of CSR activities. In addition, according to the previous explanation, the company also has a plasma program which is currently in the process of development (become OFI in 4.2.3).

Status: Comply
4.8
The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.
4.8.1 – 4.8.4

The Company has established a land conflict and dispute resolution mechanism in procedure No. PMA-SOP16-01 dated 24 March 2018 and ST-SOP21-00 April 2016. Until the surveillance-2 audit activity was carried out, there were no disturbances or claims from outside parties related to the scope of the company's certification area. claim activities carried out in 2017 (indicator 4.4.2) have been completed and there is an amicable agreement between the two parties.

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

Based on document review, field observations and interviews with staff and management, it is known that the company does not obtain FFB supplies from third parties. For the 2020-2022 period, based on the results of a document review and interviews with management, information was obtained that the company only obtained FFB supplies from the Plasma Plantation which was fully managed by the company, namely the Mandiangin Langgam Kinali Sejahtera Sawit Cooperative (KS-MLKS). The price used in purchasing FFB for Plasma uses the price of the Plantation Service which can be accessed openly by related parties. Companies can show examples of payments for the September 2022 period which are paid directly to the plasma management Cooperative account on September 30, 2022 at the prices prevailing at that time. The company can also show the Minutes of the FFB Purchase

Price Determination Team Meeting results for that period. The current and previous FFB prices are publicly available and can be accessed by plasma cooperatives online.

Before payment is made, checking the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payment have been completed before payment is made. The price fixing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with the management unit and the plasma Cooperative as a supplier of FFB also stated that the predetermined FFB price could be accessed by suppliers, information on price changes was made via online and telephone communication media.

5.1.2

As explained in indicator 5.1.1 regarding the plasma FFB price refers to the price determined by the Plantation Office. The company also has a mechanism for submitting prices which is done using email and other communication media. Based on the results of interviews with plasma farmers, stated that the price set by the company is in accordance with the price set by the local Plantation Service, where if there is a price update, the company immediately conveys it through the communication media and puts it on the notice board at the Cooperative office.

Companies can also show evidence of transparency of plasma management by showing details of production and costs for the period January - September 2022 where in the document there is a table explaining FFB production data and details of management costs from cost reductions, maintenance costs, fertilization costs and others. This was conveyed to the plasma management cooperative and received approval from the management of the cooperative with proof of a stamp before payment was made. The results of interviews with cooperative management also stated that the price distribution was quite clear and there were no complaints regarding payment.

Based on the results of verification of proof of FFB sales calculations that have been agreed upon by both parties, it is explained that the total value of FFB sales is deducted for income tax, costs for harvesting, transportation, fertilizing and management. After deducting these costs, the value obtained is then entirely distributed for credit payments to the Bank. Payments are made monthly with proof of the recapitulation document for Plasma TBS payments for the period January – September 2022 and proof of transfer made on September 30, 2022 for the FFB purchase period in September 2022. Based on this, the company has been able to show evidence that the unit of certification provided an explanation regarding regular FFB prices for farmers.

5.1.3

The company has set a fair price that has been agreed upon with the cooperative as outlined in the Cooperation Agreement, in the document there is a statement that the price set for the FFB selling price is the price set by the Plantation Service, so the parties hereby declare that they will comply with the FFB determination. the price so that one party and the other party are not entitled to ask for an increase or decrease in price. Because plasma management is carried out in full by the company, the resulting FFB specifications comply with the required standards. Companies can show a Cooperation Agreement with Plasma farmers as evidenced based on document Number 001/Ist/LIN/Plasma/IX/2012 concerning Addendum to the Cooperation Agreement for the Development and Management of Oil Palm Plasma Plantations between the Mandiangin Sawit Cooperative, Langgam Kinali Sejahtera and PT LIN which is legalized by a Notary Padang on March 6, 2019.

Based on document review and interviews with the Plasma Cooperative, it can be concluded that the company has determined a fair price which explains all components including determining the value of premiums, savings, deductions for maintenance costs and others which have all been agreed upon by all relevant parties and documented in the form of a cooperation agreement and proof of payment.

5.1.4

Companies can show evidence that parties from cooperative representatives as plasma administrators are involved in drafting contracts. The document contains agreements such as maintenance financing, loans/credit, repayments through FFB price reductions for replanting programs and/or other support mechanisms that have been signed by all cooperative representatives, witnesses and company parties. This shows that all related parties have been involved in the decision-making process and understand the contents of the contract. The following is the MoU between PT LMR and the Plasma farmers as evidenced based on document Number 525.31/KEP-341/2019 concerning the Establishment of Partnership Program Plasma Farmers which was approved by the Regent of Paser on April 18 2019.

The development of plasma plantations is also carried out to improve the welfare of the community around the plantations where currently management related to plantations is still carried out entirely by company management by assigning Managers and Assistants to help manage plasma within the scope of their managed area. The cooperative plays a role in managing the finances obtained from the sale of FFB and distributing it to all of its members. Cooperative members consist of the community around the company who wish to be involved, not limited to men or women. related to the involvement of women in decision making can also be proven from the results of interviews with the heads of cooperatives which stated that plasma land was given to all people living in the designated village, not limited to men or women. The source stated that the making of the contract was carried out with the agreement of both parties without any coercion, intimidation or discrimination.

5.1.5

As explained in indicators 5.1.1 - 5.1.4 related to the Cooperation Agreement with Plasma Cooperatives, the verification results of the Cooperation Agreement Letter document show that all existing contracts have been made fairly, in accordance with applicable law, transparent and have a mutually agreed time period. The results of interviews with the Cooperative Management stated that all members had understood the stipulated provisions such as FFB pricing, management fees, management fees, loans, disputes, and others as explained in indicator 5.1.2. The agreement has also been made in accordance with applicable law in a fair, transparent and has a clear time frame.

5.1.6

The Cooperation Agreement Letter explains the procedure/system for payment of the proceeds from the sale of FFB. Payments are made based on the Minutes of Calculation of the sale and purchase of FFB which have been agreed upon and signed by all parties. Based on the results of a review of the proof of payment for FFB to KS-MLKS as well as the minutes of results presentation and explanation of operational costs for the September 2022 period, it shows that the payment was made on time and can be proven through payment receipts. The plasma FFB payment is valid for the FFB delivery period in September 2022. The payment has been completed with income from each farmer group, fruit tonnage, and prices according to the period. Based on the verification results of Plasma FFB prices and proof of calculations from payment recap data, it is known that payment has been in accordance with the price set by the Plantations Office. The proof of payment document also explains production details and period costs per month, FFB production data and details of management costs, maintenance costs and fertilization costs. The document is also submitted to the cooperative through a meeting attended by representatives from the cooperative and has received approval with proof of a stamp.

5.1.7

The company has tested the electronic weigh bridge which was carried out on March 12, 2022 for AAI POM and May 14, 2022 for Laras Estate by UPTD Metrologi Legal, Pasaman Barat District and valid for 1 year with evidence, among others:

PT Andalas Agro Industri (PT AAI)

- Test Result Certificate number 317.2/018/SKHP/UPTDML/III/2022 with serial number 142550249 and maximum capacity 50,000 Kg.
- Test Result Certificate number 317.2/017/SKHP/UPTDML/III/2022 with serial number 171150048 and maximum capacity 50,000 Kg.

PT Laras Internusa (PT LIN)

- Test Result Certificate number 317.2/024/SKHP/UPTDML/V/2022 with serial number 1104002 and maximum capacity 50,000 Kg.
- Test Result Certificate number 317.2/023/SKHP/UPTDML/V/2022 with serial number RS-232 and maximum capacity 50,000 Kg.
- The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties.

5.1.8

The results of interviews with the company stated that currently all FFB suppliers do not come from independent smallholders but groups of farmers who have joined the Plasma management Cooperative with a partnership program, namely KS-MLKS. The company also stated that KS-MLKS has plans to include cooperatives in RSPO certification that are affiliated with Group Plantation. Based on this, the Company Group certification unit has supported independent smallholders with certification, even though the management is currently still fully managed by the company.

5.1.9

The company also has procedures related to communication, consultation and coordination contained in the SOP document for Handling Complaints HR-SOP23-02 which took effect on 26 January 2018. The procedure explains technical guidelines for receiving various complaints submitted by stakeholders or other parties and how to solve it. Companies through their respective departments have recorded requests for information and responses. If the direct supervisor cannot provide answers and resolve workers' complaints when complaints are submitted, the superior will coordinate with HRD to find a solution and provide a written answer within 2 weeks after the complaint is submitted. Complaints of an urgent nature should be responded to as soon as possible. HRD consults with the highest leadership in their respective units through the Welfare Committee meeting where complaints must be resolved no later than 2 weeks after the complaint is received. Complaints of an urgent nature should be responded to as soon as possible. Based on the results of the document review, it is known that for the 2021 period there were only requests for information and assistance, and there were no complaints from farmers or the surrounding community. The company has also appointed officers who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

In addition, to accommodate complaints, a suggestion box is also provided as a means of submitting complaints which can be submitted anonymously. The flow of complaints is that employees write down problems in a complaint book that is available at the garden office, then at least 2 weeks the unit leader is required to seek a settlement first. If it cannot be resolved, it will be forwarded in writing to the head of the representative. Each stage of completion is documented and kept by the head of the representative. Based on the results of interviews with Cooperatives and FFB suppliers regarding the complaint handling mechanism, they stated that complaints can be submitted by letter or direct delivery through communication media and/or in periodic meetings. The resource person also stated that for the 2021 period there were no complaints, the entire collaboration process that has been going on so far has been going well.

Status: Comply

5.2
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.
5.2.1

The certification unit supports the improvement of interested smallholders' level of livelihood and participation in the sustainable palm oil explained by the Cooperation Agreement for the development of smallholder plantations in the form of plasma plantations. There is an agreement letter for associated smallholder (plasma) of Cooperative of Mandiangin Langgam Kinali Sejahtera (agreement No. 001/Ist/LIN/Plasma/IX/2012 dated 3 September 2012, covers 1,000 ha area).

5.2.2

The company has made improvements to the welfare of the communities around the plantations by developing and fully managing plasma plantations and regularly conducting socialization regarding RSPO certification. Currently, the management of Plasma has not been fully managed by the management of the cooperative, the company is still providing assistance to ensure that the management of oil palm cultivation is in accordance with RSPO standards. In addition, companies can also show socialization documents on best practices for oil palm cultivation, work safety, environment, fire, RSPO benefits, and recommendations to register for RSPO which was carried out on 2 February 2022 which was delivered to plasma smallholders which was attended by 17 participants.

5.2.3

The results of interviews with the company stated that currently all FFB suppliers do not come from independent farmers but groups of farmers who have joined the Plasma management cooperative with a partnership program, namely the Cooperative of Mandiangin Langgam Kinali Sejahtera. The company also stated that the cooperative does not yet have RSPO certification. Based on this, the Company Group certification unit has supported independent smallholders, even though the management is currently still fully managed by the company.

5.2.4

When the audit was carried out, the cooperation between the certification unit and plasma was carried out with a full managed plasma management system where the management of plasma plantations was fully carried out by the Company. Because management is

carried out by the company, all employees working in the plasma plantations are workers who have been trained by the company in handling pesticides, maintenance, fertilizing and others. The company also continues to provide assistance in plantation management according to RSPO standards. The training activities can be proven based on the pesticide training minutes for Agrochemical Application Officers and Cooperative management on March 28, 2022 which were attended by 26 participants.

5.2.5

The unit of certification can show evidence that it has reported the program of support for farmers, especially plasma farmers publicly regarding its progress which is carried out regularly. The evidence shown is based on the receipt of the Semester 2 2021 LKUP submission documents to the Pasaman Barat District Agriculture Service on May 22 2022 as well as the 2021 CSR Report which can be accessed publicly.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

The company already has a company policy document regarding Equal Opportunity and Discrimination with document number ST-POL03-02 Revision 02 made in October 2015 which explains, among other things:

- Zero tolerance of any form of discrimination based on age, race, caste, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation or social status
- Ensuring that everyone who works must have an equal opportunity to be considered without discrimination
- Ensuring all employees within the company are treated without discrimination
- Comply with national laws on anti-discrimination and provide equal opportunities
- Trying to eliminate risks that may have the potential to develop into discriminatory events and pose a threat to equal opportunity principles

Based on the verification of the labor list documents and interviews with the unions, it is known that the workers come from various ethnic groups, such as Javanese, Minang, Batak, Nias and others. From the results of interviews with representatives of trade unions and workers it is known that there is no indication of discrimination against workers.

6.1.2

The company already has a company policy document regarding Equal Opportunity and Discrimination with document number ST-POL03-02 Revision 02 made in October 2015 which explains, among other things, that the company ensures that all employees in the company are treated without discrimination and the company complies with national laws on anti-discrimination and provide equal opportunities

Based on the verification of the labor list documents and interviews with the unions, it is known that the workers come from various ethnicities, such as Javanese, Minang, Batak, Nias and others. From the results of interviews with trade unions, it is known that there is no indication of discrimination against workers. In addition, from the results of interviews with village representatives, information was obtained that there was no indication of discrimination. The company has provided equal opportunities for local people to get jobs.

6.1.3

The company has shown records of the implementation of employment procedures, for example:

Recruitment:

Companies can show employee recruitment documents including work agreement documents with number 71/PKWT/HRD/PT.LIN/B/IX/2022 with employee initials DH for the Upkeep job position made on September 5, 2022 and companies can also show recruitment documentation such as CVs, job applications, ID cards, assessment results and the results of the employee's medical examination.

Promotion:

Companies can show examples of employee promotion documents contained in document decision letter No.33.Tetap/HRD.PT.LIN

B/VII/2022 which appoints harvester employees with Employee ID 3000 to become Harvest Overseers on 01 August 2022 for the Laras B plantation unit.

Work Performance Assessment:

Companies can show examples of work performance appraisal documents conducted on June 28, 2022 for employees with the initials MA

6.1.4

The company does not carry out pregnancy tests which is a discriminatory measure. Pregnancy tests are carried out only to protect workers if the worker is pregnant so that they are not placed in work locations related to chemicals or pesticides.

6.1.5

The company already has a gender committee structure in 2022 consisting of:

- Chairman
- Secretary
- Treasurer
- Member

The gender committee also has programs and work plans for 2022, including:

- Posyandu and routine check-ups for pregnant women
- Infant and child immunization
- Monitoring new mothers
- Conduct socialization of sexual harassment
- Conduct nutrition counseling for mothers and children during pregnancy or after pregnancy
- Etc

Based on the results with the chair of the gender committee, that there were no cases of harassment within the company and the results of interviews with employees it can also be obtained that the employee understands to make a complaint if there is an indication of sexual harassment.

6.1.6

Based on the employee payroll document, it is known that the payment of wages is equal for the same scope of work regardless of gender. For example, it can be seen from the proof of employee salary payments for the October 2022 period as follows:

- Employee with initials EP (male) with ID No. 05411 harvester position who gets wages on weekdays Rp.2,804,540, wages for absence from work due to illness Rp.201,004, attendance allowances and other deductions such as BPJS Employment, Health and Pension. So that the total net wages received is Rp. 3,123,545
- Employee with the initials DH (female) with ID No. 5876B, Upkeep position who gets a wage on weekdays Rp. 2,573,183, wages for absence from work due to illness Rp. 100,502, attendance allowance and other deductions such as BPJS Employment, Health and Pension. So that the total net wages received is Rp. 2,695,936

Status: Comply

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

6.2.1

The company has Company Regulations, including:

PT Laras Internusa

PT Laras Internusa's company regulations have been ratified based on Decree of the Head of the Pasaman Barat District Manpower Office No. KEP.004/SK-PP/Disnaker/2021 dated 16 February 2021 concerning Ratification of PT LIN Company Regulations.

PT Andalas Agro Industri

PT Andalas Agro Industri Company Regulations have been ratified based on the Decree of the Head of the Pasaman Barat District

Manpower Office No. KEP.003/SK-PP/Disnaker/2021 dated 16 February 2021 concerning Ratification of PT AAI Company Regulations

The PP has explained the wages and working conditions, including:

- Chapter II concerning Work Relations
- Chapter III regarding Working Time and Overtime
- Chapter IV concerning Employee Release from work
- Chapter V on Remuneration
- Chapter IX concerning Occupational Health and Safety.
- And others.

Based on the results of interviews with the union, the company has socialized the company regulations during the employee briefing in the morning.

6.2.2

The company has Company Regulations, including:

PT Laras Internusa

PT Laras Internusa's company regulations have been ratified based on Decree of the Head of the Pasaman Barat District Manpower Office No. KEP.004/SK-PP/Disnaker/2021 dated 16 February 2021 concerning Ratification of PT LIN Company Regulations.

PT Andalas Agro Industri

PT Andalas Agro Industri Company Regulations have been ratified based on the Decree of the Head of the Pasaman Barat District Manpower Office No. KEP.003/SK-PP/Disnaker/2021 dated 16 February 2021 concerning Ratification of PT AAI Company Regulations

The PP has explained the wages and working conditions, including:

- Chapter II concerning Work Relations
- Chapter III regarding Working Time and Overtime
- Chapter IV concerning Employee Release from work
- Chapter V on Remuneration
- Chapter IX concerning Occupational Health and Safety.
- And others.

Companies can also show employee recruitment documents, including work agreement documents with number 71/PKWT/HRD/PT.LIN/B/IX/2022 with employee initials DH for the Upkeep job position made on September 5, 2022.

The agreement has been signed by both parties. The PKWT SPK has also been submitted/recorded at the local Manpower Office and the company has shown proof of handing over the PKWT Report to the Pasaman Barat Manpower Office.

6.2.3

The company already has wage determination documents, including:

- Governor of Sumatera Barat Decree Number 562-889-2021 concerning the Minimum Wage for Sumatera Barat Province in 2022 which stipulates a wage of Rp.2,512,539,-
- Directors Decree No. 01/SKD/AAI/VII/2022 concerning the Pay Structure and Scale which was stipulated on July 28, 2022, namely the minimum wage for employees is Rp. 2,512,539, - and the largest wage is Rp. 5.118.282,-

Companies can also show documentation of examples of wages in accordance with these provisions, including:

- Employee with initials EP with ID No. 05411 position as harvester who gets wages on weekdays Rp. 2,804,540, wages for absence from work due to illness Rp. 201,004, attendance allowances and other deductions such as BPJS Employment, Health and Pensions. So that the total net wages received is Rp. 3,123,545

- Employee with the initials DH with ID No. 5876B with the position of Upkeep who gets wages on weekdays Rp. 2,573,183, wages for absence from work due to illness Rp. 100,502, attendance allowances and other deductions such as BPJS Employment, Health and Pensions. So that the total net wages received is Rp. 2,695,936

6.2.4

The company already has a document listing the facilities and infrastructure provided for the welfare of workers, for example for housing in the Laras A plantation, namely:

- 39 units of 2 door employee housing
- Employee housing 6 doors 7 units
- Employee housing 10 doors 4 units
- First aid clinic 1 unit
- 2 units of Child Care
- Mosque 2 units
- Canteen 1 unit
- Ambulance 1 unit
- 2 units of school buses
- 1 unit soccer field
- 1 unit volleyball court
- Etc

Based on the results of interviews with employees at G34 housing, if there are complaints about the facilities and infrastructure provided by the company, they can respond to these complaints.

6.2.5

Based on the results of interviews with representatives of trade unions and employees in housing in block G34, it is known that access to proper and sufficient food can be said to be affordable. The company provides an employee cooperative that provides workers' daily needs including food ingredients. In addition, the company's units are also close to settlements that provide basic needs.

6.2.6

Companies can show examples of DLW (Decent Living Wage) stipulation documents for the 2022 period which explain calculations including:

- The need for fulfilment of calories per day/person
- Cost of housing
- Non-food non housing which consists of health costs, electricity, water, transportation for school children, transportation for workers, and so on
- Etc

With regard to DLW (Decent Living Wage), the company has calculated the DLW based on actual and rational prices at the location of the company's units.

6.2.7

From the results of verification of the labor list, verification of work agreement documents, and interviews with stakeholders, it is known that all core work is carried out by permanent workers. As for work such as maintenance, apart from using permanent workers, the company also uses PKWT workers.

The company has shown PKWT SPK (maintenance work). The SPK has explained several working conditions, rights and obligations of workers and others. For example, the work agreement document number 71/PKWT/HRD/PT.LIN/B/IX/2022 with the employee initials DH for the Upkeep job position made on September 5, 2022.

The agreement has been signed by both parties. The PKWT SPK has also been submitted/recorded at the local Manpower Office and the company has shown proof of handing over the PKWT Report to the Pasaman Barat Manpower Office.

Status: Comply
6.3

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

6.3.1

The company already has a document recognizing the freedom of trade unions which is contained in the freedom of association document which was issued in October 2015, which explains, among other things:

- The company does not prevent employees from joining or forming legal labor unions
- The company recognizes the right of employees to assemble peacefully and lawfully
- The company complies with national laws on freedom of association
- Etc

Companies can show documents for registering trade unions on behalf of the SARBUKSI workers' union which has been registered at the Pasaman Barat District Manpower Office with registration number 560/010/Disnaker/2021 dated 28 June 2021. SARBUKSI management based on Decree of the Central Executive Board of the Indonesian Palm Oil Plantation Trade Union No. 014/SK/DPP/SARBUKSI/V/2021 dated 30 May 2021. The composition of the management includes:

- Chairman: Jumirin
- Deputy: Mujana
- Secretary: Wawan Agus
- Deputy Secretary: Musiarno
- Treasurer: Aditya

In addition, the company has also formed a Bipartit LKS in the Decree of the Head of the Pasaman Barat District Manpower Office Number: 560/003/LKS.BIPARTIT/DISNAKER/2022 concerning the extension of the Management of the Bipartite Cooperation Institution (LKS Bipartit) PT Laras Internus which was ratified on March 25 2022.

6.3.2

Based on the results of interviews with the SARBUKSI union, the company regularly holds meetings with the union.

6.3.3, 6.4.1

Companies can show documents for registering trade unions on behalf of the SARBUKSI trade union which has been registered at the Pasaman Barat District Manpower Office with registration number 560/010/Disnaker/2021 dated June 28 2021. Sarbuksi management based on Decree of the Central Executive Board of the Indonesian Palm Oil Plantation Trade Union No. 014/SK/DPP/SARBUKSI/V/2021 dated 30 May 2021. The composition of the management includes:

- Chairman: Jumirin
- Deputy: Mujana
- Secretary: Wawan Agus
- Deputy Secretary: Musiarno
- Treasurer: Aditya

From the results of interviews with representatives of the SARBUKSI trade union, it was found that the company did not interfere in the activities of forming a trade union. The interviewed workers also stated that there was no compulsion to join a trade union.

Status: Comply
6.4

Children are not employed or exploited.

6.4.2

The company has established recruitment procedures in 2019 which explain, among others:

- In general, recruitment costs borne by the company consist of transportation costs, medical check-ups, meals while on the trip, including household expenses in accordance with company policy

- Each prospective employee who will be accepted must meet the qualifications determined in accordance with the position applied for and be over 18 years of age

Based on the results of a review of the employee list documents for the October 2022 period, there were no employees working less than 18 years of age.

6.4.3

Based on the results of a document review for the October 2022 period, there was no information on young employees working in company units.

6.4.4

The company has a Child Labor Policy with document number ST-POL07-02 revision 02 in October 2015 signed by the Managing Director. TSH Resources Berhad strictly prohibits the use of child labor for work and is fully committed to eliminating child labor which includes employees, contractors, volunteers and other similar forms of labour.

Based on the results of interviews with the contractor, namely CV Cahaya Silpas, that the company had socialized the policy of prohibiting child labor and none of the employees employed by the contractor were younger than 18 years old.

Status: Comply

6.5

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

6.5.1

The company has a sexual harassment policy doc. No. ST-POL05-02 revision02 dated October 2015 which states that TSH resources has limited which states that the company does not tolerate acts of sexual harassment and that neither male nor female employees are subject to harassment or unwanted sexual behavior at work or in the company environment.

The results of interviews with workers, especially female workers, revealed that the company had provided outreach regarding policies to prevent sexual harassment and violence. In addition, the results of the interviews also obtained information that the company already has a gender committee to handle women's issues or problems. The results of interviews with representatives of the gender committee and women workers found that there were no cases of violence or sexual harassment in the last 1 year.

6.5.2

Policies related to reproductive rights are contained in company regulations in article 25 which describes maternity breaks and article 26 which describes menstrual breaks. The results of interviews with workers, especially women workers, it is known that the company has provided outreach regarding policies to protect reproductive rights. In addition, the results of the interviews also obtained information that the company already has a gender committee to handle women's issues or problems. The results of interviews with representatives of the gender committee and women workers found that the company provides maternity leave, menstruation leave and permits to breastfeed.

Companies can show examples of maternity leave for employees with the initials JT with ID No. 3664 who apply for maternity leave on February 16, 2022 until April 1, 2022.

6.5.3

The company has identified the needs of young mothers for the 2021 period and has been attended by female employees, while the needs assessment includes:

- Counselling on women's health and reproduction
- Education on safety precautions during childbirth
- Counselling on postnatal maternal and child health
- Infant and child immunization
- Routine check-ups for pregnant women
- Training on caring for babies
- Etc

The company shows the procedure for handling worker complaints with the OP number for Handling Worker Complaints No. HR-SOP23-03 dated 20 March 2020. The procedure also explains the company's commitment to maintaining the confidentiality of the reporter's identity.

The procedure for resolving complaints can be carried out through several levels, for example for the first level which explains, among others:

- Workers/laborers convey their grievances in writing to the Workers' Union in each unit to then submit them to the direct supervisor of the worker concerned. If a trade union has not yet been formed, complaints can be submitted directly in writing to the superior of the worker/labourer.
- Staff up to the manager level and above can convey their complaints in writing to their direct superiors (without going through the Labor Union).
- If the direct supervisor is unable to provide answers and resolve workers' grievances at the time the complaint is submitted, the supervisor will coordinate with HRD to find a solution and provide a written answer within 2 weeks after the complaint is submitted. Complaints of an urgent nature should be responded to as soon as possible.
- Each superior must record the complaints received along with the method of resolution. Every month HRD will collect and evaluate the results of these records.
- Etc

Based on the results of interviews with trade unions, the company demonstrated socialization of grievances to employees through a morning briefing before starting work.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1, 6.6.2

The results of verification of the labor list documents, work agreement documents, results of interviews with trade unions and results of field observations revealed that there were no illegal workers.

The company has shown PKWT SPK (maintenance work). The SPK has explained several working conditions, rights and obligations of workers and others. For example, the work agreement document number 71/PKWT/HRD/PT.LIN/B/IX/2022 with the employee initials DH for the Upkeep job position made on September 5, 2022.

The agreement has been signed by both parties. The PKWT SPK has also been submitted/recorded at the local Manpower Office and the company has shown proof of handing over the PKWT Report to the Pasaman Barat Manpower Office.

Status: Comply

6.7

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

6.7.1

The company can show that it has a K3 person in charge, including:

- Sumatra Barat Province Manpower and Transmigration Decree No. 564/164/UPTD Wil II/2022 dated 11 October 2022 concerning Amendment to OHS Committee PT Andalas Agro Industry with OHS Committee secretary named Syahrial Efendi in accordance with OHS Decree Number 5/15209/AS.02.04/XII/2020 dated 22 December 2020 which is valid for 3 years.
- Sumatra Barat Province Manpower and Transmigration Decree No. 564/.../UPTD Wil II/2022 dated 7 November 2022 concerning Amendments to OHS Committee PT Laras Internusa with a OHS Committee secretary named Dewi Wahyuni Yonanda in accordance with OHS Decree Number 5/32492/AS.02.04/XII/2020 dated 7 December 2020 which is valid for 3 years.

The OHS Committee organization holds a meeting once a month in which to discuss related OHS issues that arise, the company shows records for example:

- PT Laras Internusa's OHS Committee meeting minutes September 13, 2022 which briefly discussed the evaluation of work accidents in August 2022 and submissions regarding the use of PPE.
- Minutes of PT Andalas Agro Industri's OHS Committee meeting on September 12, 2022 which briefly discussed checking emergency response facilities (first aid kits, fire extinguisher, hydrants), firefighting simulations, routine signboard monitoring, etc.

6.7.2

The company shows procedures related to work accidents and emergency response, for example:

- Work Accident & Investigation Procedure No. ST-SOP18-01 Rev 01 February 2016.
- Hazardous and Toxic Material Spill Emergency Response Procedure No. ST-SOP22-00 Rev 00 of December 2016.
- Haze Emergency Response Procedure No. ST-SOP23-01 Rev 01 November 2017.

The company shows the OHS Committee Report which contains information, one of which is related to work accidents and the minutes of the OHS Committee meeting which is held once a month which also reviews work related accidents that have occurred. The OHS Committee report has been sent to relevant agencies, for example for the 3rd Quarter of 2022 for PT Laras Internusa sent to the Pasaman Barat District Manpower Office on October 28 2022 and PT Andalas Agro Industri sent to the Sumatera Barat Province Manpower and Transmigration Office on October 7 2022

Based on the results of field observations and interviews, several facts were found, including:

- The company has provided first aid kits in the form of first aid kits placed in buildings and first aid bags brought by the foreman intended for workers in the field. In addition, first aid kits are available in full and sufficient to cover the number of existing workers and assigned personnel have an understanding of the use of first aid kits.
- There are warnings of evacuation routes and assembly points that are understood by workers. For example, based on interviews with workers in the St. Boilers are known that workers can explain potential hazards in their work area and have an understanding of the actions that must be taken in the event of an emergency.

6.7.3

Based on the results of field observations and interviews with workers at Mill and Estate it is known that workers have been provided with PPE that is in accordance with the requirements and PPE can be replaced if it no longer provides maximum protection.

The results of field observations at the PPE storage warehouse, it was found that there was adequate PPE stock as a reserve to replace damaged PPE. The company shows records of giving PPE, for example, Spray Masks and Rubber Gloves to Estate Laras A spray workers on 27 July 2022 and they were given back on 24 November 2022. The identification results show the useful life of Rubber Gloves and Spray Masks, which is 3-6 months.

Based on the results of field observations in the Mixing Estate Laras B Warehouse area, it was found that the company has provided sanitation facilities that can be used by workers to remove PPE, clean themselves and put on their personal clothes as much as 1 unit which is used alternately for around 25 workers (consisting of men) and women), besides that there is no place to store workers' personal clothes.

In connection with the above, the company showed the Minutes document signed by the Estate Manager Laras B and acknowledged by the Management on November 24, 2022 which briefly informed that it would be budgeted for an annual fee in 2023 for the construction of additional rinse rooms and changing lockers at the chemical warehouse mixing at Laras B.

Based on the explanation above, the company has an opportunity for improvement by ensuring the realization of provision of adequate sanitation facilities in accordance with the number of existing workers. (OFI)

6.7.4

The company already has a policy related to employee health care insurance which is contained in the policy document for the structure of wages, benefits and employee wages:

- The company provides health care insurance in accordance with the laws and regulations regarding BPJS Kesehatan
- Health care insurance is only given to a maximum of 1 wife and up to a third legitimate child
- etc

Companies can show examples of BPJS payments given to employees, namely:

- Employment BPJS payments on November 10, 2022 for 98 Mill employees
- Employment BPJS payments on November 10, 2022 for 339 Laras A employees
- Employment BPJS payments on November 10, 2022 for 57 employees of Laras B

- BPJS Kesehatan payments on November 10, 2022 for 98 Mill employees
- BPJS Kesehatan payments on November 10, 2022 for 533 workers at the Laras A plantation
- BPJS Kesehatan payments on November 10, 2022 for 381 workers at the Laras B plantation

The company can also show examples of proof of BPJS Ketenagakerjaan claims with employee initials YN. The chronology of accidents, namely when carrying out work to cut the tip of a seedling, the knife used injured the left thumb and this was reported to BPJS Ketenagakerjaan April 11, 2022.

Based on this explanation, the company already has a policy related to health insurance and the company has also included workers in the health insurance program.

6.7.5

The company shows the recording of work accidents using Lost Time Accident (LTA), for example as of October 2022 as follows:

Description	AAI	LIN
LTA	0	138
FR	0	138
SR	0	412

Status: Comply

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

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

7.1.1
The company has an integrated pest management procedure that explains how to control pests in biology, chemistry and manually. In addition, the company also has a Cultivation Guidebook which also explains related to Pest and Disease control.

As proof of the implementation of IPM, the company shows an assistant report document which also provides information regarding census records and pest control, for example the LIN B Estate Report for October 2022 as follows:

- Leaf Pest Detection: There is no Leaf pest fresh damage detected with high percentage.
- Rat Fresh Damage Census: There is no block with census result is above threshold level.
- Barn Owl Boxes: Total 33 New barn owl boxes have been installed in June 2022, for replacing the broken or collapsed BOB.
- Oryctes Damage Census: There is no block required treatment, census result is below threshold level.
- Termite Infestation Census: Total 29 blocks or 80% of the census blocks required treatment.
- Thirataba Infestation Census: There is no block required treatment. Treatment will be carried out if census result $\geq 5\%$.

Based on the results of field observations, for example in harvesting and manual racking activities, there were no signs of massive pest attacks.

7.1.2
Based on the results of document review and field observations via video, it was found that the company had used *tyto alba* and *sycanus* sp. as a natural enemy of pests and beneficial plants including *turnera subulata* and *antigonon*. All of these species are not classified as invasive species according to the Minister of Environment and Forestry No. P.94/MENLHK/SETJEN/KUM.1/12/2016, so it can be concluded that there is no use of invasive species for pest control.

7.1.3
Based on a review of pest control documents, it is known that control is carried out manually, biologically and chemically. In addition, the company also has a Company policy related to "zero burning" contained in the ST-POL08-02 Date October 2015 environmental policy document.

Based on document reviews, field observations, as well as interviews with workers and external stakeholders, it is known that the

company did not use fire for pest control.

Status: Comply

7.2

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

7.2.1

Justification of the usage of pesticides has been set in the policy on safety in using chemicals listed in the procedures for managing hazardous material and hazardous waste with (No. ST-SOP08-00), and weed, pests, and diseases control procedures with the (No. OPE-SOP05-13). In the procedures, explained about the justification like using the government-registered pesticides, using appropriate PPE, the disposal of chemical waste in accordance with the regulation.

Based on the results of a review of the pesticide use list document, for example in 2022, it is known that the company has used pesticides selectively to deal with targeted pests and weeds or diseases. The pesticides used for example as follows:

Merk	Active Ingredient	WHO	LD50
Basta 150 SL	AMONIUM GLUFOSINAT 150 G/L	II	1,730 mg/kg in rat
CBA-FIP 50 SC	FIPRONIL 50 G/L	II	945 mg/kg in rat
Prima Up	ISOPROPILAMINA GLIFOSAT 480 G/L	III	5,600 mg/kg in rat
Meta Prima 20 WG	METIL METSULFURON 20%	U	>5,000 mg/kg in rats
Miracle S240	POLYETHER MODIFIED TRISILOXANE	-	2,000 mg/kg in rats
Capture 50 EC	SIPERMETRIN 50 G/L	II	251 - 4,123 mg/kg in rats
Centalon 480 EC	TRIKLOPIR BUTOKSI ETIL ESTER 480G/L	U	692 for male rat
RACUMIN WAXBLOCK 0,0375 BB	KUMATETRALIL 0.0375 %	-	1,000 mg/kg in rat
Phostene 97	ASEFAT 97%	-	1,750 mg/kg
Protrin 250 EC	SIPERMETRIN 250 G/L	II	251 - 4,123 mg/kg in rats
Indodor 50 EC	LAMDA SIHALOTRIN 50 G/L	II	> 3,950 mg/kg in ducks

7.2.2

The company already has records of all pesticides used, for example the use of Basta 150 SL in 2022 as follows:

- Active Ingredients: AMONIUM GLUFOSINAT 150 G/L
- LD50: 1,730
- Application Area: 1,359.87 Ha
- Active Ingredients/ Ha: 162.92 g/Ha
- Total Applications: 1,477 L

7.2.3

As part of reducing the use of pesticides, the company has integrated biological control in pest control, for example by using beneficial plants and *scyanus* aimed at controlling Palm leaf eating caterpillar pests, *tyto alba* for controlling rat pests. Based on the results of field observations on Laras A and Laras B, it is known that the beneficial plant in a well-maintained condition and planted on the edge Street.

7.2.4

Based on the results of a review of pesticide use documents, it is known that there is no use of pesticides for prophylactic purposes where pesticide control is only carried out if based on the results of detection and census there is a pest attack that exceeds the economic threshold.

7.2.5

Based on the results of the document review and field observation on pesticide warehouse, it is known that there is no use of pesticides that are included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

7.2.6

To ensure workers' understanding of pesticide handling, the company conducts routine training as evidenced by training records related to pesticide handling, for example as follows:

- Records of socialization of chemical handling to warehouse staff on 17 February 2022
- SOP Spraying training for Upkeep Gang 6B employees on 17 September 2022
- SOP Spraying training for Upkeep employees on 23 September 2022

7.2.7

The results of field observations of chemical storage warehouses, it is known that chemical storage warehouses are in accordance with Government Regulation number 74 of 2001 concerning the Management of Hazardous and Toxic Materials. Among them are equipped with hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and releasing chemicals, MSDS, storage of pesticides are grouped by type and available secondary containment which is clean.

7.2.8

Companies can show documents for recording and monitoring used pesticide containers by using the logbook of incoming and outgoing goods at the Agrochemical warehouse. In addition, the company also has an SOP for Toxic and Hazardous waste handling including ex agrochemicals management listed on ST-SOP12-00 revision 00 on October 2014. The SOP explains procedures for managing chemicals, storing chemicals, Storage Provisions, using chemicals, transfers, chemical leaks or spills, open vessels or tanks, expired products, First Aid, Training Programs, matters that must be considered so that chemical spills / leaks do not occur, Required packaging storage and diesel tanks. The company has also conducted outreach to employees regarding the prohibition on the use of hazardous waste packaging, including used pesticide packaging, on April 2, 2022.

Based on field observations at the agrochemical warehouse and hazardous waste storage area at Laras Estate, it is known that pesticide storage areas are specially provided, equipped with adequate air ducts and isolated locations. Used pesticide packaging classified as Hazardous Waste was also found stored in a well-monitored Hazardous Waste storage warehouse which was then handed over to a licensed collector.

Based on interviews with pesticide application officers at Laras Estate, it is known that all used pesticide packaging containers were returned and sent to the Hazardous Waste Warehouse and not used for any other purpose than pesticide application activities. Used packaging containers, work tools and work clothes are all stored in a special storage area, so that no contaminated items are brought home. However, based on the results of field observations and document verification, it is known that there was no ex-Pesticide waste found in the Hazardous Waste Warehouse. This becomes a nonconformity in Indicator 7.3.2.

7.2.9

Based on document review, field observation, as well as stakeholder consultation, also known that the company never been applied pesticides aerially.

7.2.10

The company shows the Recapitulation of Medical Check Up Reports for employees of PT Laras Internusa (Laras A and Laras B), which includes warehouse workers, manuring, pesticide sprayers and mixers. The laboratory tests include SGPT, SGOT and Cholinesterase.

Based on the inspection results, it was found that 27 Laras A employees and 14 Laras B employees experienced health problems such as decreased Cholinesterase and increased SGOT. It is recommended for these workers to carry out a job transfer to a section that is not related to chemicals and to be re-examined six months later.

The company also shows a certificate signed by the medical examiner doctor number 010/SK-DRW/XI/2022 dated 24 November

2022 which briefly explains, among others:

- Follow-up six months after the initial examination of workers with health problems.
- Transferring assignments to sections that are not related to chemicals.

The company shows absenteeism records for October and November 2022 for spray workers who experience health problems, for example workers with the initial's "P" (Laras B) and "S" (Laras A), based on work absence data it is known that these workers are still being transferred to jobs that are not related with chemicals such as manual racking and road maintenance.

7.2.11

The company has a Reproductive Rights Policy (ST-POL06-02 month October 2015) which describes not allowing pregnant employees to do work for handling chemicals and giving temporary jobs to pregnant and lactating women.

The results of interviews with female workers (spraying and fertilizing) both in Laras A and in Laras B, conveyed that workers already have an understanding that pregnant or breastfeeding female workers are not allowed to be employed in jobs related to chemicals. In addition, it was also conveyed that previously there was a sprayer co-worker who gave birth and then was transferred to maintenance work.

Status: Comply

7.3

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

7.3.1

The company has identified the waste resulting from operational activities contained in the Document Identification of Types of Waste for Estate and Factory. The identification is grouped based on activities that produce waste, waste name, waste code, type of solid or liquid, and its management. The determination and classification of waste codes uses reference to Government Regulation number 101 of 2014. The company also has several procedures related to the management and utilization of waste which are listed in several documents, including:

- SOP for Management of Hazardous Chemicals Number ST-SOP12-03 revision 3, April 5, 2022.
- SOP for Handling Chemicals Number ST-SOP08-01 revision 3, April 5, 2022.
- SOP for Emergency Response of Hazardous Material Spills Number ST-SOP08-01 dated 8 December 2016
- Landfill Management SOP Number ST-SOP01-02 revision 2, November 8 2019.
- Work Instruction Number WI-ST-02 concerning Temporary Storage of Hazardous Waste.

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

Hazardous and Toxic Waste

In managing hazardous and toxic waste, the company does not reuse it, but only temporarily stores it located at AAI POM and Laras Estate. The company also has a licensed hazardous waste storage area, including:

- **AAI POM:** Hazardous and Toxic Waste Management Permit for PT AAI unit AAI POM based on DPMPTSP Pasaman Barat District Decree Number 503/05/IPLB3/DPMPTSP/X-2019 dated 7 October 2019 which is valid for 5 years from the date of stipulation, with a location that located at the coordinates S 00° 03' 14.2" and E 99° 58' 24".
- **Laras Estate:** Hazardous and Toxic Waste Management Permit for PT LIN Laras Estate unit based on DPMPTSP Decree of Pasaman Barat District Number 503/03/DPMPTSP/XI-2018 dated 30 November 2018 which is valid for 5 years from the date of stipulation, with a location located in coordinates S 00° 06' 19" and E 99° 54' 45".

The waste stored in the temporary storage warehouse will then be transported by a licensed party every full condition or a maximum of once a year. The last transportation was proven through an Electronic Manifest document and an official report on transportation which was carried out on 22 June 2022 by PT Horas Miduk for AAI POM and 2 April 2022 by PT Biuteknika Bina Prima which is a licensed party. The company can show a cooperation agreement with the carrier based on the Cooperation Agreement document, namely:

- **AAI POM:** Number 512/AAI-HM/MOU/X/2021 made on 2 October 2021, valid for 2 years.
- **Laras Estate:** Number 235/BBP/SPKLB3-KLINIK/VI/2022 made on 21 June 2022, valid for 1 year.

The company can also show the legality documents of the carrier such as a valid transportation permit from the Ministry of Environment and Forestry, a valid permit for special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and the licensed processor and/or user. .

Companies can also show documents for storing and handling hazardous waste in accordance with their SOPs and Government Regulation Number 101 of 2014. These documents include the Manifest, balance sheet and logbook. Based on the results of the document review by comparing the Manifest, balance sheets and logbooks, it can be seen that the waste data transported is in accordance with the data recorded in the balance sheets and logbooks for the period prior to transportation. Likewise the comparison between months after the transportation is carried out starting from empty. The company has also reported the results of hazardous waste management which is carried out every quarter with proof of Reporting of PT AAI and PT LIN's Hazardous Waste Management Report Documents for the third quarter of 2022 which are reported to the relevant agencies as explained in indicator 1.1.2.

Non-hazardous and toxic waste

Non-hazardous waste such as domestic waste and used fertilizer sacks are managed in the form of reuse for items that can still be used. In addition, waste that cannot be reused will be collected, if it still has economic value, such as scrap metal and used tires, it will be sold to those who work with the company. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or the emplacement area is carried out once a week and immediately disposed of in the landfill, and when the landfill is full, stockpiling and installation of signboards marking the opening and closing dates will be carried out. The company has a policy regarding the prohibition of burning waste, including in landfill areas.

The results of field observations in the landfill and emplacement areas showed that there were no traces of burning, all domestic waste was disposed of in waste storage tanks scattered throughout the building. The results of interviews with residents of the settlement also stated that the company routinely conducts outreach regarding domestic waste management, both directly through meetings, and indirectly by installing signboards prohibiting burning waste and littering.

Liquid, Solid and Air Waste

The solid waste from the FFB processing process in the form of shells and fiber is reused by the company as a substitute for fossil fuels (diesel) for electricity generation in boilers, while the 100% empty fruit bunch is used to substitute fertilizer through the combustion process in the furnace. Solid waste utilization data is explained in more detail in indicator 7.9.1. The company also utilizes POME by applying it to land applications and not discharging it into water bodies. Related to regulation and management of POME is explained in more detail in indicator 7.8.3. As for air waste, the company has not made the usual use of air waste, namely the Biogas Plan. So far, management related to air waste has only been limited to measuring the quality of air originating from waste-producing sources such as WWTP, Boilers and Gensets.

7.3.2

Based on interviews with the AAI POM and Laras Estate Hazardous Waste Warehouse Management Manager, it is known that they understand the handling of waste disposal, especially hazardous waste and domestic waste and their management as regulated in the procedures owned by the company. The waste warehouse manager can also explain techniques related to waste management, such as the treatment of incoming and outgoing goods, recording and reporting, transportation periods, handling in the event of a work accident and other actions regulated in company procedures. The verification results of the hazardous waste Logbook document also show that all incoming and outgoing waste has been properly documented and in accordance with the actual conditions. All hazardous waste generated in each division will be sent to the hazardous waste warehouse in a maximum of 1 week from the date the waste is generated, previously stored in a special room available in each division office.

The results of interviews with workers living in the emplacement area also stated that the waste management carried out by the company was very good and organized. Trash bins are properly provided, all waste disposal facilities have also been provided by the company such as organic and non-organic waste bins which will be replaced if damaged, hazardous waste warehouses and landfills. The resource person also really understands how to separate the types of waste they produce and what types of waste cannot be reused. Respondents' understanding of waste management is the result of socialization and training which is carried out regularly and consistently as evidenced by the minutes taken on August 4, 2022 for all staff and employees.

7.3.3

The company does not carry out open burning for waste destruction, this can be proven from field observations in the Laras B Estate Landfill area not found any traces of burnt waste. The results of interviews with employees also stated that they had never burned garbage, because they knew the prohibition of burning and the sanctions they would receive if they did. Garbage from the housing is disposed of in the bins that have been provided, then transported once a week and disposed of in landfills and then buried when they are full. The results of field observations in the employee housing areas of Laras A and Laras B also show many warnings to prohibit burning waste and the dangers that can arise from burning. The interview with management also explained that all workers understood the regulations regarding the prohibition of burning.

Status: Comply

7.4

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

7.4.1

The company has had best practices mechanism in maintain and improve long term soil fertility, set in SOP of Manuring (No. OPE-SOP09-10). This procedures set bunch of strategy to maintain and improve long term fertility, by combining efficient and measurable in-organic fertilization, take into account the oil palm age and soil nutrient properties by conducting leaf and soil sampling. The efficient and non excessive inorganic fertilization are critical to maintain soil structur and texture, combined with manuring by EFB mulching application. The manuring conducted especially in land with low nurient properties, to improve soil structure and texture, microbiological properties, as well as to minimise in-organic fertilization if possible.

Based field observations, the company shows implementation including using the pruned fronds placed in racking area and bunch ash application as an alternative nutrient.

7.4.2

In the procedure for soil and leaf sampling it is explained that soil sampling is conducted every five years, and leaf sampling is carried out annually, as a basis for compiling fertilizer recommendations the following year. Companies can show the results of the latest Leaf Analysis and Soil Analysis, including:

- Leaf Analysis Results No. 002/RDL-EXT/L/V/22 dated 18 May 2022 for 11 leaf samples. The parameters analyzed include: N, P, K, Mg, Ca, B, Cu, Zn
- Leaf Analysis Results No. 010/RDL-EXT/L/VI/22 dated 17 June 2022 for 14 leaf samples. The parameters analyzed include: N, P, K, Mg, Ca, B, Cu, Zn
- Leaf Analysis Results No. 011/RDL-EXT/L/VI/22 dated 17 June 2022 for 31 leaf samples. The parameters analyzed include: N, P, K, Mg, Ca, B, Cu, Zn
- Leaf Analysis Results No. 023/RDL-EXT/L/VIII/22 dated 3 August 2022 for 71 leaf samples. The parameters analyzed include: N, P, K, Mg, Ca, B, Cu, Zn
- Leaf Analysis Results No. 033/RDL-EXT/L/VIII/22 dated 26 August 2022 for 11 leaf samples. The parameters analyzed include: N, P, K, Mg, Ca, B, Cu, Zn
- Analysis Results No. 003/RDL-EXT/S/II/21 dated 23 February 2021 for the results of the analysis of 28 soil samples. The parameters analyzed included: Particle Size; pH; H₂O; Total N; C-Organic; LOI; P Total; PBray II; CECs; Exc. K; Ca; Mg; Exch. Al&H

7.4.3

Based on the results of document studies and field visits, it is known that the company has applied bunch ash, and the results of pruning fronds are arranged in the heap area. In addition, the results of the main enumeration were also used in the replanting area as an alternative to natural nutrients.

7.4.4

Based on the results of document studies and interviews, it is known that the recommended fertilizers for 2022 include Urea, MOP, RP, GML, Kieserite, Borate, Zincop, NPK Blue and Bunch Ash with a total of 5,109,856.04 Kg (Barrel A) and 4,114. 515.37 Kg (Barrel B). The realization of fertilization up to October 2022 is as follows:

Description	Laras A & Laras B (Kg)
Program	9,224,371

Realization	6,335,428
Achievement	69%

The achievement of fertilization has not been achieved due to rainfall conditions and the ongoing financial year.

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

The company has had the topography map scale 1: 75,000 based on Soil Survey Analysis of 2015 by Param Agricultural Soil Survey Sdn. Bhd. Based on the map, as well as field observation, the entirely area shown as flat. However, identified peat soil as fragile soil amount of 6,423 ha, where mineral soil amount of 886 ha in entire soil survey scope.

7.5.2; 7.5.3

Based on the results of a study of soil survey documents and field observations, no steep slopes were found in the company's concession area.

Status: Comply

7.6

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

7.6.1; 7.6.2; 7.6.3

Based on interview with the management, document review and field observation, known that the company did not conduct any new development area.

Status: Comply

7.7

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

7.7.1

Based on the results of the study of the area statement document and field observations, it is known that the Company did not develop new plantings after November 15 2018 and only carried out replanting activities.

7.7.2

The company shows the Peat Inventory document along with a record of communication with the RSPO via email updated on September 29 2021 which provides information on peat areas for other companies that are still in the same group. Based on the review of the Peat Inventory document, it is known that the distribution of PT Laras Internusa's peat areas is as follows:

- Planted: 5,658.49 Ha
- Unplanted (Others): 617,69 Ha
- Unplanted (Conservation): 182,07 Ha

The Peat Inventory document also notes that In the 'Other' column shows the unplanted area in plasma boundary. Up to the time the ASA-3 audit was carried out, there had been no change in the area of the peat area at PT Laras Internusa nor any notes or recommendations from the RSPO.

7.7.3; 7.7.4; 7.7.6

The planting on peatland has been managed according to applicable national regulations and RSPO Guidelines for Best Management Practices (BMP) for Oil Palm Cultivation that are already on Peatlands, such as by water and ground cover management, peat subsidence monitoring, and drainability assessment.

The system in water management and land cover has been set in the SOP of Water Management (No. OPE-SOP14-03) dated 6 January 2015 which describes the measurement and monitoring of water level, silt pit, implementation, and flood mitigation strategies. Field observation has been conducted to verify the implementation such as weirs, water level meter in drains, and piezometer to

measure water table.

Peat land subsidence in the operational area has been monitored by installing peat subsidence stakes, then monitored and documented. The system has been set in the SOP of Peat Land Subsidence (No. ST-SOP15-01), which explains how to measure the decrease in peat soil that carried out every month, the technique of installing peat sticks, sampling, and technical measurements and subsidence observations. In the procedure it was explained that peat soil was said to be damaged if the cumulative decrease in peat surface was >35 cm / 5 years.

The company shows the following documents:

- PT LIN's Peat subsidence distribution map of 16 compliance points.
- PT LIN's Piezometer distribution map of 67 compliance points.
- Map of PT LIN's Water Gate distribution of 6 points.
- PT LIN's Stop Bund distribution map of 235 stop bunds.

Records of observations of peat subsidence measurements which are carried out every month. Based on these data it is known that the rate of subsidence of peat soils is between 4.4 cm – 13.3 cm since the first installation in 2017 until the last measurement in October 2022.

Based on observations of water level measurements that are carried out every week, for example the results of monitoring on October 26 2022 found water levels between 20 – 79 cm below the ground surface. This was influenced by rainfall so the company carried out water management which resulted in low upstream and high upstream downstream.

In addition, based on the results of piezometer observations which are carried out every week, for example the results of monitoring on 26 October 2022 found the groundwater level ranged from 23 – 68 cm below the peat soil surface.

7.7.5

The company conducted a drainability assessment for the first time in 2018, based on the results of the drainability study in November 2018 it was found that water levels in PT. LIN are relatively stable and do not undergo drastic drops impacting the peat ecosystem. Water management is efficient irrespective of rainfall fluctuation. The water table is effectively management minimizing water outflow from the PT. LIN peat system thus, any form of replanting will not impact the water levels drastically – maintaining peat integrity. To complete the drainability assessment in 2018, the company conducted a drainability assessment again in 2019 based on the summary and conclusion, stated that the peat dome is at the height of 4 to 12 m from sea level, where the main outlet height is 1.5 m from sea level, the distance to the coast about 5 km, therefore, it is unlikely affected by flooding to the Estate. The suitability likely suitable for next two generations.

The drainability assessment was carried out before the Guidance for Drainability was issued, so that the company's drainability assessment was not sent to the RSPO secretariat, in addition the company has plans to conduct a drainability assessment again in 2022 to complete the existing drainability assessment in accordance with the RSPO guidance for drainability assessment.

7.7.7

Based on the results of field observations, it is known that the company has not carried out new developments, either new plantings or construction of infrastructure in peat areas that are not planted.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Based on the 2018 Addendum to ANDAL (AAI POM), 2015 ANDAL (Laras Estate), 2015 HCV identification results, as well as river flow maps and water sources, it can be seen that there are water sources in the operational area, namely the Batang Masang River for the scope of PT LIN and the Batang Koja River. for the scope of PT AAI. Based on this document, it is known that the water source management plan is to test the quality of surface water in the Upper and Lower Rivers every 6 months and drilled wells every 1 year. All tests are carried out by a KAN accredited laboratory (LP-1247-IDN). In this regard, the company shows the results of surface water

quality testing for the first semester of 2022 to be carried out on April 22, 2022. The company conducted surface water tests with 34 indicators which were carried out at 4 sample points.

Based on the test results data for the Semester 1 2022 period, there are parameters that are above the quality standard, namely COD in the Upper and Lower Batang Masang Rivers. The results of interviews with the company related to the high COD value because the source of river water comes from peat. The results of analysis of test data for the last 2 years show several parameters that have fluctuated, this is due to the sampling period carried out in different seasons. This is very influential because the location of the company is on the coast and there are factors of tides and ebbs of sea water and the intensity of the rainy season. In addition, the river is also outside the company's operational area where in the upstream section there are already many plantations and residential areas, the main river transportation route and the company's location on the coast.

The results of interviews with workers stated that there were never complaints about river water, they only used the river for transportation and not for consumption or daily needs. The results of interviews with the community around the company and related agencies also did not reveal any negative issues related to the condition of the river water. In addition, the company has also made efforts to control potential pollution by measuring the river water level and providing embankments around the WWTP that can accommodate $\pm 100,000$ m³ of wastewater to anticipate damage to the WWTP embankments.

The unit of certification also does not limit access to clean water, and all workers also have adequate access to clean water. Based on the results of field observations in the Laras Estate residential area as well as interviews with fertilizer workers, spraying workers and harvesting workers, information was obtained that clean water facilities for housing were obtained from drilled wells and rainwater collection facilities. Drinking water testing was also carried out by the company to see the quality of drinking water taken from drilled wells which was carried out by a KAN-accredited laboratory (LP-1247-IDN) on April 22, 2022. The results of drinking water quality testing also showed that all parameters tested were still in accordance with the standard. The quality that applies is Regulation of the Minister of Health Number 32 of 2017.

The company also has procedure Number ST-SOP11-04 concerning Riparian Area Boundaries and HCV which includes protection of river banks. Based on the results of document verification and field observations at several sampling locations, it is shown that the company has carried out activities to improve water quality, including:

- Conduct outreach to all employees and the surrounding community to maintain water quality.
- Maintain cleanliness of the environment around water sources and put-up signs prohibiting littering in canals.
- Report the results of the inspection in accordance with the provisions of the applicable laws and regulations.
- Testing the quality of river and canal water listed in the RKL/RPL report
- Management of surface water erosion and runoff, management of water in the lowlands and monitoring of surface water quality as contained in the implementation of the RKL-RPL each semester.
- Waste water management using WWTP.
- Monitoring the use of water for palm oil processing and evaluation of its use.

7.8.2

The company has procedures related to the identification, management and maintenance of water sources and quality which are listed in several procedures, including:

- SOP Number ST-SOP11-04 concerning Boundaries of Riparian Areas and HCV which explains in detail the boundaries of conservation areas on river banks.
- SOP Number OPE-SOP01-13 concerning Land Clearing & Preparation which explains about not replanting or opening new lava around river/riparian borders and HCV.

The procedure also explains several matters related to the management of river banks and other water sources, such as for example determining the width of a river border following Presidential Decree no. 32 of 1990, protects the boundaries, conducts outreach to all parties involved in plantation operations to participate in water protection activities, making boundary markings, and monitoring water resources. The company also has topographical data in the form of maps with a scale of 1:50,000 which includes the scope of certification. Based on the map, there are no rivers, lakes or springs in the company area. All water bodies within the company area are man-made canals with closed access. In addition, the company showed a topographical map showing that the slope ranged from 0 – 8%. The results of document review and interviews as well as verification of company areas through satellite imagery also show that the boundaries of all rivers have been identified and determined to be HCV areas.

The company has also made efforts to manage water sources, such as periodically monitoring the condition of river water from potential pollution and fires every month, testing surface water quality standards to ensure that water quality is still within normal limits every semester, and marking the boundaries of chemical application areas with color. red. In addition, the company also conducts outreach to employees and the surrounding community regarding conservation efforts which can be proven based on the minutes of outreach to workers on 17 September 2022 and to the community on 28 May 2022. The results of interviews with spraying and fertilizing workers at Laras Estate also state that they already know the rules regarding limits on the application of chemicals, the prohibition on washing chemically contaminated goods in water bodies and other activities that have a negative impact on water sources.

7.8.3

The unit of certification already has facilities for managing POME produced from palm oil processing with a capacity of 60 tons of FFB/hour using WWTP. POME that has been managed at WWTP is then discharged into the river. Before being discharged into the river, all POME is put into WWTP with a single-feeding system which is then processed to reduce pollutant elements so that it is fit for disposal into water bodies. The waste treatment facilities owned are as many as 15 ponds consisting of 1 Cooling Pond, 1 Neutralization Pond, 1 Seeding Pond, 4 Anaerobic Ponds, 1 Buffer Pond, 3 Aerobic Ponds, 3 Sedimentation Ponds and 1 Monitoring Pool as a POME shelter where the outlets are at monitoring pond from the sedimentation pond.

The company also has a Liquid Waste Disposal Permit to Water Bodies (IPLC) for PT AAI Unit AAI POM based on DPMPTSP Pasaman Barat District Decree number 503/04/DPMPTSP/II-2019 dated 20 February 2019 which is valid for 5 years from the date of stipulation. There is an obligation in the permit document, namely to monitor potential environmental impacts on a regular basis and ensure that the quality of the POME to be disposed of is in accordance with the applicable quality standards. The company can show the results of the recapitulation of POME flows to water bodies, namely a total of 52,376 m³ for the 2022 period, or the equivalent of 144 m³/day.

To find out the eligibility of POME quality, companies conduct tests every month using quality standards referring to KepmenLH Number 29 of 2003. Companies can show evidence regarding the results of POME quality measurements in the form of documents on the results of tests carried out by laboratories accredited by KAN (LP-1247-IDN). Based on the results of the analysis of the test results documents for the period January - October 2022, it shows that all parameters are in accordance with the applicable quality standards. This shows that the POME generated from FFB management activities is suitable for disposal into water bodies. The company has also reported the results of liquid waste management which are incorporated in the Liquid Waste Management Report every 3 months and in the RKL-RPL report every 6 months to the relevant agencies as explained in indicator 1.1.2.

Based on the results of field observations to WWTP, it shows that the company has managed POME well, which can be shown from the POME that is discharged into water bodies, which has a bright color and does not smell. In addition, there is also no potential for WWTP to overflow or runoff, the boundary between the body of the embankment and the surface of the wastewater is around 50 cm. The company also maintains a reserve pool which is used in case POME volumes increase.

7.8.4

The company already has a Surface Water Utilization Permit for AAI POM unit of PT AAI based on the Sumatera Barat Provincial DPMPTSP Decree Number 611-06-2019 dated August 2 2019 and is valid for 10 years. The document contains provisions for a surface water withdrawal quota of 14,400 m³/month for 10 hours/day with 25 working days located on the Pisangutan River, Kinali Sub District, Pasaman Barat District.

Companies can also show documents recording daily water use, as well as the results of recapitulation of water use for palm oil processing units every month, for example for the period November 2021 – October 2022. Based on data on surface water utilization, if taken the total water use for processing FFB is 151,473 m³/year or equivalent to 12,622.75 m³/month or 1.11 m³/ton FFB, this shows that there is no excess use of surface water from the applicable permit. However, if the overall water use is calculated, the total water use is 194,738 m³/year or equivalent to 16,228.16 m³/month, this shows that there is an excess of surface water withdrawal from the permit granted.

In this regard, the company can show evidence that all water usage has been paid for which can be proven through proof of payment of water fees to the Regional Revenue Service Technical Implementation Unit (UPTD) for the period October 2022 with payment

periods made every month. Proof of payment made on November 15, 2022 for the total water use in October 2022 of 15,278 m³, the water tax paid is not only for the processing of FFB but for all of PT AAI's water use.

The results of field observations at the Water Treatment Plan (WTP) and Water Intake also show that the flowmeter used is still functioning properly. The results of interviews with officers responsible for PAPs also show that operators are very knowledgeable about how PAPs work and record flowmeter data. Officers can also show data entering and exiting water which is recorded every day.

Status: Comply

7.9

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

7.9.1

The Unit of Certification has made efforts to increase the efficiency of using fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of a document Converting Biofuels to Diesel in AAI POM Period 2021 - 2022. The biofuels in question are solid waste in the form of shells and fibers used to substitute fossil fuels (diesel) as a producer of electrical energy using a boiler. The recapitulation of solid waste utilization for the period November 2021 – October 2022 shows that of the 136,995.48 Tons of processed FFB, it can produce biofuel in the form of 6,849 Tons of shells and 15,069 Tons of fiber, all of which are used for the combustion process in boilers or equivalent to 16% of the total FFB consumed. processed. The company also utilizes 100% of the EFB produced to be used as a substitute for fertilizer which was previously processed into Bunch Ash using a Burning Furnace. The total Bunch of Ash utilized in 2022 is 448 tons.

Based on an analysis of data on the use of diesel fuel for FFB processing, information on the estimated diesel needed to generate electricity in the factory area for the period October 2021 - November 2022 is obtained, namely 746,968 liters/year or 5.45 liters/ton FFB. However, due to the efficient use of diesel fuel substituted with biofuels, the use of diesel fuel can be reduced to only 46,400 liters/year or the equivalent of 0.34 liters/ton FFB. This shows that the use of Biofuels can reduce by 99% the use of diesel.

The results of interviews with the company stated that this efficiency is very beneficial because it can reduce diesel consumption. Currently it is needed only to turn on the generator as an initial power generator. This energy efficiency is also applied to all of the company's operational activities by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total use of diesel for Semester 1, 2022 is 89,856 liters where there has been a decrease in the use of diesel from Semester 2, 2021 of 95,508 liters which proves that the company has succeeded in minimizing the use of fossil fuels. Currently, the company has not utilized methane gas to produce electricity-producing biogas.

Status: Comply

7.10

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

7.10.1

The Certification Unit has carried out a GHG inventory contained in the PT AAI and PT LIN Environmental Pollution and Greenhouse Gas Management Plan documents, based on document analysis it can be concluded that the company has identified the sources of GHG produced by the unit and its suppliers. Identification of significant sources of GHG emissions identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include changes in land use, processing of POME, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plan includes, among other things, proper dosage of fertilizer use and application according to recommendations, reduction of reuse and recycling actions, restrictions on electricity use, transportation and machine maintenance, as well as regular air quality tests.

The reduction of fossil fuels in AAI POM has been carried out by using fiber and shells for fuel substitution. The company also tested POME discharged into water bodies from the monitoring period January – October 2022 which showed that all parameters for testing wastewater met the applicable quality standards. The summary of GHG emissions for the January – December 2021 period is as follows:

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	18.35	tCO ₂ e/tProduct	Oil palm planted on mineral soil	420.79	Ha

PK	18.35	tCO ₂ e/tProduct	Oil palm planted area on peat	5,454.70	Ha
PKO	0	tCO ₂ e/tProduct	Total oil palm planted area	5,875.49	Ha
PKE	0	tCO ₂ e/tProduct	Conservation area (Forested)	0.00	Ha
OER	20.80	%	Conservation area (non-Forested)	111.00	Ha
KER	4.36	%	FFB Production per hectare	25.93	t/ha

However, companies can only show a summary of the palm GHG calculation results and cannot show it through the RSPO palm GHG website, so that auditors cannot access all of the palm GHG data yet, for example:

- Total FFB production and operational area
- Data on the year of planting and the area of the planting area
- FFB supplier data and total FFB sent by suppliers
- Calculation of the use of diesel, POME and other emission sources.

In addition, there is also a discrepancy between the data listed in the palm GHG with actual conditions and other data sources, for example:

- The area of HCV area where the actual non-forested conservation area is 20.08 Ha, the result of HCV identification in 2015 which is included in the scope of certification is 0 Ha, whereas in palm GHG it is 111 Ha.
- The area of the planted area in the statement area is 5,878.70 Ha while the palm GHG area is 5,875.49 Ha.
- The area of peat embedded in the metric template and peat inventory is 5,658.49 Ha while in palm GHG it is 5,454.70 Ha.
- The number of Palm Kernel Shell (PKS) sold based on sales data was 1,090 tons, while palm GHG did not sell Palm Kernel Shell.

Based on this, it shows that the company has identified, assessed and monitored emissions through the PalmGHG calculator, but not all data can be accessed and there are data discrepancies with actual conditions and other data reference sources. **Non-Conformity Number 2022.01, Grade Major.**

7.10.2

The Unit of Certification did not carry out new developments after 2014, all plantings after 2014 were replanting activities. However, the company continues to manage it to minimize the emissions it produces by showing identification documents for activities that generate emissions for the 2021 - 2022 period for Factories and Plantations. This is done to estimate the carbon stock in the management area along with the potential sources of emissions that can occur directly as a result of the management, and a plan to minimize these emissions is developed and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel fuel, carrying out maintenance on operational equipment on a regular basis, and managing POM so that it is suitable for disposal on land. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizer according to the dosage, routine maintenance of operational vehicles, socialization on the prohibition of burning waste, application of efficient use of electricity and integrated pest control to minimize the use of pesticides.

7.10.3

The unit of certification has identified pollution sources and mitigation plans contained in the Greenhouse Gas Management SOP Number ST-SOP14-00 dated April 2015. Companies can also show documents on Environmental Pollution and Greenhouse Gas Management Plans for 2022 for PT AAI and PT LIN which are explained regarding the identification of sources of emissions from plantation operations and palm oil mills. The company has also carried out management and monitoring related to the results of the identification and mitigation plan as evidenced through the RKL-RPL document for semester 1 of 2022 and has reported it to the Pasaman Barat District Environmental Service as explained in indicator 1.1.2.

Based on the document verification, it shows that in the management of air pollution, the unit of certification has conducted air emission tests on boilers and generators as well as ambient air. The test was carried out by a KAN accredited laboratory (LP-1247-IDN) on May 16, 2022. Based on the analysis of the value of the test results, it can be concluded that no value is above the applicable quality standard, namely PermenLH Number 07 of 2007 for Boilers, PermenLH Number 13 2009 for Generators and PPRI Number 22 of 2021 for ambient air.

In addition, the company has also managed disturbances from immovable sources. Tests were carried out by a KAN accredited laboratory (LP-1247-IDN) on May 16, 2022. Tests carried out by the company included testing for smell, vibration and noise in work and residential areas. Based on the results of document verification, it shows that all test results comply with the quality standards set for each applicable law, namely KepmenLH Number 48 of 1996 for noise, KepmenLH number 49 of 1996 for vibration, and KepmenLH Number 50 of 1996 for odor.

However, for the results of noise measurements, based on Permenakertrans Number 5 of 2018 for several FFB processing areas at the Mill, it is above the required quality standard value. Under these conditions, to reduce the potential for harm to hearing, the company has developed several control actions plans to reduce the impact on the health factors of operators working in the workplace. Efforts that have been made by the company include:

- Periodic tool/machine maintenance program to keep it up.
- Setting working time by means of job rotation so that the amount of noise exposure to workers can be controlled (no more than 8 hours/day for a noise level of 85 dBA).
- Preparation of HIRAC (Hazard Identification Risk Assessment and Control) documents for all activities at the Factory and disseminating them to all relevant employees
- Conduct socialization and SOP training on a regular basis to related operators.
- Installation of "Noise Zone" warning signs and mandatory use of PPE.
- Examination and evaluation of the health of workers and the work environment routinely at stations with a level of potential noise hazard.
- Examination of the use of PPE by safety officers related to discipline in the use of PPE.
- Providing PPE in the form of earplugs and earmuffs and conducting audiometric health checks for factory employees.

The results of interviews with boiler and generator staff stated that there had never been any hearing-related problems experienced by the interviewees or other factory workers, the company had also carried out routine related health checks. The resource person also explained that the obligation to use PPE in the work area is an obligation that cannot be violated, warnings about the use of PPE and checking the completeness of PPE are also implemented in the company.

7.10.1	Status: Non-Conformity Number 2022.01 Grade Major.
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7.11 Fire is not used for preparing land and is prevented in the managed area.

7.11.1
The company shows the SOP for prevention and control of fires, which among others are listed in the SOP document number ST-SOP02-06, effective date 19 August 2020. These procedures include land clearing techniques/operational activities without burning, fire prevention, fire prevention and fire control. Based on the results of interviews with workers and the emergency response team, it was found that those concerned had understood the fire prevention and control procedures set by the company. The company also has special SOPs that are specific in fire management, for example:

- SOP for Small Fire Extinguishers Number ST-SOP03-00 dated 8 April 2013.
- SOP for Haze Emergency Response Number ST-SOP23-01 dated 20 November 2017.

In addition, the company also has Land Clearing and Preparation SOP Number OPE-SOP01-13 dated 29 March 2016 which specifically states that all land clearing activities may not be carried out by burning but rather by mechanical means. Based on this explanation, it can be concluded that the company has SOPs for prevention and control of land fires that require Zero Burning.

7.11.2
The company has shown evidence that human resources are available that are capable of preventing and tackling land fires, which has been shown, among other things, that a fire management unit organization has been established, which is authorized for the period of 2022. In addition, the company has also provided training in collaboration with the Sumatera Barat Provincial Forestry Service on August 29 2016, and can show training certificate Number 893/2021A/PPH-2016 on behalf of Eko.

Based on the results of interviews with workers and the emergency response team, it is known that workers can explain their duties/ roles/ understanding related to fire prevention and control in the event of a land fire, such as making contact with the Head Office's emergency response team via the WhatsApp group or contacting directly to the information center that has been previously socialized.

The role will adjust to the division of the emergency response team of 7 teams, each of which has its own responsibilities. In addition, in monitoring activities, the fire monitoring team uses the LAPAN Fire Hotspot application which can indicate potential fire areas within the scope of company management.

The company shows a list of fire control facilities and infrastructure documents, which among others are listed in the PT. LIN update on October 3, 2022 which was approved by the Manager. Based on this document, it is known that the facilities and infrastructure owned refer to the Minister of Agriculture Number 5 of 2018 and all the required facilities have been equipped, for example 14 monitoring towers scattered throughout the location with the results of field observations on monitoring towers and firefighting warehouses indicating that the facilities and owned infrastructure in good condition and well maintained.

In addition, the company can also show the results of monitoring hotspots from the fire tower every month. For example, in January-September 2022 which shows that there are no hotspots in the company area. Based on field observations, there is no evidence of burning in the company's operational areas. Based on interviews with management and the results of field observations of the replanting area in Block E11 – E15 Laras-A Estate, it shows that the company cleared land without burning (mechanically).

7.11.3

The company shows the prevention implementation documents, which among others are listed in the Fire Monitoring and Prevention Report document for Semester 1 of 2022 with the implementation results in summary that there were no incidents of forest and land fires within the scope of PT AAI and PT LIN. The document also explains the results of maintenance of fire control facilities and infrastructure. The company shows these documents to the Plantation Service and the Pasaman Barat District Environmental Service as explained in indicator 1.2.2. In summary, the points listed in the report include activities that have been carried out, for example outreach, training, simulations and carrying out routine monitoring activities. Monitoring is carried out based on information from applications provided by the government to monitor hotspots.

Based on the results of interviews with the Department of Environment and the Office of Plantations of Pasaman Barat District, it was found that there were no fire incidents in and around the company, training and prevention activities had been carried out by the company and orderly reporting had been carried out properly. The company also routinely conducts outreach to the surrounding community, plasma members and workers regarding the prohibition of burning in land clearing and anticipates fire incidents by carrying out emergency response and fire handling simulations which are carried out by involving the community, local government and firefighting teams from local agencies such as which was proven based on the minutes of events on September 17, 2022.

Based on the explanation above, it is known that the company has documents on the implementation of prevention, control, monitoring of fires and maintenance of facilities and infrastructure as well as involving stakeholders in anticipating and preventing 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 and 7.12.8

The company cleared land prior to 2005 without prior HCV assessment, so remediation and compensation procedures apply, because there was land clearing until 2006, but the HCV assessment for the PT LIN area was only carried out in 2013 and 2014 (final document in 2015). Based on this, the company has an obligation to prepare LUCA documents. The company can show a series of communications between TSH Group and RSPO which can be proven based on an email from RSPO (Dillon) to PT LIN on 22 August 2016 stating that PT LIN has obtained a LUCA study with PASS status with clarification.

However, on 23 January 2018, the RSPO sent another email from Ainaa Amira asking about the status of the LUCA clarification document. The company then sent back email evidence between the team from TSH Group (Arvind) and RSPO (Dillon) regarding LUCA on 14 February 2018. Then the company was asked to send back LUCA documents on 20 November 2018. RSPO (Khing Su Li) returned replied on November 20, 2018 stating that "I only managed to find communications between Dillon Sarim and later Ainaa Amira to Selwendaran until January 2018. As you can see in the email line, Ainaa has been requested for an update in January 2018 with a finding value of LUCA clarification. Related to this, the company has again updated the LUCA study compiled by Malaysian Environmental Consultants Sdn. Bhd in 2021. The results of the LUCA study are as follows:

- The total area of management unit is 7,354 Ha
- The total area of raw liability is 326.01 Ha
- The total area of conservation liability is 13.15 Ha.
- The total area of environmental remediation is 17.58 Ha as a riparian buffer zone and 5,627.64 Ha as a peat area.
- The company has obtained PASS status for the results of the LUCA study on 24 March 2021.

Based on this document, there is an area with a total of 30.73 Ha which is included in the scope of the RaCP. However, this area is currently excluded from the scope of certification as conveyed by the RSPO (Khing Su Li) which explains that the company has agreed to choose the option to exclude the RaCP area from the scope of certification. The decision was stated in an email dated 6 November 2019 which explained regarding the Declaration that the PT LIN Final Compensation liability area is out of the current RSPO Certification Scope and thus, proposing PT LIN be allowed to proceed with the RSPO certification.

Based on this explanation, until the surveillance-3 audit was carried out there were no areas within the scope of certification included in the scope of the RaCP. The RaCP area is currently included in the timebone plan and is still in the concept note arrangement stage. This area is under the management of Laras-B Estate which is located in blocks G24 – G28.

7.12.2

Based on verification of land clearing data there is no indication of new land clearing after 15 November 2018, therefore the company only has an obligation to study High Conservation Value (HCV) and has no obligation to conduct a High Carbon Stock (HCS) study. The HCV Assessment for PT LIN was conducted on September 14-20th, 2013; November 7-11th, 2014 and was re-upgraded on November 16-18th, 2015. The 2015 HCV assessment activity was carried out by Malaysian Environmental Consultants Sdn Bhd chaired by Kishokumar Jeyaraj using the 2008 HCV toolkit. The HCV identification assessment was carried out for the scope of PT LIN with the total area of study is **8,309 Ha** (Main Estate 7,309 Ha and Plasma 1,000 Ha). Based on the results of the HCV study, an area of 247,394 Ha of HCV was obtained, all of which were identified as HCV 4 in the form of inundated areas in the Plasma area. Based on this study, it shows that there are no HCV areas in the Laras Estate area and the scope of certification.

However, in environmental management for conservation purposes, the company continues to manage the identified riparian area of **33.07 Ha**, consisting of **20.08 Ha** included in the scope of certification and **12.99 Ha** outside the scope of certification. The area was identified as a riparian protected area which had been established by the Director of PT LIN on July 21, 2000. The results of field observations in Blocks D05, B11, and A13, Laras A Estate showed that the conservation management carried out by the company was not replanting, trees old palms are still left in the area. The area is not identified as HCV on basic information but is included in the riparian area.

As for PT AAI, it does not have an HCV area because it has not conducted an HCV study, but the company has conducted an Environmental Impact Assessment (EIA) study in the form of the 2003 RKL-RPL document. The study stated that the company has an obligation to manage a protected area with a total area of **5.15 Ha** consists of the **2.10 Ha** Anak Air Tapuih River Riparian and the **3.05 Ha** Batang Masang Kiri River Riparian with a 25-meter-wide protected area on each side. This area is included in the scope of the factory HGB area in basic info. The company also continues to manage the riverbanks that fall within the scope of their HGB with reference to the results of the 2003 RKL-RPL study. The results of field observations in the Batang Masang River Rim showed that the company had carried out management by not clearing land in the river border area and planting forestry plants such as Banyan, Bamboo and Acacia. Regarding the obligation to conduct HCV studies, the auditor's consideration concluded that the EIA study was sufficient to cover the entire company's HGB area which is only **28.14 Ha**.

7.12.3

Based on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known there is no HFCL area for Indonesia.

7.12.4

Based on the HCV identification results it is known that there are HCV areas within the scope of the unit of certification and several types of RTE species consisting of mammals, aves and herpetofauna. The company has developed and determined an HCV management plan in the 2018-2023 HCV Management Plan document with management scope and targets every year. The integrated management plan is developed in consultation with relevant stakeholders and includes areas that are directly managed and takes into account relevant broader landscape levels which is carried out in conjunction with the annual SIA review. Even though

there are no HCV areas within the scope of certification, the company continues to manage HCV areas and riparian conservation areas by providing chemical application boundaries, signboards and HCV area boundary markers. In addition to the 5-year management plan, the company also has a management plan that is prepared annually with the aim of updating management and monitoring needs. The annual program for the 2022 period includes:

- Socialization of conservation management related to wildlife hunting by identifying and protecting the remaining riverbanks and large swamp areas as potential habitats for wild animals. Then make boundaries and put up signboards in the forest area.
- Investigation and strict action against the perpetrators, if there is an incident. This includes reporting incidents to the appropriate authorities. Coordinate with the government or authorities in handling wildlife and human conflicts.
- Outreach to local residents including company employees and internal stakeholders about the importance of conservation areas and the sustainable use of wild plant and animal resources.
- Increase the installation of signboards regarding areas protected by the company, and types of protected wildlife (no hunting, prohibition on forest encroachment and the importance of conservation values).
- Conduct monitoring to minimize degradation of water and riparian quality, forest fires, preservation of peat areas and anticipate invasive species, as well as ensure that conflicts over land management in the PT LIN area do not impact conservation area areas.

The implementation of HCV management and monitoring for 2022 is carried out in accordance with the 2022 HCV Management Plan where the timing and intensity of implementation are also appropriate, which can be shown based on the minutes document, including:

- Biodiversity and environment monitoring survey on 6 – 10 February 2022.
- Socialization of the HCV area to the Kinali Sub District Community and Pasaman Barat District Government on April 21 2022 which was attended by 35 people.
- Socialization of the HCV area to office employees on 25 August 2022 which was attended by 19 people.
- Socialization of HCV areas to contractors on 28 May 2022 attended by 13 people
- Socialization of the HCV area to spraying, fertilizing and manuring employees on 17 September 2022 which was attended by 36 people.
- Socialization of HCV areas to Upkeep employees and harvesters on 15 September 2022 which was attended by 61 people.
- HCV and riparian Patrol Reports for the 2022 period which are carried out every month with the latest evidence being done on 10 October – 7 November 2022.
- Monitoring of HCV attributes which is carried out once every 3 months Update in September 2022.
- Annual monitoring report on PT LIN's flora and fauna, updated in February 2022.

The company also has an HCV and topographic area map with a scale of 1:75,000, the map is also equipped with information about: map title, cardinal directions, map legend, map renewal date, and map source. The company has also conducted a review regarding management and monitoring activities in 2021 as evidenced in the 2022 Biodiversity Monitoring Report which contains management and monitoring evaluations and recommendations as an effort to improve HCV management activities in 2022.

Based on the results of field observations in several riparian conservation areas, information was obtained that all of these areas had already been planted with oil palm from the previous company. The results of field observations in Blocks D05, B11 and A13, Laras A Estate show that the conservation management carried out by the company is not replanting, old oil palm trees are still being left in the area.

7.12.5

The company has identified the needs of the community and the areas needed by affected communities to meet their basic needs, taking into account the potential for positive and negative changes in their livelihoods as a result of the company's operational activities. However, because the entire company area had been cleared since 1991 by the previous company without leaving the historic area, HCV 6 was not identified in the company area. However, the company has identified and carried out activities to minimize risks and impacts both for the community and for the environment, for example by providing regular outreach to the community not to apply chemicals to river areas to avoid pollution, not to clear land by burning, and so on.

The unit of certification has also considered various land management and tenure options to protect the riparian conservation area which is prone to being occupied by the community. The method used by the company is to collaborate with trusted communities by giving permission for these communities to occupy the border area as a place where they raise livestock. Because of this agreement,

the river riparian area is still safe from occupation activities and its security is maintained. This can be proven based on field observations at Laras-A Estate block A13 which shows that the border area still consists of old palm trees and is interspersed with teak and fruit trees and a few cattle pens.

7.12.6

The Unit of Certification has policies contained in procedures related to the protection of endangered species, namely Environmental Procedure Number ST-POL08-02 which has been in effect since October 2015 and SOP Wildlife Survey Number ST-SOP04-01 which has been in effect since January 2014. The document contains procedures consisting of: preventive and repressive measures in an effort to protect protected wild animals and plants such as the principle of sustainability, all employees are advised not to hunt, catch, kill and sell protected animals and plants that are endangered and report any such activity. Protect and not disturb the designated HCV areas and report any illegal actions. Employees who do not comply will be subject to sanctions in accordance with applicable laws and regulations. The company also put up no-hunting boards with photos of the species and sanctions for those who violate government regulations in all HCV areas.

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

In addition, the company has also conducted outreach about the existence of endangered plants and animals to employees and the surrounding community which is indicated in the socialization agenda documents as evidenced by the minutes accompanied by photographs and attendance lists as explained in indicator 7.12.4. Indirect outreach was also carried out by placing information boards and brochures warning signs regarding conservation areas and the existence of protected rare plants and animals in places that are easily visible, such as area entrances, area roads that are often passed by the community, and places other strategic areas such as offices and other public facilities. The results of field observations in several conservation areas show that the company has implemented protected area management such as replanting local plant species, not logging, not using chemicals, and installing HCV signboards and prohibiting hunting and burning to avoid and prevent poaching and/or encroachment. HCV area. Routine monitoring of HCV areas is carried out by several personnel appointed by the company.

Based on the results of interviews with management units and company employees regarding animal protection, the company has committed to protecting animals that are within the scope of corporate governance, such as implementing a ban on hunting, killing and keeping wild animals in the company's environment. The results of field observations also commonly found free-living protected species in company areas such as River Kingfisher (*Todirhamphus chloris*), Oriental darter (*Anhinga melanogaster*) and Water Monitor (*Varanus salvator*). Observations in the employee housing area also show that no one keeps protected animals, the pets commonly owned by employees are chickens, cats and dogs which have been domesticated.

7.12.7

Monitoring of protected areas in the 2022 period is carried out periodically every month to ensure the safety of the area. Monitoring activities are carried out in several river bank locations and all areas managed by the company. This monitoring is carried out to see the progress of HCV management results from the initial stage to the current condition. The company also monitors the diversity of flora and fauna which is routinely carried out every year by showing the results of HCV monitoring to be carried out in 2022. The results of fauna observations in the plantation area still found several protected species that are classified as protected according to IUCN, CITES and PermenLHK Number 106 of 2018. Important species of animals that require rivers as their main habitat are also still being identified in the PT area. LIN such as estuarine crocodiles (*Crocodylus porosus*), otters (*Lutra sumatrana*) and monitor lizards (*Varanus salvator*). Other predators that were also identified as still present in the plantations were the Leopard Cat (*Prionailurus bengalensis*), Bido's eagle (*Spilornis cheela*), and Brontok eagle (*Spizaetus cirrhatus*).

The company also conducts annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. The company also carries out follow-up actions to improve the HCV area management plan that is prepared every year by involving all relevant stakeholders in the company's operational areas such as the surrounding community, especially the surrounding community and law enforcement. The company also conducted a

review regarding management and monitoring activities in 2021 as evidenced in the Biodiversity Monitoring Report for the 2022 period which contains evaluation and recommendations for management and monitoring as an effort to improve HCV management activities for 2022 - 2023. Based on the results of this review, several management recommendations were obtained. among others:

- Availability of habitat for flora and fauna species is limited and the existing level of species richness is expected to increase. Riparian and forest patches are areas where it is possible to maintain or increase species diversity which can be done by rehabilitating the area by planting native plants and maintaining connectivity or biological corridors.
- Demarcation of conservation areas (local protected areas) and marking of boundaries within the management unit of PT. LIN for fast execution. This is in order to minimize land management conflicts that are considered neglected by the community.
- Periodic outreach activities regarding conservation and the environment must be carried out both to the community and company employees who have an interest in PT. LIN.

All evaluation results will be reviewed and will be adjusted to the HCV management program in the 2022 period. The evaluation results also show an increase in species encounters. In addition, HCV management and monitoring has been carried out in a participatory manner, namely by involving the community around the plantation, one of which is by having an agreement with the community to protect the HCV area together. Referring to the 2021 HCV Management Program, 2021 HCV Management Report, 2021 HCV Management Review and actual conditions in the field, it can be concluded that the company has carried out management as stated in the document.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
ASA 3	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA 3	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA 3	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA 3	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

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

TSH Sdn Bhd Group Time Bound Plan (TBP) is explained in table 1.10. TSH Sdn Bhd Group has nineteen (19) management units with seven (7) mills. TSH Sdn Bhd Group has informed the TBP progress, MUTU has considered that TSH Sdn Bhd Group is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by TSH Sdn Bhd Group.

MUTU has verified partial certification for un-certified unit's subsidiary of TSH Sdn Bhd Group based on their Time Bound Plan. There are three (3) uncertified mills and twelve (12) uncertified estates of TSH Sdn Bhd Group. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement: The company has conduct an internal audit for uncertified units under its membership.</p> <p>Auditor comment: The internal audit for units has been verified by the auditor.</p>
2.1.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : PT MJC, AWB, AWS, BCAP, FDB, LIN, MJC, MWJP, RT Plantation and TSS has sent the LUCA report to RSPO on 2016. However currently the status is need further clarification from TSH Sdn Bhd Group management, the clarification has been sent to RSPO on October 2019 and until now this is in progress</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company statement: There are no new development plans since 2014 (TSH Sdn Bhd registered as RSPO member in 2014), there are units that have been planting since 2010.</p> <p>Auditor Verification : The TSH Sdn Bhd Group registered as RSPO member in 2014, all the new planting and LC has been stop after it registered to RSPO. For the units that has been planted since 2010 without NPP, sanction will applied.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : There are no land conflicts in the 7 units, the company has procedures for resolving land conflicts: <ul style="list-style-type: none"> Regarding land conflicts explained in the Land Dispute SOP (PMA-SOP16-01) the latest revision was issued on March 24, </p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>2018. The SOP explained the Implementation of the Concept of Free, Prior, and Informed Consent.</p> <ul style="list-style-type: none"> TSH Resources also has SOP PMA-SOP04-03 dated 3 August 2019 regarding Land Transfer. This document explains the stages of land acquisition from mapping, village involvement, verification of documents to payment of compensation.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes</p> <p>Auditor verification : There were no significant labor conflicts in the areas of PT MJC, AWB, AWS, BCAP, FDB, LIN, MJC, MWJP, RT Plantation and TSS</p> <p>The seven units have Company Regulations determined based on the results of deliberations with workers' representatives. TSH Sdn Bhd group follows a system to resolve complaints and internal complaints, which is stated in HR-SOP23-02 dated January 26, 2018. Related to complaints and external complaints, explained in the communication procedure with code: ST-SOP07-04 issued on May 28, 2019 .</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification :</p> <ol style="list-style-type: none"> PT Andalas Wahana Berjaya has been built since 2006 with a HGU issued in October 2018 covering an area of 3096.7574 hectares and there has been no addition of new areas. Until now, PT Andalas Wahana Sukses has not obtained the HGU, but has obtained a location permit and Plantation Business Permit. PT Bulungan Citra Agro Persada already has a HGU covering an area of 13,214.9 hectares and there is no new development area. PT Farinda Bersaudara has a HGU and there are no additional new development. PT Laras Internusa has been built since 2004 with a 7,309 Ha concession and no additional new area. PT Munte Waniq Jaya Perkasa has a HGU covering an area of 8015.69 Ha and there is no additional new development. RT Plantation has been built since 2013 with an area of 2,601 ha and there is no additional new development area PT Teguh Swakarsa Sejahtera has HGU covering an area of 10,282 hectares and there is no additional new development area.

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

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
There is no non-conformance during the surveillance-2.					
Non-Conformance Description (filled by auditor):					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	:	2022.01	Issued by	:	Arief Tajalli
Date Issued Tanggal diterbitkan	:	25 November 2022	Time Limit	:	23 Februari 2023
NC Grade	:	Major	Date of Closing	:	22 January 2023
Standard Ref. & Requirement	:	7.10.1 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 publicly reported.			
Evidence observed (filled by auditor): The company has calculated Greenhouse Gas Emissions using the Palm GHG Calculator, but not all of the palm GHG data can be accessed by auditors, for example: <ul style="list-style-type: none">• Total FFB production and operational area• Data on the year of planting and the area of the planting area• FFB supplier data and total FFB sent by suppliers• Calculation of the use of diesel, POME and other emission sources. In addition, there is also a discrepancy between the data listed in the palm GHG with actual conditions and other data sources, for example: <ul style="list-style-type: none">• The area of HCV area where the actual non-forested conservation area is 20.08 Ha, the result of 2015 HCV identification which is included in the scope of certification is 0 Ha, whereas in palm GHG it is 111 Ha• The area of the planted area in the statement area is 5,878.70 Ha while in the palm GHG it is 5,875.49 Ha• The area of peat embedded in the metric template and peat inventory is 5,658.49 Ha while in palm GHG it is 5,454.70 Ha• The number of Palm Kernel Shell (PKS) sold based on sales data was 1,090 tonnes, while there were no Palm Kernel Shells sold in Palm GHG. Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that monitoring of GHG emissions through the PalmGHG calculator is fully accessible and has data that is aligned with actual conditions and other data sources.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">• The company has been monitoring GHG using the PalmGHG calculator, but during the audit there was a disturbance in the RSPO's PalmGHG calculator system so that access requests for auditors could not be processed until the audit period was over.• There is a difference in the area planted between the 2022 statement area and palmGHG because the area used for Palm GHG is the area in 2021, where in 2022 there will be a change in area with several areas currently in the process of replanting and after re-measurement there are changes in several hectares of planting.• The HCV area that was input into PalmGHG in the past was an unplanted area consisting of a Riparian area, a soil loading area for embankments and several areas that were eroded by rivers.• Sales of Palm Kernel Shell (PKS) by factories in 2022.• The difference in peat area between the peat inventory and PalmGHG occurs because the area used for the peat inventory is the entire area of PT LIN including Plasma, whereas in PalmGHG it is only the area planted within the scope of the certificate.					
Correction (filled by organization audited): <ul style="list-style-type: none">• The company immediately confirms to the RSPO about the disturbance so that the auditor can access the complete PalmGHG calculator.• Area will be updated on palmGHG in 2022 according to the latest area data.• Immediate correction of the HCV area data entered in the PalmGHG Calculator according to the details of the HCV/Riparian areas contained within the scope of certification and outside the scope of certification.					

- Improvement of data in GHG calculations on the PalmGHG Calculator with correct and appropriate data.

Corrective Action (filled by organization audited):

- Ensuring the correctness of the data and matching the data input into PalmGHG with the actual existing data.
- Ensuring that the PalmGHG calculator can be accessed by the auditor and can check the data as a whole during the audit

Assessor Evaluation and Conclusion (filled by auditor):

The company has submitted a PalmGHG calculator through the website <https://ghg.rspo.org/> with the following data:

General Information

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	1	136,390.69	5,875.49
Group Plantation	1	10,881.93	126.40
3rd Party	1.00	3,664.56	0.00
Total	3.00	150,937.18	6,001.89

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	19.08	tCO ₂ e/tProduct	Oil palm planted on mineral soil	242.07	Ha
PK	19.08	tCO ₂ e/tProduct	Oil palm planted area on peat	5,759.82	Ha
PKO	0.00	tCO ₂ e/tProduct	Total oil palm planted area	6,001.89	Ha
PKE	0.00	tCO ₂ e/tProduct	Conservation area (Forested)	0.00	Ha
OER	21.00	%	Conservation area (non-Forested)	33.07	Ha
KER	4.40	%	FFB Production per hectare	25.15	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂ e	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	28,328.15	0.19	PK from own mill	0.00
Fuel Consumption	514.98	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	28,843.13	0.19		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	47,679.92	1,178.58	0.00	48,858.50
CO2 Emissions from Fertilizer	198,909.62	0.92	0.00	198,910.54
N2O Emissions from Peat	42,300.76	815.95	0.00	43,116.71
N2O Emissions from Fertilizer	131,987.55	0.74	0.00	131,988.29
Fuel Consumption	25.28	0.00	0.00	25.28
Peat Oxidation	308,535.30	5,951.40	0.00	314,486.70
Sinks				
Crop Sequestration	-42,506.18	-1,117.13	0.00	-43,623.31
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	686,932.24	6,830.46	8,794.94	702,557.64

FFB Supplier

Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
Laras Internusa Estate	136,390.69	136,390.69	100.00
KS-MLKS	3,664.56	3,664.56	100.00
Area Remediasi & HGU 13	10,881.93	10,881.93	100.00

Palm Oli Mill Effluent Treatment			
Description	Unit	Value	
POME Produced	t/yr	102,181	
Diverted to Compost	%	0	
Diverted to anaerobic digestion	%	100	
POME to anaerobic pond	%	100	
POME to methane capture (flaring)	%	0	
POME to methane capture (electricity generation)	%	0	
COD value before anaerobic digestion	mg/l	73,970	
COD value after anaerobic digestion	mg/l	229	
COD removed during digestion	tCOD/tPOME	0.07	
POME Produce	t/yr	102,181	
CH4 (Total)	t/yr	1,273.18	
Applied N in POME	t/yr	45.98	
Total N2O emission from POME	tCO2e/yr	0.31	

**POME is processed in WWTP and Methane Capture*

It can be seen from the data above that there are still some differences in the data, all of which can be justified by the company in the root cause analysis. In addition, companies can also provide supporting data related to the differences in the data above, for example 2021 area statement data, overall peat inventory results, and shell sales data for 2021. Based on the justification and data shown, the discrepancies have been met.

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

Verified by	:	Arief Tajalli
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3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	<p>The unit of certification complies with all relevant laws and regulations.</p> <p>Based on the licensing data, information was obtained that there were HGU areas within the scope of certification that had not yet been included in the scope of the 2015 Environmental Permit, namely HGU No. 19 of 2009 covering an area of 173 Ha and HGU No. 20 of 2009 covering an area of 136 Ha. However, from an environmental perspective, the area was included in the 2000 AMDAL and 2015 ANDAL studies. In this regard, the company has made efforts to update the ANDAL document which can be demonstrated with some documented evidence, including:</p> <ul style="list-style-type: none"> Letter Number 365/SK/WN.KNL/IX-2020 issued by the representative of Nagari Kinali on September 7 2020 concerning Recommendations for Approval of Spatial Suitability for the company's HGU area of 7,409 Ha which consists of HGU Number 1 of 1995 covering 7,000 Ha, HGU Number 19 of 2009 covering an area of 173 Ha, HGU Number 20 of 2009 covering an area of 136 Ha, and HGU Number 13 of 1999 covering an area of 100 Ha. Request for Recommendation for Space Utilization Permit Number 05/LIN-I/CD/2021 from PT Laras Internusa which was received on January 21, 2021 by the Regent of Pasaman Barat. Letter of Recommendation Number 04/REK/C.KNL/II/2021 issued by the Regent of Pasaman Barat on February 3, 2021 regarding Recommendations for Permits for Management of Space Utilization to PT Laras Internusa. Minutes of the results of the Site Review conducted by the Pasaman Barat District Spatial Planning Coordinating Team on February 9, 2021. The results of the field survey showed that companies were directed to attach administrative requirements (HGU certificates, SHM, conservation areas, etc.) to the Regency Area Spatial Planning Coordination Team West Passage. Evidence of receipt from the Head of Public Works and Spatial Planning Office of Pasaman Barat District dated 23 February 2021 regarding the submission of HGU overlay maps, HGU certificates, HGU coordinates, IUP, plasma park year maps, PT LIN plasma maps and plasma MoU agreements with the company. Based on the results of the site inspection (point 4) and document verification (point 5), information was obtained that there were Convertible Production Forest (HPK) areas, so that on March 10 2021, the company sent a letter to the Director General of Forestry Planning and Environmental Management, Ministry of Environment life and forestry regarding the Affirmation of Forest Area Status for the location of HGU Number 13 of 1999 where there is an area of 41.06 Ha that is included in the HPK according to the Appendix Map of SK Number 8089/MENLHK-PKTL/KHU/PLA-2/11/2018. Because they did not receive a response from the Ministry of Environment and Forestry, the company sent a letter dated 20 July 2022 Number 009/LIN/LGL-OL/VI/2022 to the Director General of Forestry Planning and Environmental Management, Ministry of Environment and Forestry regarding the Request for Completion of Permits in the Forestry Sector and up to when the ASA-3 audit was conducted, the Ministry of Environment and Forestry had not yet responded to the letter. <p>Based on this, the company has the opportunity to ensure that the process of updating environmental assessment documents for the entire scope of PT LIN continues, and documents the entire process.</p>
2	2.1.2	<p>A documented system is in place to ensure legal compliance. This system has the means to track changes to applicable regulations, and includes a list and evidence of evaluation of legal compliance by all contracted third parties, including: recruitment agencies, service providers and workers.</p> <p>Special Guide For 2.1.2: A documented system for ensuring legal compliance can be in the form of an electronic or physical database containing applicable laws and regulations with elements that explain how these regulations are</p>

No	Ref. Std.	Description
		<p>interpreted and complied with in carrying out operations. With regard to third party contracts, the unit of certification ensures that there is an evaluation of legal compliance for all contracts with third parties, carried out according to the principle of continuous improvement. If no local business unit or third party is found that complies with the relevant legal provisions, then the certification unit should provide facilitation to the local business unit to comply with the applicable provisions.</p> <p>The company already has a list of regulations (law register) which are divided into the fields of Occupational Health and Safety, Environment, Labor, and Operational Legal. As stated in SOP No. ST-SOP09-04 Rev 4 dated November 2017 concerning Internal Audit Sustainability, among others, states that the evaluation period for compliance with regulations is once a year. Based on the results of a document review, for example the evaluation of contractors for CV Cahaya Silpas, it is known that the evaluation carried out was not specific regarding the clauses for fulfilling legal compliance as stated in the SPK, for example fulfillment related to minimum wages, BPJS membership, PPE compliance, and the existence of work ties with employers.</p> <p>In terms of implementation, third parties who have contracts are in the stage of fulfilling legal compliance, for example Wahyono as a fertilizer loading and unloading contractor with 4 members and has fulfilled the fulfillment of the minimum wage and BPJS Health membership. Meanwhile, BPJS Employment membership has not yet been registered. Similar information was also obtained from interviews with CV Anugerah Mandiri, which had not registered BPJS Employment for its members.</p> <p>Based on this, the company has the opportunity to evaluate legal compliance consistently for all contracted third parties according to the principle of continuous improvement so that contracted third parties will eventually fulfill all the required legal compliance.</p>
3	3.4.3	<p>Social and environmental management and monitoring plans are implemented, monitored and updated periodically in a participatory manner.</p> <p>The company has several social management programs that cover all social issues that arise in the field. The program has also been managed and implemented as stated in the 2021 Social Impact Assessment Management and Monitoring Action Plan report which was ratified on January 21, 2022. However, based on the results of field observations and interviews with stakeholders, the following information was obtained:</p> <ul style="list-style-type: none"> • The company already has a gender committee, but based on the results of interviews with workers, they stated that they did not know about the Gender Committee, even though the workers already knew the lines of communication and complaints when there were cases of harassment and others. • The company has allocated 1,000 hectares of land for plasma development, but in reality, not all of these areas have been built up with plasma. The results of interviews with cooperative management stated that they were ready, but the company had not been able to make it happen. Meanwhile, based on the results of interviews with the management, it was stated that the company had committed to building plasma but due to several obstacles such as inundated land areas, internal cooperative conflicts, and land occupation, construction was difficult. The company can also show evidence that ±281 Ha of plasma has been built as well as justification and evidence of the constraints faced. The identification of the auditors concluded that there were differences in understanding regarding the plasma development process which could have long-term impacts if not immediately mitigated. • The results of interviews with traditional leaders and management stated that there was a community FFB sale and purchase agreement in 2020. However, until the time the audit was conducted, the sale and purchase activities had not been realized due to several considerations. This had led to a conflict in closing PT AAI's factory access in 2020. The company has been able to resolve the conflict but there are still potential negative social impacts in the future. • Based on the interview results, information was obtained that there was a garbage disposal area around the Laras B housing complex which had an impact on smell and lots of mosquitoes. However, based on the

No	Ref. Std.	Description
		<p>results of field observations, information was obtained that the company already has a Final Waste Disposal Site (TPSA) which is located quite far from the Laras B residential area, the company has also provided temporary trash bins in each house which are transported weekly to TPSA. This indicates that workers are not aware of the existence of TPSA, so they still dispose of domestic waste around the housing.</p> <ul style="list-style-type: none"> Based on the results of interviews with harvesters, it was stated that the presence of livestock (cows) had an impact on reduced worker productivity caused by damaged access to harvest because the cows passed through it. The results of interviews with management stated that they had carried out management of livestock (cattle) that entered the operational area by outreach to livestock owners and prohibiting the entry of livestock in certain areas. However, the results of field observations show that there are still many cattle in the company's operational areas which indicate that management activities have not been effective and have the potential to cause negative social impacts in the future. The results of interviews with all samples of harvesters stated that they had never received a Top-Up, besides that workers also demanded that rice be given to workers who did not enter with a permit. However, the results of interviews and verification of documents show that the company has provided Top-Up and related to the provision of rice it does not include wages but gifts for workers who work full time for one month (without being absent for any reason). This shows that there are differences in perceptions between management and workers. <p>Based on the identification of all the issues above, it was concluded that the provision of information was not comprehensive enough to cause social issues that have the potential for negative social impacts for the company and stakeholders in the long term. Therefore, companies are encouraged to establish more comprehensive communications so that all information conveyed can be received properly and comprehensively and there are no misunderstandings, so that they can mitigate and anticipate all of these issues.</p>
4	4.2.1 & 4.2.3	<p>There is a system that is mutually agreed upon, open to all affected parties, able to resolve disputes in an effective, timely and appropriate manner, and ensures the protection of the identity (anonymity) of the reporter, human rights defender, community representative, case whistleblower, if requested, as long as the report is supported by sufficient preliminary evidence. This system ensures there is no risk of retaliation or intimidation, and follows RSPO policy on respect for human rights defenders</p> <p>The unit of certification informs the parties of the progress of complaint handling, including the agreed time frame, and the results are made available and communicated to relevant stakeholders.</p> <p>Based on the results of interviews with both internal and external stakeholders, it is known that there are several complaints as follows:</p> <p>Internal Complaints</p> <ul style="list-style-type: none"> Difficult access to harvest due to the large number of cows roaming around which hinders work productivity (FFB collecting road are damaged and too loose) Differences in wages between harvesters based on the cutoff date of entry where workers who entered before 2016 on an off day (Sunday) were still paid, while workers who entered after 2016 did not receive the same thing <p>External Complaints</p> <ul style="list-style-type: none"> Realization of development of plasma plantations which is running slowly There was an agreement in 2020 regarding the willingness to accept FFB from the surrounding community but until now this has not been realized <p>Regarding this complaint, the company representative stated that he had never heard/received a complaint because according to the SOP the complaint had to be submitted in writing or submitted via the website.</p> <p>Thus, the company has the opportunity to:</p>

No	Ref. Std.	Description
		<ul style="list-style-type: none"> • Re-ensure that the complaint handling procedure is known and mutually agreed upon, is open to all affected parties and can resolve complaints effectively and in a timely manner. • Ensure information on the progress of handling complaints to the parties, including preparing an agreed time frame, and the results are available and communicated to the parties making the complaint. • Consider arranging for complaint resolution through the RSPO complaint system if no agreement is reached
5	6.7.3	<p>Workers use appropriate Personal Protective Equipment (PPE), which is provided free of charge to all workers in the workplace, as protection in all potentially hazardous operations, such as pesticide application, machine operation, land preparation and harvesting. Sanitation facilities are available for workers who use pesticides so that workers can remove PPE, clean themselves and put on their personal clothes.</p> <p>Based on the results of field observations in the Laras B Estate Mixing Warehouse area, it was found that the company has provided sanitation facilities that can be used by workers to remove PPE, clean themselves and put on their personal clothes as much as 1 unit which is used alternately for around 25 workers (consisting of men and women), besides that there is no place to store workers' personal clothes.</p> <p>In connection with the above, the company showed the Minutes document signed by the Estate Manager Laras B and acknowledged by the Management on November 24, 2022 which briefly informed that it would be budgeted for an annual fee in 2023 for the construction of additional rinse rooms and changing lockers at the chemical mixing warehouse at Laras B.</p> <p>Based on the explanation above, the company has an opportunity for improvement by ensuring the realization of provision of adequate sanitation facilities in accordance with the number of existing workers.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	Have a commitment to implementing the principles of sustainable palm oil management
2	Good coordination and presentation of documents by the companion team
3	Zero accident award period 2021 (PT AAI)
4	Breeding <i>Sycanus Sp</i> as a natural predator of UPDKS
5	Has got ISPO certificate

3.5 Summary of Arising Issues from Public and Auditor Verification



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>SARBUKSI Workers' Union Date: 22 November 2022</p> <ul style="list-style-type: none"> The union informs that the company provides rice to workers only for harvesting employees The company charges workers for harvesting equipment if the harvesting equipment is damaged within less than 1 year The union complained that there were damaged roads and too many livestock which made it difficult for workers to achieve work targets and this complaint has also been conveyed to the company Employees who apply for sick leave letters to seek treatment at the company's joint clinic because the process takes a long time finally choose not to come to work The trade union informs that there is an issue with Foreign Workers who say rude words to employees who are considered not in accordance with the culture in the area. <p>Aspirations:</p> <ul style="list-style-type: none"> For harvesting activities so that the calculation of wages is based on the basis To provide water facilities for employee consumption in housing because the water supplied to housing is cloudy and unfit for consumption Giving bonuses to employees 	<ul style="list-style-type: none"> The company informs that rice is not given as an allowance to workers, but only as a reward for employees who achieve work performance. The company informs that work tools are provided free of charge to employees. Employees who wish to request a change of work tool on the grounds that it is damaged must bring evidence because the lost work tool is the responsibility of the worker so that the company will charge a fee. The company has made efforts to educate the surrounding community who have livestock on the plantation to look after the community's livestock The company has informed employees that sick leave letters are only given during working hours, but if employees are seeking treatment outside of working hours, they are welcome to come to the clinic in collaboration with the company The company has made efforts to educate the surrounding community who have livestock on the plantation to look after the community's livestock The company has informed employees that sick leave letters are only given during working hours, but if employees are seeking treatment outside of working hours, they are welcome to come to the clinic in collaboration with the company The workers' union considers that there is an attitude of foreign workers working in the company not to speak politely to employees, but this is not a conflict with company management, but only with these foreign workers. The company has held a meeting with the SARBUKSI workers union and was attended by the government, namely Aagam Class II Immigration, the Labor Inspector of Sumatera Barat Province and the Pasaman Barat District Manpower Office on November 21 2022. Follow-up from PT Laras Internusa's current management regarding foreign workers is temporarily not carry out work activities in the field. And for the next plan, there will be another meeting (LKS Bipartit) with the SARBUKSI union and foreman representatives on November 30, 2022.
<p>Employee Cooperative Date: 22 November 2022</p> <ul style="list-style-type: none"> Documents for forming a cooperative are available The employee cooperative is engaged in logistics, groceries and the supply of goods to company units 	<p>There are no negative issues that need further verification</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The number of workers who are members of the cooperative is 40 people There are no obstacles in employee cooperative activities in the company The company provides support for employee cooperatives RAT activities for 2021 have been implemented in January 2022 	
Gender Committee Date: 22 November 2022 <ul style="list-style-type: none"> There is an organizational structure for the gender committee in the company The gender committee has a program and realization for the 2022 period There are no cases of sexual harassment within the company 	<p>There are no negative issues that need further verification</p>
Local Contractor as a FFB Transporter CV Anugrah Mandiri Date: 22 November 2022 <p>Based on the results of the interviews, information was obtained that the company had carried out all obligations in accordance with the Agreement made every month. In addition, the company also makes payments on time and there are no complaints regarding the cooperation activities that have been going on for 15 years. The company conducts socialization regarding all rights and obligations of contractors, for example, it is mandatory to use PPE when entering the company area, have health insurance for its workers, have a clear legal entity, do not carry out arson and hunting within the scope of PT LIN, and apply all applicable norms.</p> <p>Apart from that, the informants also knew about the mechanism if they wanted to make complaints and grievances as well as the PIC who could be contacted if there were problems that needed to be followed up immediately.</p>	<p>There are no negative issues that need further verification</p>
Media Issues Date: 22 November 2022 <p>Link: https://metrorakyat.com/2022/11/di-dugatenaga-kerja-asing-bersikap-arogan-dan-intimidasi-pekerja-lokal-di-pt-laras-internusa-kabupaten-pasaman-barat</p>	<p>The company has held a meeting with the SARBUKSI workers union and was attended by the government, namely Agam Class II Immigration, the Sumatera Barat Province Labor Inspector and the Pasaman Barat District Manpower Office on November 21 2022.</p> <p>Follow-up from the current management of PT Laras Internusa regarding the temporary absence of foreign workers from carrying</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	out work activities in the field. And for the next plan, there will be another meeting (LKS Bipartit) with the SARBUKSI union and foreman representatives on November 30, 2022.
Manpower Agencies of Pasaman Barat District Labor Inspector and Industrial Relations <ul style="list-style-type: none"> • There are complaints from workers regarding poor communication from management to workers. • Complaints from harvesters regarding the application of wages. • There is no use of casual daily labour. • Determination of the minimum wage refers to the Minimum Wage of Sumatera Barat Province. • The company has registered BPJS for workers. • The use of contract labor has been recorded. 	Verification has been carried out on indicators related to complaints and remuneration.
Plantation Agencies of Pasaman Barat District <ul style="list-style-type: none"> • The company has made progress in plasma development but some areas are constrained by claims by the community. • The FFB price refers to the price set by the pricing team • There is input from the community to cooperate in selling FFB to companies • There were no incidents of fire in the company's area and the fire prevention and monitoring facilities owned by the company were adequate 	Verification has been carried out on indicators related to complaints
Environment Agencies of Pasaman Barat District <ul style="list-style-type: none"> • Environmental documents including permits owned by the company are complete and still valid. • So far there have been no complaints regarding environmental disturbances due to the company's operational activities. • The company has conducted environmental monitoring and management including regular reporting 	There are no negative issues that require further verification.
National Land Agencies <ul style="list-style-type: none"> • All of the land rights documents owned by the company are still valid and there are no land rights documents that are currently being processed or extended. • So far there have been disputes with the community in the form of unilateral claims by the community without any valid legal basis. • The company routinely reports land use in accordance with the permits it has. 	There are no negative issues that require further verification.
Jorong Koto Gadang Jaya (KOJA) The relationship between the company and the community is well established. The positive impact of the existence of a company	There is no negative issue that need further verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>includes the opening of opportunities for partnerships and getting jobs.</p> <p>So far, the company has realized social responsibility to the community and is social assistance. In the past year there have never been any issues regarding land disputes and environmental pollution</p>	
<p>Datuk Sanggo Marajo</p> <p>Currently there are two traditional leaders in Nagari Kinali namely Datuk Pucuk Tuanku Asrul and Datuk Pucuk Tuanku Mistiana. There were two Datuk Pucuk leadership because the previous Datuk appointed a New Datuk Pucuk, namely Tuanku Mistiana.</p> <p>Datuk Sanggo Marajo said that currently there should be no problems regarding land because the company acquired PT TSG through an auction. However, Datuk Pucuk Tuanku Mistiana's camp has a different opinion and considers that the land currently owned by the company is still the customary right of his nephew's grandson. In addition, the company has not realized the plasma development promise in accordance with the agreement made in 2012</p> <p>Regarding the plasma problem, Datuk Sanggo Marajo could not provide in-depth information because he was outside his area, but to his knowledge PT LIN has built a plasma in the Langgam area, even though it has not been 100% realized.</p> <p>against it. So far, social assistance is routinely provided by companies, for example when there is a natural disaster, assistance for sacrificial animals during Eid al-Adha, and assistance for public facilities</p>	<p>In the perspective of Datuk Sanggo Marajo there is no negative issues related the company</p>
<p>Wali Nagari Anam Koto Selatan (Jorong Air Rau)</p> <p>The company relationship with the community is quite good and mutually supportive. Over the past year there has been an issue regarding river pollution as indicated by the death of fish in the ban. However, this problem has been resolved because the company has made compensation to the community.</p> <p>Currently waiting for the realization of the distribution of chili seeds as one of the company's CSR programs in accordance with the Pasaman Barat District government program.</p>	<p>In general there is no negative issue need further verification however realization of chili seed is on progress in this month.</p>
<p>MLKS Cooperative secretary</p> <p>The plasma plantation development agreement was signed in 2012. From the initial plan to plant 1,000 hectares until now, 231 hectares of mature plantations have been planted and in 2022 an additional area of ± 50 hectares has been implemented.</p> <p>Sources said that the plasma development process was slow and</p>	<p>Related the realization of plasma has been OFI in 4.2.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>did not meet the expectations of the community. Plasma management is carried out in a full managed manner and the cooperative regularly receives management reports in a transparent manner. However, what needs to be discussed further is the position of the cooperative's debt to the company because in 2015 there was a failure in plasma development due to natural disasters but</p> <ul style="list-style-type: none"> • Realization of plasma development • Clarity regarding the cooperative's debt position due to failure due to natural disasters 	
<p>Issue from Media</p> <p>https://www.youtube.com/watch?v=OiCJQVQZDn4 PT. LARAS INTERNUSA "LIN" TAK BERIKAN HAK MASYARAKAT</p> <p>https://www.youtube.com/watch?v=Lyzcix5IGok Konflik Sangketa Lahan Semakin Memanas Ribuan Masyarakat Kinali Pasaman Barat Portal Kantor PT LIN</p> <p>https://www.youtube.com/watch?v=d72uxLZ8ZKo&t=94s TUANKU H ASRUL YANG DIPERTUAN KINALI ANGKAT BICARA SOAL PT LIN KINALI PASAMAN BARAT</p>	<p>At the time of ASA-3 was carried out there were issues regarding the realization of plasma by PT LIN. The origin of PT LIN own acquisition is through PT TSG takeover. From the news link, it can be concluded that up to now there are 2 traditional leaders, namely Datuk Pucuk Tuanku Asrul and Datuk Pucuk Mistiana which of the two datuk also have different views regarding the realization of plasma</p> <p>Plasma realization was made OFI in 4.2.3 because PT LIN has a plasma development agreement with the MLKS Cooperative and is still in process.</p>

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

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
2	Plantation Agency	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
3	National Land Agency	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
4	Manpower Agencies	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
5	Labor Union SARBUKSI	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
6	Gender Committee	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
7	Employee Cooperative	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
8	<ul style="list-style-type: none"> Materials Warehouse Workers 1 Chemical Warehouse Clerk 1 Oil Warehouse Clerk 3 Workshop Employees 	Pasaman Barat District	-	Direct Interview	22 Nov 2022	✓	
9	<ul style="list-style-type: none"> 1 worker material warehouse housing employees 1 child care administrator members of cooperative management 1 chemical warehouse clerk 1 oil warehouse clerk 4 employees mixing fertilizer 	Pasaman Barat District	-	Direct Interview	23 Nov 2022	✓	
10	Jorong Koto Gadang Jaya	Pasaman Barat District			23 Nov 2022	✓	
11	Datuk Sanggo Marajo	Pasaman Barat District			23 Nov 2022	✓	
12	MLKS Cooperative	Pasaman Barat District			23 Nov 2022	✓	
13	Datuk Rangkayo Basa	Pasaman Barat District			23 Nov 2022	✓	
14	Wali Nagari Kinali Jorong Air Rau	Pasaman Barat District			23 Nov 2022	✓	
15	Sawit Watch	Indonesia	-	info@sawitwatch.or.id	11 Nov 2022		✓
16	WWF Indonesia	Indonesia	-	wwfindonesia@wwf.or.id	11 Nov 2022		✓
17	WALHI	Indonesia	-	informasi@walhi.or.id	11 Nov 2022		✓
18	AMAN	Indonesia	-	rumahaman@aman.or.id	11 Nov 2022		✓

Appendix 2. Assessment Program

DATE	21 - 25 November 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 21 November 2022		
06.00 – 07.45	Jakarta → Padang	HRK/SML/ART/RWS
08.00 – 12.00	Padang → Site	
12.00 – 14.00	Break	HRK/SML/ART/RWS
14.00 - 15.00	Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	HRK/SML/ART/RWS
15.00 – 17.00	Document Review <ul style="list-style-type: none"> Verification of Basic Information Mill and Estate (mill and estate), legality, CSR, boundaries, SCCS, etc BMP and OHS Worker welfare and Transparency , GHG, HCV, smallholder Preparing for next day field visit (Maps, Daily Work Plan, Stakeholder list, etc) 	HRK SML HRK/RWS ART HRK/SML/ART/RWS
Tuesday, 22 November 2022		
08.00 – 12.00	Public Consultation <ul style="list-style-type: none"> public consultation with stakeholder to relevant agency in Ketapang Regency (Direct Interview) Stakeholder consultation to affected communities surrounding the plantations and previous land owner (Direct Interview) Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier 	SML HRK ART/RWS
12.00 – 14.00	Break	HRK/SML/ART/RWS
14.00 – 16.30	Field observation to Andalas Agro Industri POM : <ul style="list-style-type: none"> Supply chain verification (FFB receiving, weightbridge, FFB Sorting, Despatch CPO) Observation to chemical storage, hazardous waste storage, POME Pond, Emergency simulation, WWTP, etc Observation to processing activity 	HRK ART/RWS SML
16.30 – 17.00	Presentation of Daily Progress.	HRK/SML/ART/RWS
Wednesday, 23 November 2022		
08.00 – 12.00	Field observation to Laras Estate <ul style="list-style-type: none"> Implementation of legal aspect (Land Ownership, Legal Boundaries) and HCV Management Implementation of Agronomy Aspect (Harvesting & transport, Manuring, Pesticide Application, IPM, EFB Application, etc) Implementation of environment and waste management aspect (inspection to chemical storage, fertilizer storage, Hazardous Waste Storage, clinic, etc) 	ART SML

DATE	21 - 25 November 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Observation of worker facilities (housing, school, worship, clean water, etc) 	HRK/RWS
12.00 – 14.00	Break	HRK/SML/ART/RWS
14.0 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Continuing public consultation 	HRK/SML/ART/RWS
16.30 – 17.00	Presentation of Daily Progress.	HRK/SML/ART/RWS
Thursday, 24 November 2022		
08.00 – 12.00	Document review and completing audit checklist.	HRK/SML/ART/RWS
12.00 – 14.00	Break	HRK/SML/ART/RWS
14.00 – 16.00	Document review and completing audit checklist.	HRK/SML/ART/RWS
16.00 – 17.00	Presentation of Daily Progress.	HRK/SML/ART/RWS
Friday, 25 November 2022		
08.00 – 09.00	Internal Meeting Auditor Team	HRK/SML/ART/RWS
09.00 – 11.00	Closing Meeting : <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	HRK/SML/ART/RWS
11.00 – 15.00	Site → Padang	HRK/SML/ART/RWS
17.25 – 19.15	Padang → Jakarta	HRK/SML/ART/RWS