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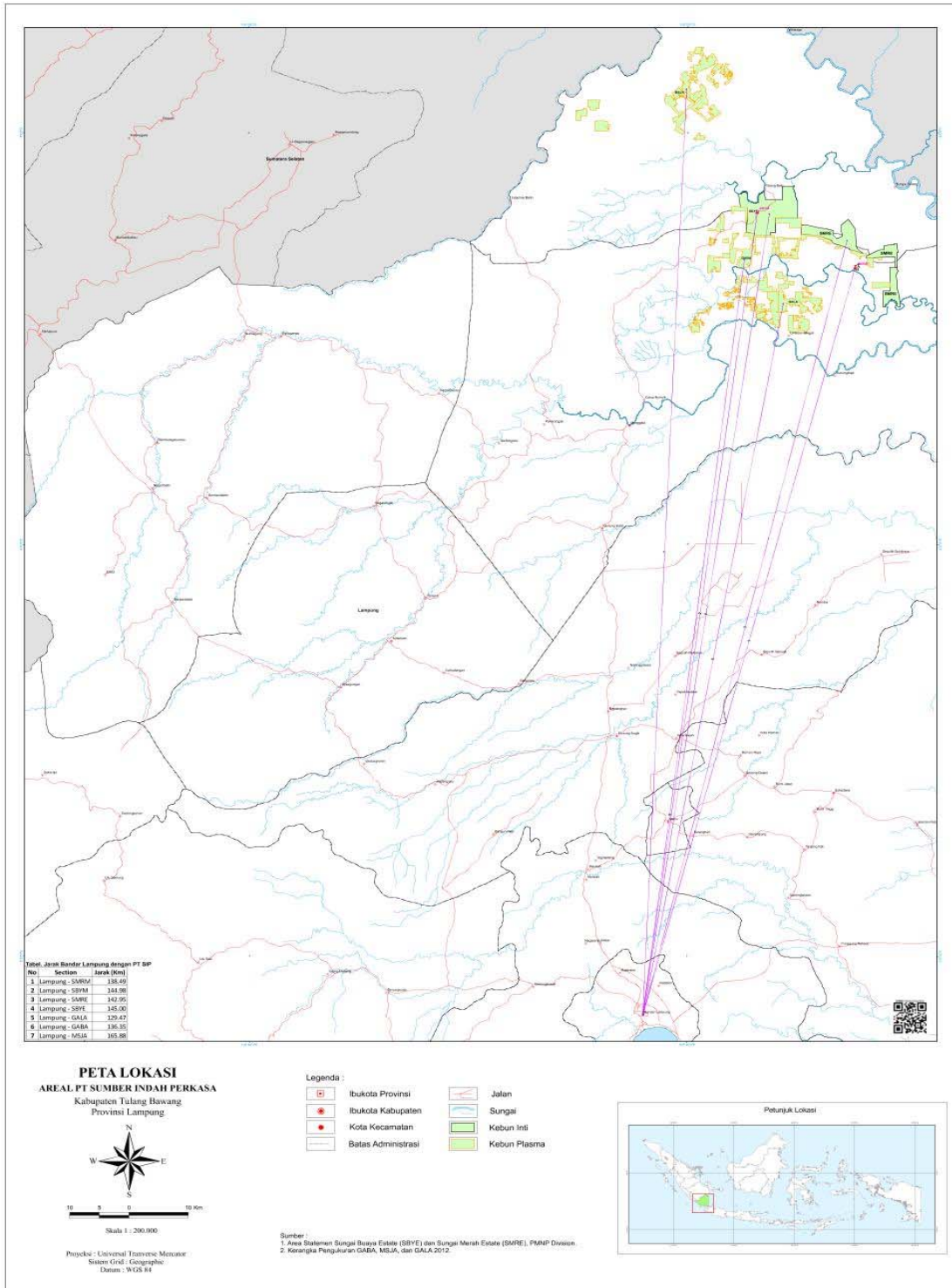
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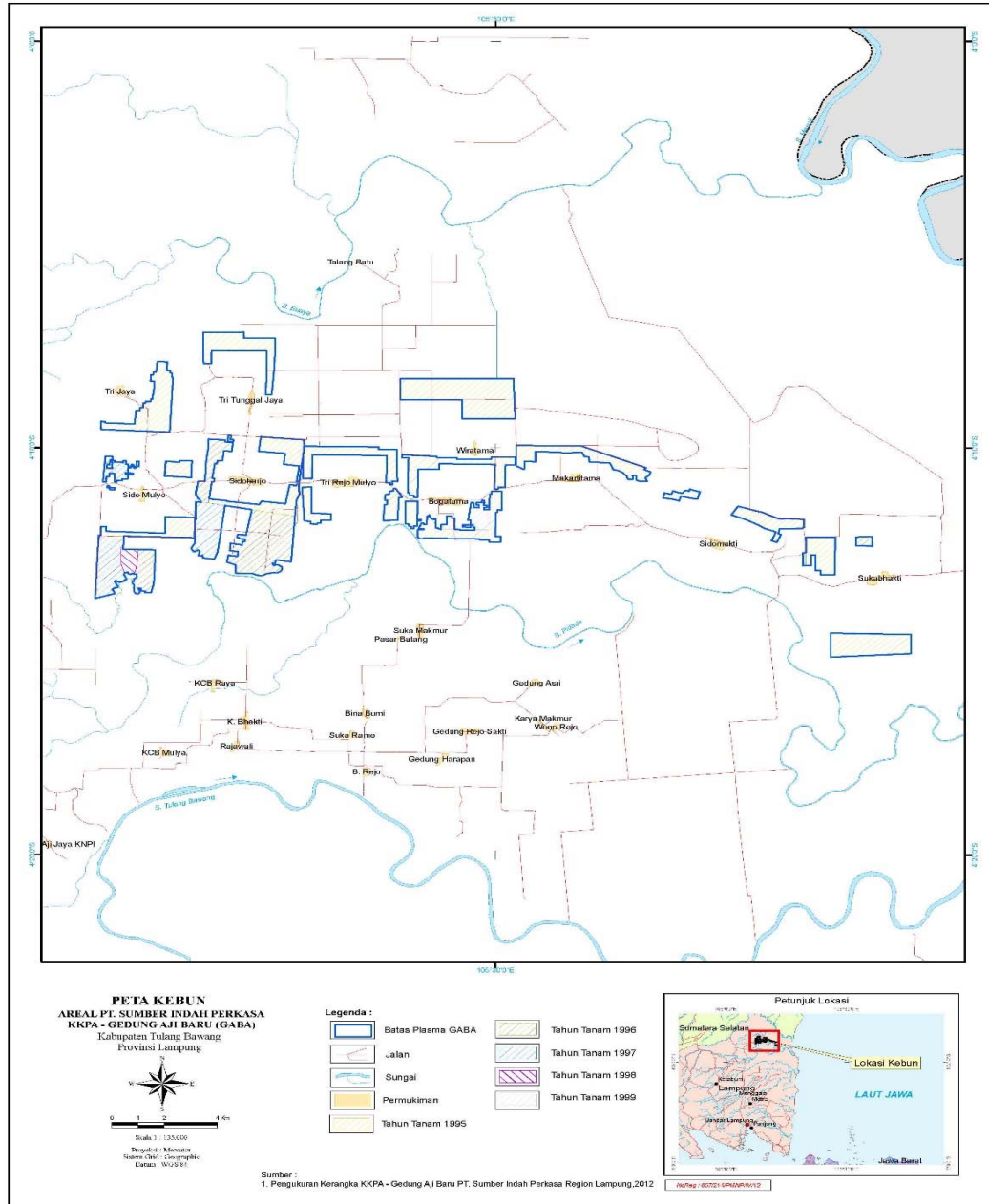
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**Figure 1. Location Map of PT Sumber Indah Perkasa**





**Figure 3. Operational Map of KKPA Gedung Aji Baru**



Abbreviations Used

|              |   |   |
|--------------|---|---|
| ASA          | : | Annual Surveillance Audit   |
| ANDAL/AMDAL  | : | <i>Analisis Dampak Lingkungan/Environment Impact Assessment</i>                         |
| BPJS         | : | <i>Badan Penyelenggara Jaminan Sosial/ Social Security Agency</i>                       |
| CB           | : | Certification Body  |
| CSR          | : | Corporate Social Responsibility   |
| CPO          | : | Crude Palm Oil  |
| CSPK         | : | Certified Sustainable Palm Kernel   |
| CSPO         | : | Certified Sustainable Palm Oil  |
| DLH          | : | <i>Dinas Lingkungan Hidup/Environmental Agency</i>                                      |
| EFB          | : | Empty Fruit Bunch   |
| FFB          | : | Fresh Fruit Bunch   |
| FIFO         | : | First In First Out  |
| FR           | : | Frequency Rate  |
| FS           | : | Fertilizer Spreader   |
| GABA         | : | Gedung Aji Baru Plasma ( <i>KKPA</i> )  |
| GALA         | : | Gedung Aji Lama Plasma ( <i>KKPA</i> )  |
| GSEP         | : | GAR, Social, and Environment Policy   |
| HCV          | : | High Conservation Value   |
| HGU          | : | <i>Hak Guna Usaha (Land Title)</i>  |
| HGB          | : | <i>Hak Guna Bangunan (Land Title)</i>   |
| IDR          | : | Indonesian Rupiah   |
| IP           | : | Identity Preserved  |
| IPM          | : | Integrated Pest Management  |
| ISCC         | : | International Sustainability and Carbon Certification                                   |
| ISPO         | : | Indonesian Sustainable Palm Oil   |
| KER          | : | Kernel Extraction Rate  |
| KKPA         | : | <i>Koperasi Kredit Primer Anggota (cooperative)</i>                                     |
| KLHK         | : | <i>Kementerian Lingkungan Hidup and Kehutanan/ Ministry of Environment and Forestry</i> |
| KSB          | : | Kernel Silo Bin   |
| LKUP         | : | <i>Laporan Kegiatan Usaha Perkebunan (Plantation Activity Report)</i>                   |
| LSU          | : | Leaf Sampling Unit  |
| MSDS         | : | Material Safety Data Sheet  |
| MSJA         | : | Mesuji Plasma ( <i>KKPA</i> )   |
| NPWP         | : | <i>Nomor Pokok Wajib Pajak (tax ID number)</i>  |
| OER          | : | Oil Extraction Rate   |
| OHS          | : | Occupational Health and Safety  |
| <i>P2OHS</i> | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee</i>                    |
| PAD          | : | <i>Pendapatan Asli Daerah (Original Local Government Revenue)</i>                       |
| PBB          | : | <i>Pajak Bumi dan Bangunan (property tax)</i>   |
| PK           | : | Palm Kernel   |
| PKWT         | : | <i>Pekerja Waktu Kerja Tertentu (Contract Worker)</i>                                   |
| PKB          | : | <i>Perjanjian Kerja Bersama (collective labour bargaining)</i>                          |
| PMNP         | : | Plantation Monitoring and Planning  |
| POM          | : | Palm Oil Mill   |
| PP           | : | <i>Peraturan Perusahaan (Company Regulation)</i>  |
| PPE          | : | Personal Protective Equipment   |
| PT SIP       | : | PT Sumber Indah Perkasa   |
| RC           | : | Regional Controller   |



|           |   |   |
|-----------|---|---|
| RKL - RPL | : | <i>Rencana Kelola Lingkungan – Rencana Pemantauan Lingkungan</i> /Environmental Management Plan – Environmental Monitoring Plan |
| RSPO      | : | Roundtable on Sustainable Palm Oil  |
| SBYE      | : | Sungai Buaya Estate   |
| SBYM      | : | Sungai Buaya Mill   |
| SHM       | : | <i>Sertifikat Hak Milik</i> Land title  |
| SMAN      | : | <i>Sekolah Menengah Atas Negeri</i> (Public Senior high school)   |
| SMARTRI   | : | Sinar Mas Agro Resources and Technology Research Institute  |
| SMD       | : | Senior Managing Director  |
| SMK       | : | <i>Sekolah Menengah Kejuruan</i> (Vocational High School)   |
| SMRE      | : | Sungai Merah Estate   |
| SMRM      | : | Sungai Merah Mill   |
| SOP       | : | Standard Operating Procedure  |
| SPO       | : | Sustainable Palm Oil  |
| SPSI      | : | <i>Serikat Pekerja Seluruh Indonesia</i> (Labor Union)  |
| SR        | : | Severity Rate   |
| SSU       | : | Soil Sampling Unit  |
| TPS LB3   | : | <i>Tempat Penyimpanan Sementara</i> /Hazardous Waste Temporary Storage  |
| UPTD      | : | Regional Technical Implementation Unit ( <i>Unit Pelaksana Teknis Daerah</i> )  |
| WTP       | : | Water Treatment Plant   |
|           |   |   |

|       |   |  |                                   |
|-------|---|--|-----------------------------------|
| 1.0   | <b>SCOPE of the CERTIFICATION ASSESSMENT</b>                              |  |                                   |
| 1.1   | <b>Assessment Standard Used</b>   | <ul style="list-style-type: none"> <li>Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>RSPO Certifications Systems for Principles &amp; Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020)</li> </ul> |                                   |
| 1.2   | <b>Organisation Information</b>   |  |                                   |
| 1.2.1 | Organisation name listed in the certificate                               | Sungai Merah Mill – PT Sumber Indah Perkasa subsidiary of Golden Agri Resources, Ltd.  |                                   |
| 1.2.2 | Contact person  | Yahya Mustakim   |                                   |
| 1.2.3 | Organisation address and site address                                     | RSPO registered company:<br>108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535<br><br>Liaison Office:<br>Sinar Mas Land Plaza, Tower II, 30th Floor<br>Jl. M.H. Thamrin No. 51, Jakarta 10350, Indonesia   |                                   |
| 1.2.4 | Telephone   | (+62-21) 5033 8899   |                                   |
| 1.2.5 | Fax   | (+62-21) 5033 8999   |                                   |
| 1.2.6 | E-mail  | <a href="mailto:yahya.mustakim@sinarmas-agri.com">yahya.mustakim@sinarmas-agri.com</a>   |                                   |
| 1.2.7 | Web page address  | <a href="http://www.goldenagri.com.sg">http://www.goldenagri.com.sg</a>  |                                   |
| 1.2.8 | Management Representative who completed the application for certification | Yahya Mustakim<br>(Head of Sustainability Management System and Certification Operations Sustainability)   |                                   |
| 1.2.9 | Registered as RSPO member   | 1– 0096 – 11 – 000 – 00; 30 January 2005   |                                   |
| 1.3   | <b>Type of Assessment</b>   |  |                                   |
| 1.3.1 | Scope of Assessment and Number of Management Unit                         | Palm Oil Mill (Sungai Merah Mill) and its supply bases (Sungai Merah Estate and KKPA Gedung Aji Baru (5,925 Smallholders)  |                                   |
| 1.3.2 | Type of certificate   | Single   |                                   |
| 1.4   | <b>Locations of Mill and Plantation</b>                                   |  |                                   |
| 1.4.1 | Location of Mill  |  |                                   |
|       | <b>Name of Mill</b>   | <b>Location</b>  | <b>Coordinate</b>                 |
|       |   |  | <b>Latitude</b> <b>Longitude</b>  |
|       | Sungai Merah Mill (SMRM)  | Sidomukti Village, Gedung Aji Baru Sub-District, Tulang Bawang District, Lampung Province, Indonesia   | S 04° 13' 06"      E 105° 35' 20" |
| 1.4.2 | Location of Certification Scope of Supply Base                            |  |                                   |
|       | <b>Name of Supply Base</b>  | <b>Location</b>  | <b>Coordinate</b>                 |
|       |   |  | <b>Latitude</b> <b>Longitude</b>  |
|       | Sungai Merah Estate (SMRE)  | Sidang Gunung Tiga Village, Rawajitu Utara Sub-District, Mesuji District, Lampung Province, Indonesia  | S 04° 12' 01"      E 105° 38' 05" |



|  |  |               |                |
|--|--|---------------|----------------|
| KKPA Gedung Aji Baru (GABA) - 5,925 Smallholders | Sidoharjo Village, Penawartama Sub-District, Tulang Bawang District, Lampung Province, Indonesia | S 04° 09' 46" | E 105° 26' 24" |
|--|--|---------------|----------------|

**1.5 Description of Area Statement**

|       |                        |             |
|-------|------------------------|-------------|
| 1.5.1 | Tenure                 |             |
|       | • State (HGU SMRE)     | 4,046.01 Ha |
|       | • Community (SHM GABA) | 4,505.75 Ha |

**1.5.2 Area Statement**

|                                       | Sungai Merah Estate | KKPA Gedung Aji Baru |    |
|---------------------------------------|---------------------|----------------------|----|
| • Total area                          | 4,046.01            | 4,505.75             | Ha |
| • Planted area                        | 3,838.53            | 4,505.75             | Ha |
| • Roads                               | 76.64               | -                    |    |
| • Mill                                | 50.32               | -                    | Ha |
| • River, stream and swamps (wet land) | 54.32               | -                    | Ha |
| • Others                              | 26.20               | -                    | Ha |

*\*27.48 Ha of HCV (Putuk and Camp River) are located in the planted area. For detail will be informed in indicator 7.12.2.*

**1.6 Planting Year and Cycles**

|       |                              |                     |                 |                 |
|-------|------------------------------|---------------------|-----------------|-----------------|
| 1.6.1 | Age profile of planting year |                     |                 |                 |
|       | Planting Year                | Hectarage (Ha)      |                 |                 |
|       |                              | Sungai Merah Estate | Gedung Aji Baru | Total           |
|       | 1991                         | 197.41              | -               | 197.41          |
|       | 1992                         | 33.35               | -               | 33.35           |
|       | 1994                         | 44.88               | -               | 44.88           |
|       | 1995                         | -                   | 3,115.25        | 3,115.25        |
|       | 1996                         | -                   | 605.00          | 605.00          |
|       | 1997                         | -                   | 377.00          | 377.00          |
|       | 1998                         | -                   | 71.00           | 71.00           |
|       | 1999                         | -                   | 337.50          | 337.50          |
|       | 2010                         | -                   | -               | 17.70           |
|       | 2018                         | 156.47              | -               | 13.19           |
|       | 2019                         | 551.09              | -               | 156.47          |
|       | <b>Mature</b>                | <b>983.20</b>       | <b>4,505.75</b> | <b>5,792.66</b> |
|       | 2020                         | 838.88              | -               | 838.88          |
|       | 2021                         | 1,161.65            | -               | 1,161.65        |
|       | 2022                         | 854.80              | -               | 854.80          |

|            |  |                                |   |  |
|------------|--|--------------------------------|---|--|
|            | <b>Immature</b>  | <b>2,855.33</b>                | <b>-</b>  | <b>2,855.33</b>  |
|            | <b>TOTAL</b>   | <b>3,838.53</b>                | <b>4,505.75</b>   | <b>8,344.28</b>  |
| 1.6.2      | New Planting area after January 2010   |                                | -   | Ha   |
| 1.6.3      | Planting Cycle   |                                | 2 <sup>nd</sup> Cycle   |  |
| <b>1.7</b> | <b>Description of Mill and Supply Base</b>   |                                |   |  |
| 1.7.1      | Description of Mill  |                                |   |  |
|            | <b>Name of Mill</b>  | <b>Capacity (tonnes/ hour)</b> | <b>FFB Processed (tonnes/year)</b>  | <b>CPO</b>   |
|            |  |                                |   | <b>Out put (tonnes)</b>  |
|            |  |                                |   | <b>Extraction (%)</b>  |
|            |  |                                |   | <b>Palm Kernel</b>   |
|            |  |                                |   | <b>Out put (tonnes)</b>  |
|            |  |                                |   | <b>Extraction (%)</b>  |
|            | Sungai Merah Mill  | 60                             | 373,916.60  | 72,260.67  |
|            |  |                                |   | 19.33  |
|            |  |                                |   | 18,708.21  |
|            |  |                                |   | 5.00   |
|            | <i>*Production data source from March 2022 to February 2023</i>  |                                |   |  |
| 1.7.2      | Description of Certification Scope of Supply Base  |                                |   |  |
|            | <b>Name of Estate</b>  | <b>Total Area (Ha)</b>         | <b>Production Area (Ha)</b>   | <b>FFB (tonnes/year)</b>   |
|            |  |                                |   | <b>Yield (tonnes/ha/year)</b>  |
|            |  |                                |   | <b>Supplied to Mill</b>  |
|            |  |                                |   | <b>FFB (tonnes/year)</b>   |
|            |  |                                |   | <b>%</b>   |
|            | Sungai Merah Estate (SBYE)   | 4,046.01                       | 983.20  | 19,446.30  |
|            |  |                                |   | 19.78  |
|            |  |                                |   | 19,446.30  |
|            |  |                                |   | 100  |
|            | KKPA Gedung Aji Baru (GABA)  | 4,505.75                       | 4,505.75  | 108,352.33   |
|            |  |                                |   | 24.05  |
|            |  |                                |   | 108,115.48   |
|            |  |                                |   | 99.78  |
|            | <b>TOTAL</b>   | <b>8,551.76</b>                | <b>5,488.95</b>   | <b>127,798.63</b>  |
|            |  |                                |   | <b>23.28</b>   |
|            |  |                                |   | <b>127,561.78</b>  |
|            |  |                                |   | <b>99.81</b>   |
|            | <i>*Production data source from March 2022 to February 2023</i>  |                                |   |  |
|            | <i>**Part of the FFB from KKPA Gedung Aji Baru was sent to Sungai Buaya POM (subsidiary of GAR and RSPO certified Mill).</i> |                                |   |  |
| 1.7.3      | FFB description from other source  |                                |   |  |
|            | <b>Name of sources/Organisation (RSPO certified / non-certified)</b>   | <b>Type of Organisation</b>    | <b>number of smallholders</b>   | <b>Production Area (Ha)</b>  |
|            |  |                                |   | <b>Supplied to Mill</b>  |
|            |  |                                |   | <b>FFB (tonnes/year)</b>   |
|            | KKPA Gedung Aji Lama (RSPO Certified)  | Golden Agri Resources          | 5,553   | 5,002  |
|            |  |                                |   | 56.300,04  |
|            | Sungai Merah Estate (Non-certified)  | Golden Agri Resources          | -   | 241.54   |
|            |  |                                |   | 5.825,33   |
|            | Sungai Buaya (Non-certified)   | Golden Agri Resources          | -   | 99.89  |
|            |  |                                |   | 2.907,05   |
|            | PT Prima Alumga (Non-certified)  | Outgrower                      | -   | -  |
|            |  |                                |   | 181.509,54   |
|            | <b>TOTAL</b>   |                                |   |  |
|            |  |                                |   | <b>246.541,96</b>  |
|            | <i>*Production data source from March 2021 to February 2022</i>  |                                |   |  |
|            | <i>**KKPA Gedung Aji Lama was Certified RSPO under scope Sungai Buaya Mill with certificate number MUTU-RSPO/130</i>         |                                |   |  |
| 1.7.4      | Product categories   |                                | FFB, CPO, PK  |  |
| <b>1.8</b> | <b>Tonnage of Product</b>  |                                |   |  |
| 1.8.1      | Past Annual Claim Certified Product  |                                | Last Year Projected Certified Volume (09 September 2022 – 01 May 2023) + Extension Volume | Last Year Actual Certified Volume (August 2022 – February 2023) (MT) |

|        |  | (MT)   |                                    |                          |                               |                         |                       |                            |
|--------|--|--|------------------------------------|--------------------------|-------------------------------|-------------------------|-----------------------|----------------------------|
|        | FFB Processed  | 151,096  | 147,894.37                         |                          |                               |                         |                       |                            |
|        | CPO Production   | 29,851   | 29,069.20                          |                          |                               |                         |                       |                            |
|        | Palm Kernel (PK) Production  | 7,924  | 7,499.03                           |                          |                               |                         |                       |                            |
| 1.8.2  | Product selling  |  |                                    |                          |                               |                         |                       |                            |
|        | Type of selling product  | Actual selling product for last year<br>(August 2022 – February 2023)<br>(MT)            |                                    |                          |                               |                         |                       |                            |
|        | CSPPO sold as RSPO certified product                                     | 5,585.78   |                                    |                          |                               |                         |                       |                            |
|        | CSPK sold as RSPO certified product                                      | 7,353.49   |                                    |                          |                               |                         |                       |                            |
|        | CSPPO sold under other scheme  | 23,166.65  |                                    |                          |                               |                         |                       |                            |
|        | CSPK sold under other scheme   | 0  |                                    |                          |                               |                         |                       |                            |
|        | CSPPO sold as conventional   | 0  |                                    |                          |                               |                         |                       |                            |
|        | CSPK sold as conventional  | 0  |                                    |                          |                               |                         |                       |                            |
| 1.8.3  | Estimate of Certified FFB Claim  |  |                                    |                          |                               |                         |                       |                            |
|        | <b>Name of Estate</b>  | <b>Total Area (Ha)</b>   | <b>Production Area (Ha)</b>        | <b>FFB (tonnes/year)</b> | <b>Yield (tonnes/ha/year)</b> |                         |                       |                            |
|        | Sungai Merah Estate (SBYE)   | 4,046.01   | 983.20                             | 20,500                   | 20.85                         |                         |                       |                            |
|        | KKPA Gedung Aji Baru (GABA) - 5,925 Smallholders                         | 4,505.75   | 4,505.75                           | 94,500                   | 20.97                         |                         |                       |                            |
|        | <b>TOTAL</b>   | <b>8,551.76</b>  | <b>5,488.95</b>                    | <b>115,000</b>           | <b>20.91</b>                  |                         |                       |                            |
|        | <i>*Projected FFB production for 12 months of certificate</i>            |  |                                    |                          |                               |                         |                       |                            |
| 1.8.4  | Estimate of Certified Palm Product Claim                                 |  |                                    |                          |                               |                         |                       |                            |
|        | <b>Name of Mill</b>  | <b>Capacity (tonnes/ hour)</b>   | <b>FFB Processed (tonnes/year)</b> | <b>CPO</b>               |                               | <b>Palm Kernel</b>      |                       | <b>Supply Chain Module</b> |
|        |  |  |                                    | <b>Out put (tonnes)</b>  | <b>Extraction (%)</b>         | <b>Out put (tonnes)</b> | <b>Extraction (%)</b> |                            |
|        | Sungai Merah Mill  | 60   | 115,000                            | 23,600                   | 20.51                         | 5,800                   | 5.01                  | MB                         |
|        | <i>*Projected CSPPO and CSPK production for 12 months of certificate</i> |  |                                    |                          |                               |                         |                       |                            |
| 1.9    | <b>Other Certifications</b>  |  |                                    |                          |                               |                         |                       |                            |
|        | ISO 9001:2008  | -  |                                    |                          |                               |                         |                       |                            |
|        | ISO 14001: 2004  | -  |                                    |                          |                               |                         |                       |                            |
|        | OHSAS 18001:2007   | -  |                                    |                          |                               |                         |                       |                            |
|        | ISCC   | Certificate No. EU-ISCC-Cert-ID218-20220114<br>(valid from 15 July 2022 to 14 July 2023) |                                    |                          |                               |                         |                       |                            |
|        | ISPO   | SMRM & SMRE: IDN 26200002 valid from 19 August 2020 to 18 August 2025.                   |                                    |                          |                               |                         |                       |                            |
| 1.10   | <b>Time Bound Plan</b>   |  |                                    |                          |                               |                         |                       |                            |
| 1.10.1 | <b>Time Bound Plan for Other Management Units</b>                        |  |                                    |                          |                               |                         |                       |                            |
|        | Management Unit  | Estate (Supply Base)   |                                    | Location                 | Status                        |                         |                       |                            |

| Mill  | Time Bound Plan |  | Time Bound Plan |                            |           |
|---|-----------------|--|-----------------|----------------------------|-----------|
| Pangkalan Panji Mill (PT Sawit Mas Sejahtera)     | 2013            | Sawit Mas Estate                                     | 2013            | Sumatera Selatan Province  | Certified |
|   |                 | Sawit Mas Estate (HGU on progress – 2,291 Ha)        | 2024            |                            | -         |
| Bumi Sawit Mill (PT Bumi Sawit Permai)            | 2013            | Bumi Sawit Estate                                    | 2013            | Sumatera Selatan Province  | Certified |
|   |                 | Bumi Sawit Estate (HGU on progress – 773.39 Ha)      | 2024            |                            | -         |
| Muara Kandis Mill (PT Djuanda Sawit Lestari)      | 2013            | Muara Tawas Estate                                   | 2013            | Sumatera Selatan Province  | Certified |
|   |                 | Muara Kandis Estate                                  | 2013            |                            | Certified |
|   |                 | Muara Kandis Estate (HGU on progress – 418.49 Ha)    | 2023            |                            | -         |
|   |                 | Muara Tawas Estate (HGU on progress – 57.7 Ha)       | 2023            |                            | -         |
|   |                 | Smallholder (KKPA Pandawa)                           | 2024            |                            | -         |
| Sungai Rungau Mill (PT Sumber Indah Perkasa)      | 2013            | Sungai Rungau Estate                                 | 2013            | Kalimantan Tengah Province | Certified |
|   |                 | Sungai Seruyan Estate                                | 2013            |                            | Certified |
|   |                 | Terawan Estate                                       | 2013            |                            | Certified |
|   |                 | Tangar Estate  | 2013            |                            | Certified |
|   |                 | Bukit Tiga Estate                                    | 2013            |                            | Certified |
| Bukit Perak Mill (PT Bumi Permai Lestari)         | 2013            | Bukit Perak Estate                                   | 2013            | Bangka Belitung Province   | Certified |
|   |                 | Bukit Permata Estate                                 | 2013            |                            | Certified |
|   |                 | Bukit Permai Estate (PT Agrolestari Subur Sejahtera) | 2024            |                            | -         |
|   |                 | Bukit Lestari estate (PT Agrolestari Hijau Sentosa)  | 2024            |                            | -         |
| Tanjung Kembiri Mill (PT Forestalestari Dwikarya) | 2013            | Tanjung Kembiri Estate                               | 2013            | Bangka Belitung Province   | Certified |
|   |                 | Tanjung Rusa Estate                                  | 2013            |                            | Certified |
|   |                 | Tanjung Rusa Estate (HGU on process 48.81 Ha)        | 2024            |                            | -         |
|   |                 | Tanjung Sawit Estate (PT Palmindo Biliton Berjaya)   | 2024            |                            | -         |
|   |                 | Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya)   | 2024            |                            | -         |
|   |                 | Tanjung Rusa KKPA                                    | 2024            |                            | -         |
| Sungai Buaya Mill (PT Sumber Indah Perkasa)       | 2014            | Sungai Buaya Estate                                  | 2014            | Lampung Province           | Certified |
|   |                 | Sungai Buaya Estate (HGU on process – 99,89 Ha)      | 2024            |                            | -         |

|  |      |  |      |                            |           |
|--|------|--|------|----------------------------|-----------|
|  |      | Smallholder (KKPA Gedung Aji Lama)               | 2014 |                            | Certified |
|  |      | Smallholder (KKPA Mesuji)                        | 2014 |                            | Certified |
| Sungai Merah Mill (PT Sumber Indah Perkasa)  | 2014 | Sungai Merah Estate                              | 2014 | Lampung Province           | Certified |
|  |      | Sungai Merah Estate (HGU on process – 241.54 Ha) | 2024 |                            | -         |
|  |      | Smallholder (KKPA Gedung Aji Baru)               | 2014 |                            | Certified |
| Kasuari Mill (PT Sinar Kencana Inti Perkasa) | 2023 | Cendrawasih Estate                               | 2023 | Papua Province             | ST-1      |
|  |      | Nuri Estate                                      | 2023 |                            | ST-1      |
|  |      | Rajawali Estate                                  | 2023 |                            | ST-1      |
|  |      | Mambruk Estate (PT Sumber Indah Perkasa)         | 2023 |                            | ST-1      |
| Pekawai Mill (PT Agrolestari Mandiri)        | 2023 | Kayung Estate                                    | 2023 | Kalimantan Barat Province  | ST-1      |
|  |      | Pekawai Estate                                   | 2023 |                            | ST-1      |
|  |      | Sungai Kelik Estate                              | 2023 |                            | ST-1      |
|  |      | Nanga Tayap Estate                               | 2023 |                            | ST-1      |
|  |      | Smallholder (Kayung Plasma)                      | 2024 |                            | ST-1      |
| Kenanga Mill (PT Kencana Graha Permai)       | 2014 | Kencana Estate                                   | 2015 | Kalimantan Barat Province  | Certified |
|  |      | Cendana Estate                                   | 2015 |                            | Certified |
|  |      | Kenanga Estate (PT Cahaya Nusa Gemilang)         | 2023 |                            | -         |
|  |      | Delima Estate (PT Kencana Graha Permai)          | 2023 |                            | -         |
|  |      | Smallholder (Kencana Plasma)                     | 2024 |                            | -         |
|  |      | Smallholder (Kenanga Plasma)                     | 2024 |                            | -         |
| Perdana Mill (PT Binawit Abadi Pratama)      | 2025 | Perdana Estate                                   | 2025 | Kalimantan Tengah Province | ST-1      |
|  |      | Langgana Estate                                  | 2025 |                            | ST-1      |
|  |      | Semandau Estate                                  | 2025 |                            | ST-1      |
|  |      | Muara Dua Estate                                 | 2025 |                            | ST-1      |
|  | 2025 | Bukit Santuhai Estate                            | 2025 |                            | ST-1      |

|  |                       |  |      |  |           |
|--|-----------------------|--|------|--|-----------|
| Kuayan Mill (PT Agrokarya Prima Lestari)   |                       | Tajur Beras Estate                             | 2025 | Kalimantan Tengah Province                               | ST-1      |
|  |                       | Seranau Estate                                 | 2025 |  | ST-1      |
|  |                       | Sungai Sambon Plasma                           | 2025 |  | -         |
|  |                       | Sapiri Estate (PT Buana Adhitama)              | 2025 |  | ST-1      |
|  |                       | Sapiri Plasma                                  | 2025 |  | -         |
|  |                       | Bukit Dua Estate (PT Buana Adhitama)           | 2025 |  | -         |
| Belian Mill (PT Paramitra Internusa Pratama) *<br>Main Audit Desember 2022<br>Main Audit Desember 2022<br>Main Audit Desember 2022 | 2022*<br>2022<br>2022 | Belian Estate*                                 |      |  |           |
|  |                       | Kalimantan Barat Province                      | ST-1 |  |           |
|  |                       | Tengkawang Estate*                             |      |  |           |
|  |                       |  | ST-1 |  |           |
|  |                       | Muara Tawang Estate (PT Kartika Prima Cipta)   | 2023 |  | ST-1      |
|  |                       | Kapuas Hulu Estate (PT Persada Graha Mandiri)  | 2023 |  | ST-1      |
|  |                       | Sungai Beran Estate (PT Persada Graha Mandiri) | 2023 |  | ST-1      |
|  |                       |  |      |  |           |
|  |                       | Smallholder (Belian KKPA)                      | 2024 |  | -         |
|  |                       | Smallholder (Muara Tawang KKPA)                | 2024 |  | -         |
| Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)<br>Sungai Kikim Mill (PT Sawit Mas Sejahtera)                                   | 2020<br>2023          | Smallholders (Kapuas Hulu KKPA)                | 2024 | Kalimantan Selatan Province<br>Sumatera Selatan Province | -         |
|  |                       | Sungai Kupang Estate                           | 2020 |  | Certified |
|  |                       | Sungai Kupang KKPA                             | 2024 |  | -         |
|  |                       | Sungai Kikim Estate                            | 2023 |  | -         |
|  |                       | Sungai Pangi Estate                            | 2023 |  | -         |
|  |                       | Sungai Musi Estate                             | 2023 |  | -         |
|  |                       | Sungai Saling Estate                           | 2023 |  | -         |
|  |                       | Sungai Enim Estate (PT Bumi Sawit Permai)      | 2023 |  | -         |
| Tangar Mill (PT Mitrakarya Agroindo)   | 2025                  | Sungai Lematang Estate (PT Bumi Sawit Permai)  | 2023 | Kalimantan Tengah Province                               | -         |
|  |                       | Sungai Bungur Estate (PT Prima Cipta Mandiri)  | 2023 |  | -         |



|  |              |   |      |   |           |
|--|--------------|---|------|---|-----------|
|  |              | Sungai Lingsing Estate (PT Prima Cipta Mandiri) | 2023 |   | -         |
|  |              | Sulin Estate                                    | 2025 |   | -         |
|  |              | Sulin Plasma                                    | 2025 |   | -         |
|  |              | Nahiyang Estate                                 | 2025 |   | -         |
|  |              | Katayang Estate                                 | 2025 |   | -         |
| Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)<br>Jalemo Mill (PT Agro Lestari Sentosa) | 2023<br>2025 | Sungai Magalau Estate                           | 2023 | Kalimantan Selatan Province<br>Kalimantan Tengah Province | -         |
|  |              | Senakin Estate                                  | 2023 |   | -         |
|  |              | Sungai Manunggul Estate (PT Mitra Nusa Permata) | 2023 |   | -         |
|  |              | Jalemo Estate                                   | 2025 |   | -         |
| Sako Mill (PT Adi Tunggal Mahajaya)  | 2025         | Kajui Estate (PT Agro Lestari Sentosa)          | 2025 | Kalimantan Tengah Province                                | -         |
|  |              | Manuhing Estate (PT Agro Lestari Sentosa)       | 2025 |   | -         |
|  |              | Manuhing KKPA                                   | 2025 |   | -         |
|  |              | Mentaya Estate                                  | 2025 |   | ST-1      |
|  |              | Kuayan Estate                                   | 2025 |   | ST-1      |
| Padang Halaban Mill (PT SMART Tbk)   | 2011         | Sako Plasma                                     | 2025 | Sumatera Utara Province                                   | -         |
|  |              | Sungai Ayawan Estate                            | 2025 |   | -         |
|  |              | Sungai Nusa Estate                              | 2025 |   | -         |
|  |              | Padang Halaban Estate                           | 2011 |   | Certified |
| Batu Ampar Mill (PT SMART Tbk)   | 2012         | Pernantian Estate                               | 2011 | Kalimantan Selatan Province                               | Certified |
|  |              | Adipati Estate                                  | 2011 |   | Certified |
|  |              | Kanopan Ulu Estate                              | 2011 |   | Certified |
|  |              | Batu Ampar Estate                               | 2012 |   | Certified |
|  |              | Batu Mulia Estate                               | 2012 |   | Certified |
|  |              | Sungai Panci Estate                             | 2012 |   | Certified |
|  |              | Sungai Panci KKPA                               | 2012 |   | Certified |
| Tanah Laut Mill (PT SMART Tbk)   | 2012         | Tanah Laut Estate                               | 2012 | Kalimantan Selatan Province                               | Certified |
|  |              | Kintapura Estate                                | 2012 |   | Certified |
|  |              | Kintapura Estate (HGU on process - 636.33 Ha)   | 2024 |   | -         |
| Langga Payung Mill (PT Tapian Nadenggan)<br>Hanau Mill (PT Tapian Nadenggan)                 | 2012<br>2012 | Langga Payung Estate                            | 2012 | Sumatera Utara Province<br>Kalimantan Tengah Province     | Certified |
|  |              | Paya Baung Estate                               | 2012 |   | Certified |
|  |              | Normark Estate                                  | 2012 |   | Certified |
|  |              | Hanau Estate                                    | 2012 |   | Certified |

|  |      |  |              |                            |                        |
|--|------|--|--------------|----------------------------|------------------------|
|  |      | Tasik Mas Estate   | 2012         |                            | Certified              |
| Semilar Mill (PT Tapian Nadenggan)               | 2013 | Tanjung Paring Estate  | 2012         | Kalimantan Tengah Province | Certified              |
|  |      | Langadang Estate   | 2012         |                            | Certified              |
|  |      | Medang Sari Estate (PT Satya Kisma Usaha)                      | 2025         |                            | -                      |
|  |      | Semilar Estate   | 2013         |                            | Certified              |
| Jak Luay Mill (PT Tapian Nadenggan)              | 2015 | Sei Rindu Estate   | 2013         | Kalimantan Timur Province  | Certified              |
|  |      | Mandang Estate (PT Buana Arta Sejahtera)                       | 2013         |                            | Certified              |
|  |      | Puri Estate (PT Buana Arta Sejahtera)                          | 2013         |                            | Certified              |
|  |      | Pantun Mas Estate  | 2015         |                            | Certified              |
|  |      | Jak Luay Estate  | 2015         |                            | Certified              |
|  |      | Jak Luay KKPA  | 2024         |                            | -                      |
|  |      | Long Buluh Estate  | 2015         |                            | Certified              |
|  |      | Long Buluh Estate (HGU on progress - 329.66 Ha)                | 2024         |                            | -                      |
| Leidong West Mill (PT MP Leidong West Indonesia) | 2014 | Bukit Subur Estate   | 2015         | Bangka Belitung Province   | Certified              |
|  |      | Bukit Subur Estate (HCV identification on process - 569.62 Ha) | 2024         |                            | -                      |
|  |      | Bukit Subur KKPA   | 2024         |                            | -                      |
|  |      | Leidong West Utara Estate                                      | 2014         |                            | Certified              |
|  |      | Leidong West Selatan Estate                                    | 2014         |                            | Certified              |
|  |      | Bukit Intan Estate (PT Bumipermai Lestari)                     | 2014         |                            | Certified              |
| Muara Wahau Mill (PT Kresna Duta Agroindo)       | 2014 | Bukit Mas Estate (PT Bumipermai Lestari)<br>Muara Wahau Estate | 2014<br>2014 | Kalimantan Timur Province  | Certified<br>Certified |
| Gunung Kombeng Mill (PT Kresna Duta Agroindo)    | 2024 | Gunung Kombeng   | 2014         | Kalimantan Timur Province  | Certified              |
|  |      | Gunung Kombeng KKPA  | 2024         |                            | -                      |
| Rantau Panjang (PT Kresna Duta Agroindo)         | 2023 | Rantau Panjang Estate  | 2023         | Kalimantan Timur Province  | -                      |

|   |              |   |      |  |           |
|---|--------------|---|------|--|-----------|
| Jelatang Mill (PT Kresna Duta Agroindo)   | 2014         | Rantau Panjang KKPA                           | 2024 | Jambi Province                               | -         |
|   |              | Bangko Estate                                 | 2014 |  | Certified |
|   |              |   |      |  |           |
| Pelakar Mill (PT Kresna Duta Agroindo)  | 2020         | Pelakar Estate                                | 2020 | Jambi Province                               | Certified |
|   |              | Batang Merangin Estate                        | 2020 |  | Certified |
|   |              | Tiga Serumpun KKPA                            | 2024 |  | -         |
| Langling Mill (PT Kresna Duta Agroindo)<br>Sungai Bengkal Mill (PT Satya Kisma Usaha) | 2014<br>2015 | Bangko Estate                                 | 2014 | Jambi Province<br>Jambi Province             | Certified |
|   |              | Batang Gading Estate (PT Satya Kisma Usaha)   | 2023 |  | -         |
|   |              | Batang Gading KKPA (PT Satya Kisma Usaha)     | 2024 | -  |           |
|   |              | Sungai Bengkal Estate                         | 2015 | Certified                                    |           |
|   |              | Sungai Bengkal Estate                         | 2015 | Certified                                    |           |
|   |              | Sungai Bengkal KKPA                           | 2015 | Certified                                    |           |
|   |              | Sungai Bengkal KKPA                           | 2015 | Certified                                    |           |
|   |              | Muara Kilis Estate                            | 2015 |  | Certified |
|   |              | Muara Kilis Estate                            | 2015 |  | Certified |
| Bukit Kapur Mill (PT SMART Tbk)<br>Samsam Mill (PT Ivo Mas Tunggal)                   | 2025<br>2009 | Kilis KKPA                                    | 2024 | Kalimantan Selatan Province<br>Riau Province | -         |
|   |              | Bukit Kapur Estate                            | 2025 |  | ST-1      |
|   |              | Sungai Cantung Estate                         | 2025 |  | ST-1      |
|   |              | Samsam Estate                                 | 2009 |  | Certified |
|   |              | Samsam Estate (HGU on progress – 29.09 Ha)    | 2024 |  | -         |
| Libo Mill (PT Ivo Mas Tunggal)  | 2009         | Kandista Estate                               | 2009 | Riau Province                                | Certified |
|   |              | Kandista Estate (HGU on progress – 158.46 Ha) | 2024 |  | -         |
|   |              | Palapa Estate                                 | 2009 |  | Certified |
|   |              | Libo Estate                                   | 2009 |  | Certified |
|   |              | Nenggala Estate                               | 2009 |  | Certified |
|   |              | Nenggala Estate (HGU on progress 419.9 Ha)    | 2024 |  | -         |
|   |              | Sei Rokan Estate                              | 2009 |  | Certified |

|   |      |   |      |               |            |
|---|------|---|------|---------------|------------|
|   |      | Sei Rokan Estate (HGU on progress – 102.7 Ha)     | 2024 |               | -          |
| Ujung Tanjung Mill (PT Ivo Mas Tunggal)               | 2009 | Sungai Tapung Plasma                              | 2009 | Riau Province | Certified  |
|   |      | Ujung Tanjung Estate                              | 2009 |               | Certified  |
|   |      | Kandis Sejahtera KKPA                             | 2023 |               | -          |
|   |      | Swadaya Mas Bersama KKPA                          | 2023 |               | -          |
|   |      | Ujung Tanjung Estate (HGU on progress – 557.3 Ha) | 2022 |               | -          |
| Naga Sakti Mill (PT Buana Wiralestari Mas)            | 2010 | Naga Mas Estate                                   | 2010 | Riau Province | Certified  |
|   |      | Naga Mas Estate (HGU on process – 253.39 Ha)      | 2024 |               | -          |
|   |      | Naga Sakti Estate                                 | 2010 |               | Certified  |
| Kijang Mill (PT Buana Wiralestari Mas)                | 2010 | Naga Sakti Estate (HGU on process – 59.79 Ha)     | 2024 | Riau Province | -          |
|   |      | Rama Bakti Estate                                 | 2010 |               | Certified  |
|   |      | Kijang Estate                                     | 2010 |               | Certified  |
|   |      | Kijang Estate (HGU on process – 56.07 Ha)         | 2024 |               | -          |
| Ramarama Mill (PT Ramajaya Pramukti)                  | 2010 | Kijang Kencana Plasma                             | 2010 | Riau Province | Certified  |
|   |      | Ramarama Estate                                   | 2010 |               | Certified  |
|   |      | Ramarama Estate (HGU on process – 318.76 Ha)      | 2024 |               | -          |
|   |      | Amartajaya Plasma                                 | 2010 |               | Certified  |
| Indrasakti Mill (PT Meganusa Inti Sawit)              | 2011 | Berkat Ridho KKPA                                 | 2023 | Riau Province | -          |
|   |      | Produsen Rama Sawit KKPA                          | 2023 |               | -          |
|   |      | Smallholder (Ramarama KKPA)                       | 2024 |               | -          |
|   |      | Indralestari Estate                               | 2011 |               | Certified  |
|   |      | Indrasakti Estate                                 | 2011 |               | Certified  |
|   |      | Indragiri Plasma                                  | 2011 |               | Certified  |
|   |      | Mandiri Jaya Plasma                               | 2022 |               | Certified* |
| 2022<br>Bumipalma Mill (PT Bumipalma Lestari Persada) | 2012 |   |      | Riau Province |            |
|   |      | Indrasakti Plasma                                 | 2011 |               | Certified  |
|   |      | Bumi Lestari Estate                               | 2012 |               | Certified  |

|  |              |  |      |  |           |
|--|--------------|--|------|--|-----------|
|  |              | Bumi Palma Estate                                | 2012 |  | Certified |
|  |              | Bumi Sentosa Estate                              | 2012 |  | Certified |
|  |              | Bumi Palma Estate (HGU on process – 39.21 Ha)    | 2024 |  | -         |
|  |              | Kharisma Estate (PT Kharisma Riau Sentosa Prima) | 2024 |  | -         |
|  |              | Kharisma Plasma (PT Kharisma Riau Sentosa Prima) | 2024 |  | -         |
| Sawita Mill (PT Sawitakarya Manunggul)<br>Kenari Mill (PT Bangun Nusa Mandiri) | 2023<br>2025 | Sawita Estate                                    | 2023 | Kalimantan Selatan Province<br>Kalimantan Barat Province | ST-1      |
|  |              | Pamukan Estate                                   | 2023 |  | ST-1      |
|  |              | Sawita KKPA                                      | 2024 |  | ST-1      |
|  |              | Gaharu Estate (PT Bangun Nusa Mandiri)           | 2025 |  | -         |
|  |              | Kenari Estate (PT Bangun Nusa Mandiri)           | 2025 |  | -         |
| Sungai Air Jernih Mill (PT Bahana Karya Semesta)                               | 2023         | KerANJI Estate (PT Bangun Nusa Mandiri)          | 2025 | Jambi Province   | -         |
|  |              | Smallholder (Gaharu Plasma)                      | 2025 |  | -         |
|  |              | Smallholder (Kenari Plasma)                      | 2025 |  | -         |
|  |              | Sungai Air Jernih Estate                         | 2023 |  | -         |
|  |              | Sungai Mentawak Estate                           | 2023 |  | -         |
| Sungai Perak Mill (PT Kruing Lestari Jaya)                                     | 2024         | Sungai Mentawak KKPA                             | 2023 | Kalimantan Timur Province                                | -         |
|  |              | Sungai Merak Estate                              | 2023 |  | -         |
|  |              | Sungai Badak Estate                              | 2023 |  | -         |
|  |              | Sungai Perak Estate                              | 2024 |  | -         |
|  |              | Sungai Basung Estate                             | 2024 |  | -         |
|  |              | Sungai Pikan Estate                              | 2024 |  | -         |

TBP revised on 19 May 2022 and approved by RSPO on 14 June 2022

There is revision of timebound plan on 19 May 2022 made by Head of Operations Sustainability. There are justification for mills and estates that postpone, with explanation:

- Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process.
- Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 due to the SHM process.
- Tanjung Sawit Estate dan Tanjung Sawit KKPA (PT Palmindo Biliton Berjaya) are postponed to 2024 due to still in process for HGU and land rights (SHM)
- Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse

- Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented
- Kayung KKPA supply base of Pekawai Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenanga Estate (PT Cahaya Nusa Gemilang) dan Delima Estate (PT Kencana Graha Permai) are postponed to 2024 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM).
- Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU
- Kuayan Mill and supply bases are postponed to 2025 due to still in process for HGU
- Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Belian KKPA, Muara Tawang KKPA and Kapuas Hulu KKPA supply base of Belian Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.
- Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Sungai Magalau Mill and supply bases and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Sako Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 due to still in process for HGU.
- Jak Luay KKPA and Bukit Subur KKPA supply base of Jak Luay Mill are postponed to 2023 due to still in process for land rights (SHM).
- Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2023 due to still in process for land rights (SHM).
- Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2023 due to still in process for land rights (SHM).
- Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2024 due to still in process for land rights (SHM).
- Batang Gading Estate supply base of Langling Mill are postponed 2023 due to still in process for RaCP (LUCA review).
- Batang Gading KKPA supply base of Langling Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2024 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Rama-Rama KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Sawita Mill and supply bases are postponed to 2022 due to still in process for HGU.
- Sawita KKPA supply base of Sawita Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenari Mill and supply bases are postponed to 2025 due to the process for RaCP (LUCA review).
- Sungai Air Jernih Mill and supply bases are postponed to 2023 due to still in process for legality documents.

Then there are additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 plasma/KKPA) and have been included in the timebound plan to be certified in 2023, with the following details:

- PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.
- PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.
- PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).



- PT Agrolestari Subur Sejahtera (previously the company name is PT Bumi Permai Surya Lestari): Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
- PT Agrolestari Hijau Sentosa (previously the company name is PT Bumi Bangka Lestari): Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
- PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.
- PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).

In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma / KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).

There are some companies that are not fully certified, due to some area still on process to get land title (HGU) and RaCP process, consist of:

- PT Sawit Mas Sejahtera (Sawit Mas Estate)
- PT Bumi Sawit Permai (Bumi Sawit Estate)
- PT Djuanda Sawit Lestari (Muara Kandis Estate & Muara Tawas Estate).
- PT Forestalestari Dwikarya (Tanjung Rusa Estate);
- PT Sumber Indah Perkasa (Sungai Merah Estate and Sungai Buaya Estate). Based on the results of the ASA 1.4 audit, it is known that the Sungai Buaya Estate HGU for an area of 99.89 Ha has been issued, namely SK Number 2/HGU/BPN.18/2019 on June 12 2019 and certificate No. 36 of 2019 for an area of 26.18 Ha with a date of issue August 20, 2019 with a validity period of up to June 12, 2049. For an area of 73.71 Ha, HGU certificates have been issued with Certificate Number 37 of 2019 (Decree Number 1/HGU/BPN.18/2019 on June 12, 2019) with the date of issue 20 August 2019 with validity period until 12 June 2049. For Sungai Merah Estate HGU has also been issued, namely SK HGU No. 1/HGU/BPN.18/2018 dated 8 November 2018 for an area of 241.54 Ha and HGU certificate No. 82 of 2019 area of 2,415,400 M2. The issuance date of the certificate is March 06, 2019 and the period of expiry of the rights is November 08, 2049.
- PT SMART Tbk (Kinta Pura Estate)
- PT Tapian Nadenggan (Long Buluh Estate and Bukit Subur Estate)
- PT Ivomas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate);
- PT Buana Wiralestari Mas (Nagasakti Estate; Nagamas Estate and Kijang Estate);
- PT Rama Jaya Pramukti (Ramarama Estate);
- PT Satya Kisma Usaha (Sungai Bengkal Estate, Kilis Estate and Sungai Bengkal KKPA)
- PT Bumipalma Lestari Persada (Bumi Palma Estate)
- PT Tapian Nadenggan (Sei Rindu Estate)

PT Kruing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process

|        |  |
|--------|--|
| 1.10.2 | <b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>                                     |
|        | Sungai Merah Mill receive FFB from own estate and scheme smallholder. The scheme smallholders has been RSPO Certified. |

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| <b>2.0</b>     | <b>ASSESSMENT PROCESS</b>  |
| <b>2.1</b>     | <b>Assessment Team</b>   |
| <b>ASA-1.4</b> | <p>1. <b>Hasiholan Sihombing (Lead Auditor Witnessing)</b>. Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experience for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO in 2016, RSPO P&amp;C Lead Auditor Course in 2018, RSPO Supply Chain Certification Lead Auditor Course in 2020, SA 8000 Awareness in 2018, Quality Management Systems (ISO 9001:2015) in 2016, Environmental Management Systems (ISO 14001:2015) in 2017, OHS General Expert in 2013, OHSAS 18001:2007 in 2017, ISO 19011:2018 in 2019, ISO 17021:2011 and ISO 17065:2012 in 2016. During this audit, he was assigned to witnessing Lead auditor and their team, on doing process of auditing RSPO ASA-1.4.</p> <p>2. <b>Rahmat Abdiansyah (Lead Auditor Witnessed)</b>. Indonesian citizen. Bachelor of Forestry from IPB University, with majors in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this audit, he was assigned to verify legal aspects, land dispute, SCCS, Environment, GHG, and HCV aspects.</p> <p>3. <b>Septian Maulana (Auditor)</b>. 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 Completed Awareness Social Audit SMETA in 2022. During this assessment, he verified the aspects of Best Management Practice and OHS.</p> <p>4. <b>Naila Karima (Auditor)</b>. Indonesian citizens. Bachelor of Public Health, Major in Occupational Safety and Health. Faculty of Public Health, University of Indonesia. He has experience working in private oil palm plantation companies in Indonesia. The trainings attended included ISPO Lead Auditor training, understanding of the RSPO certification system, understanding of SMK3 (PP No. 50 of 2012), Integrated Management Systems (ISO 45001:2018, ISO 14001:2015, and ISO 9001:2015), SA 8000, Workshop on GHG Management and ISO 14064 Greenhouse Gas Standard Series Verification Workshop, HACCP Introduction Training, Life Cycle Analysis Training, ISPO Refreshment (Permentan No. 38 Year 2020), etc. In this audit activity, we verified the aspects of employment and transparency.</p> <p>5. <b>Helma Namira (Auditor Trainee)</b>. Indonesian citizen, Bachelor of Science, majoring in Biology, University of Indonesia. Has 2 years experiences working in Health Safety Security Environment (HSSE) Refinery in one of Oil &amp; Gas Company in Indonesia. Attended trainings are Awareness ISO 19011: 2018; Awareness ISO 9001:2015, Awareness ISO 17021:2015, IHT Awareness ISO 17065:2012, IHT Awareness ISO 14001:2015, IHT Awareness IHT ISO 45001:2018, IHT Awareness ISPO P&amp;C Certification System, IHT Awareness RSPO, Training ISPO Regulation of the Minister of Agriculture 38 in 2020. During this audit, she was assigned to verify Environment, GHG, and HCV aspects under supervised by Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p> |
| <b>2.2</b>     | <b>Assessment Methodology, Assessment Process and Locations of Assessment</b>  |
| <b>2.2.1</b>   | <b>Figure of person days to implement assessment</b>   |
| <b>ASA-1.4</b> | <p>Number of auditors: 3 auditors, 1 witnesser and 1 trainee auditor</p> <p>Number of days for <b>ASA-1.4</b> : 6 days</p> <p>Number of working days for <b>ASA-1.4</b>: 18 Working days</p>   |
| <b>2.2.2</b>   | <b>Assessment Process</b>  |
| <b>ASA-</b>    | The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT  |

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|----------------|---|
| <p>1.4</p>     | <p>Sumber Indah Perkasa – Sungai Merah POM to the requirements of:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul> <p>The scope of certification of PT Sumber Indah Perkasa-Sungai Merah Mill, subsidiary of Golden Agri Resources operation consisting of one (1) mill (Sungai Merah Mill) with supply bases one (1) own estates (Sungai Merah Estate), and one (1) Scheme Smallholder (KKPA Gedung Aji Baru).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-1.4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Recertification). Improvement of findings from ASA-1.3 findings were observed by auditors at this ASA-1.4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.4.</p> <p>The opening meeting was held on 27 March 2023. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Support Team from Jakarta and other staff. Closing meeting was held on 4 April 2023 attended by the same participants as the opening meeting. Management PT Sumber Indah Perkasa accept all the ASA-1.4 audit results.</p> <p>The assessment program please find Appendix 2.</p> |
| <p>2.2.3</p>   | <p><b>Locations of Assessment</b></p>   |
| <p>ASA-1.4</p> | <p>The sampling location consider the issue arose from the review documents and stakeholder’s consultation that are fundamental and crucial. On this assessment sample locations that observed by team auditor are:</p> <p><b><u>Sungai Merah Estate</u></b></p> <ul style="list-style-type: none"> <li>• <b>Housing Complex, Division 4.</b> Field Observation related to domestic waste management, OHS, housing facilities.</li> <li>• <b>Landfill, Division 4, Block M50.</b> Field observation related to domestic waste management, environmental and OHS aspects.</li> <li>• <b>Rinse house for spraying team Division 4 and 6.</b> Field Observation and interviews for OHS and spraying team facilities.</li> <li>• <b>Temporary Hazardous Waste Storage.</b> Field Observation related to environmental and OHS aspect.</li> <li>• <b>Central Storage.</b> Field Observation and interviews related to PPE, environmental, handling material, and OHS aspects.</li> <li>• <b>Fuel Tank.</b> Field Observation and interviews related environment and OHS aspect.</li> <li>• <b>Fertilizer storage.</b> Field Observation and interview related to OSH, worker welfare and waste management aspects.</li> <li>• <b>Workshop.</b> Field Observation and interview related to OHS, worker welfare and waste management aspects.</li> <li>• <b>Fire-fighter equipment storage.</b> Field Observation and interview related to emergency response mechanism, and firefighter equipment readiness.</li> <li>• <b>Firefighter Simulation.</b> Field Observation related to firefighter equipment readiness, PPE, and OHS aspects.</li> <li>• <b>Barn owl box, Division 5 Block N28.</b> Field Observation and interviews to <b>barn owl box</b> (active), <b>piezometer</b> (on level 24 cm)</li> <li>• <b>Piezometer logger, Division 2 Block U22.</b> Field Observation and interviews to piezometer as recommended by KLHK and <b>subsidence pole</b> that installed on harvesting path and inter row).</li> </ul>                            |

- **FFB Harvesting, Division 2 Block U18/21.** Field Observation and interviews with foreman and harvester related FFB quality, worker welfare OHS, and employment.
- **Loose fruit picker activity, Division 2 Block U18/21.** Field Observation and interviews with foreman and, harvesting round, worker welfare OHS, and employment
- **Beneficial plant (*turnera subulata*) Block U 18 Division 2.** Field Observation and interviews of the management and utilization of beneficial plants
- **Consolidation Work Block C16 Division 2.** Field observations and worker interviews related to OSH and employment aspects.
- **HGU Pole No. 018 Block M50.** Observation of the condition of the HGU boundary markers owned by the company.
- **HGU Pole No. 012 Block E30.** Observation of the condition of the HGU boundary markers owned by the company.
- **HGU Pole No. 008 Block F27.** Observation of the condition of the HGU boundary markers owned by the company.
- **HGU Pole No. 006 Block E17.** Observation of the condition of the HGU boundary markers owned by the company.
- **Land Application, Block S47, Division 3.** Observation about effluent distribution to the permitted areas.

#### Sungai Merah POM

- **WWTP.** Field Observation related to environmental, worker welfare and OHS aspect.
- **Domestic WWTP.** Field Observation related to environmental, worker welfare and OHS aspect.
- **Mill Housing complex.** Field Observation regarding environmental, housing facilities condition and OHS aspect.
- **EFB Stacking Area.** Field Observation regarding to environmental aspect.
- **Reservoir.** Field Observation related to environmental, worker welfare and OHS aspect.
- **Grading Station.** Field observation and interview related BMP, OHS, and Environment Aspects.
- **Sterilizer Station.** Field observation related BMP, OHS, and Environment Aspects.
- **Boiler Station.** Field observation and interview related BMP, OHS, and Environment Aspects.
- **Engine Room Station.** Field observation and interview related BMP, OHS, and Environment Aspects.
- **Kernel Station.** Field observation and interview related BMP, OHS, and Environment Aspects.
- **Press Station.** Field observation and interview related BMP, OHS, and Environment Aspects.
- **Hydrant Simulation.** Field observation related readiness of emergency response equipment.
- **Fertilizer Storage.** Observation regarding to environmental and OHS aspect.
- **Agrochemical Storage.** Observation regarding to environmental and OHS aspect.
- **Lubricant Storage.** Observation regarding to environmental and OHS aspect.
- **Diesel Fuel Tank.** Observation regarding to environmental and OHS aspect.
- **Workshop.** Observation regarding to environmental and OHS aspect.
- **Hazardous Waste Storage.** Observation regarding to environmental and OHS aspect.
- **Water Treatment Plant.** Observation regarding to environmental and OHS aspect.
- **Security Post.** Observation and interview with security related to SCSS procedure and worker welfare aspect.
- **Weighbridge Room.** Observation and interview with operators related to SCSS procedure, OHS and worker welfare aspect.
- **Hazardous Waste Temporary Storage.** Observation related to storage condition, hazardous waste stock, emergency response facility, and waste management.
- **Chemical Material Storage.** Observation related to storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **Water Treatment Plant.** Observation related to OHS and water usage monitoring.
- **Central Store.** Observation related to OHS and material handling.
- **Chemical Store.** Observation related to OHS and material handling.
- **Fuel Station.** Observation related to storage condition, emergency response facility, and OHS aspect.

#### KKPA Gedung Aji Baru

- **HCV area of Putuk River, Block B49, Division 7.2.** Field observation related to environmental aspects, and HCV border.
- **Block Boundaries, on Block C13.** Field observation related to block boundaries between Plasma plantation and

|                |  |
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|                | <p>other area.</p> <ul style="list-style-type: none"> <li>• <b>Central Storage.</b> Field Observation and interviews related to PPE, environmental, handling material, and OHS aspects.</li> <li>• <b>Agrochemical Storage.</b> Field Observation and interviews regarding to environmental and OHS aspect.</li> <li>• <b>Fuel Tank.</b> Field Observation and interviews related environment and OHS aspect.</li> <li>• <b>Fertilizer storage.</b> Field Observation and interview related to OSH, worker welfare and waste management aspects.</li> <li>• <b>Rinse house for spraying team Division 5.</b> Field Observation and interviews for OHS and spraying team facilities.</li> <li>• <b>Fire-fighter equipment storage.</b> Field Observation and interview related to emergency response mechanism, and firefighter equipment readiness.</li> <li>• <b>Firefighter Simulation.</b> Field Observation related to firefighter equipment readiness, PPE, and OHS aspects.</li> <li>• <b>FFB Harvesting, Division 6 Block D07/D06.</b> Observation and interviews regarding to technical aspects of harvest implementation, OHS aspects, and manpower aspects</li> <li>• <b>Loose fruit picker activity, Division 6 Block D07/D06.</b> Observation and interviews with foreman, harvesting round, OHS aspects, and manpower aspects</li> <li>• <b>Beneficial plant (<i>Turnera subulata</i>) Division 5 Block B11.</b> Observation and interviews to the management and utilization of beneficial plants</li> </ul> |
| <b>2.3</b>     | <b>Stakeholder Consultation and Stakeholders Contacted</b>   |
| <b>2.3.1</b>   | <b>Summary of stakeholder consultation process.</b>  |
| <b>ASA-1.4</b> | <p>Consultation of stakeholders for PT Sumber Indah Perkasa was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on Mutu International Website on 17 March 2023</li> <li>• Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch on 20 March 2023.</li> <li>• Public consultation interview with government institution in Tulang Bawang District on 29 – 30 March 2023.</li> <li>• Public consultation interview with local communities (Sumber Jaya Village and Sidang Gunung Tiga Village) on 28 March 2023.</li> <li>• Public consultation interview by phone and direct interview with internal stakeholders, FFB supplier and contractor on 28 – 30 March 2023.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Sumber Indah Perkasa.</p>   |
| <b>2.3.2</b>   | <b>Stakeholder contacted</b>   |
|                | <i>Please find appendix 1</i>  |
| <b>2.4</b>     | <b>Determining Next Assessment</b>   |
|                | The next visit ( <b>Recertification</b> ) 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 Sungai Merah Mill – PT Sumber Indah Perkasa subsidiary of Golden Agri Resources Holdings Ltd operation consisting of one (1) mill and one (1) own estate and one (1) scheme smallholders (5,925 members).

During the assessment, there were no nonconformities were assigned against Major and Minor Compliance Indicator. There were two (2) opportunity for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Merah Mill – PT Sumber Indah Perkasa subsidiary of Golden Agri Resources Holdings Ltd complied with the requirements of **RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.**

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

| Ref Std.   | VERIFICATION RESULT of MUTU-Certification  |  |
|--|--|--|
| <b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b> |  |  |
| <b>1.1</b>   | <b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>   |  |
| <b>1.1.1</b>   | <p>There is no revision on list of documents which is available or could be accessed by public, as presented in document procedure No. F/SMART/UMUM/SADV/004/005 (Rev 0.0) dated 01 July 2014. Information that could be accessed by external stakeholders are: forest conservation policy (FCP), social and community engagement policy (SCEP), free prior informed and consent (FPIC), social conflict resolution procedure, grievance management procedure, consultation and communication procedure, smallholder development procedure, company social responsibility (CSR) procedure, stakeholder engagement procedure, high conservation value (HCV) identification report, social impact assessment (SIA) report and high carbon stock (HCS) report. Apart from those documents, stakeholder need approval from related top management before released to public. Based on interview with related agencies in Tulang Bawang and documents review, it could be concluded that the company has socialized information that publicly available to related stakeholders.</p>  |  |
| <b>1.1.2</b>   | <p>The Unit of Certification has a mechanism for providing information to stakeholders in the oil palm plantation environment and its management unit which has been contained in the Communication and Consultation SOP document (SOP/SMART/GENERAL/SADV/II/004, ratified on 1 July 2014). The SOP is made to regulate the mechanism for providing correct and transparent information to stakeholders in accordance with the rules and regulations and provisions that have been stipulated relating to the principles and criteria of sustainable palm oil. The procedure states that the longest response after a request for information is given is 3 weeks.</p> <p>The company already has a list of information/documents that can be accessed and/or shared with stakeholders such as government agencies and NGOs which are presented in the Document List of Information for Stakeholders with document number F/SMART/UMUM/SADV/004/003 rev 0.0.</p> <p>Some of the types of information contained in the document include the following:</p> <ul style="list-style-type: none"> <li>• Number of employees and list of basic wages of employees</li> <li>• Taxpayer Identification Number (NPWP) data</li> <li>• Payment of local taxes/levies</li> <li>• Environmental documents</li> <li>• Deed of establishment &amp; amendments, area and production data, and application data</li> </ul> |  |



- Evidence of ownership over land
- High Conservation Value (HCV) Identification Report
- Social Impact Assessment (SIA) Identification Report
- Report of the Occupational Safety and Health Advisory Committee (P2K3)
- Continuous improvement program document
- RSPO Audit Report document
- Human Rights Policy Documents
- Details of Complaints and Complaints
- Negotiation Procedure
- Farm Drainage Map

Based on the explanation above, the company already has a list of documents that can be accessed by stakeholders and the public. Based on interviews with stakeholders, for example with the agency located in Tulang Bawang Regency, information can be obtained that the parties already know the procedures for accessing information to the company.

#### **OHS Aspects**

- Proof of delivery of the OHS Committee Report for Quarter IV 2022 of the SMRM unit to the Lampung Provincial Manpower Office on January 20, 2023.
- Evidence of delivery of the OHS Committee Report for the 4th Quarter of 2022 SMRE unit to the Lampung Provincial Manpower Office on January 20, 2023.
- Evidence of delivery of OHS Committee Report for Quarter IV 2022 GABA unit to the Lampung Provincial Manpower Office on January 20, 2023.

#### **Employment Aspects**

- Compulsory to report employment of PT Sumber Indah Perkasa (Sungai Merah Estate) with no. Reporting 34696.20230323.0001 which was reported on March 23, 2023 and reported again on March 23, 2024.
- Mandatory report on KUD Krida Sejahtera (KKPA Gedung Aji Baru) workforce for the period January 23, 2023 to January 23, 2024.

#### **Legal Aspects**

- PT Sumber Indah Perkasa's 2022 HGU Use and Utilization Report was sent on February 1, 2023 to BPN for Tulang Bawang Regency and BPN for Mesuji Regency.
- PT Sumber Indah Perkasa's 2nd semester 2022 Plantation Business Activity Report was reported on February 9, 2023 to the Tulang Bawang District Agriculture Service and March 14, 2023 to the Mesuji District Agriculture Office.

#### **Environmental Aspect**

- Report on the Implementation of Management and Monitoring of High Conservation Value Areas in the PT Sumber Indah Perkasa Plantation Area on March 17, 2023, to the BKSDA of Lampung Province.
- Report on the Implementation of the RKL-RPL of PT Sumber Indah Perkasa, Tulang Bawang Regency and Mesuji Regency - Lampung Province, Semester II of 2022 on 14 February 2023 to the Environmental Office of Tulang Bawang Regency, and the Environmental Office of Mesuji Regency.
- Report on the Implementation of PT Sumber Indah Perkasa's Land Application Implementation, Tulang Bawang Regency and Mesuji Regency -Lampung Province, Quarter IV of 2022 on January 27 2023 to the Environmental Office of Tulang Bawang Regency, and the Mesuji Environmental Office.
- PT Sumber Indah Perkasa's Environmental Management Report for the second quarter of 2022 on October 31, 2022 to the Environmental Service of Lampung Province.
- Environmental Management Report October 31, 2022 to the Environmental Service of Lampung Province.
- LA Report of Tulang Bawang Regency SMRM semester II of 2022 number 005/PD-SMRM-LA/II/2023 dated 30 Jan 2023 to the Tulang Bawang DLH.
- SMRM Environmental Management Report Quarter IV 2022 number 002/PD-SMRM/PLH/II/2023 on 30 January 2023 to DLH Tulang Bawang and DLH Mesuji and 27 Jan to DLH Lampung.

**1.1.3**

There were no changes to the procedure for requesting information and responding, as well as communication and consultation procedures, as stated in document No.SOP/SOP/SMART/LH-01 dated 01 July 2010 and No.SOP/SMART/UMUM/SADV// 004 respectively on 01 July 2014. Dissemination of procedures has been carried out directly to all stakeholders since July 2014. Both procedures state that all requested information will be responded to in less than one month and managed by SPO Officers who are supported by the Head of Administration (KTU) in each unit.

Companies can also show responses to external requests for information, for example requests for heavy equipment from the Batu Ampar Village unit sent to the company on 02 March 2023 and companies can also respond to requests for assistance to submit approval on 06 March 2023.

**1.1.4**

The company has communication and consultation procedures with the document number SOP/SMART/UMUM/SADV//004 of 2014 which was ratified by the head of upstream. This procedure explains that stakeholders are all parties, both groups and individuals who can influence or be affected by company decisions and actions, both internal and external. While consultation is a two-way communication activity to get an agreement that is accepted by all parties.

The Communication and Consultation Procedure explains to the user regarding the handling of communication and consultation related to the application of the principles and requirements of Sustainability Palm Oil (SPO) in each operational area of the palm oil company PT SMART Tbk. This procedure contains guidelines in planning, implementing, regarding communication and consultation between stakeholders (stakeholders). Procedures are also equipped with procedures for implementation, communication responses, and delivery of information to stakeholders, as well as flowcharts that explain in detail the steps for implementing activities, along with related documents.

From the results of auditor interviews with stakeholders such as the environmental service in Tulang Bawang district, information can be obtained that the company has carried out outreach regarding communication and consultation procedures.

**1.1.5**

The company has compiled a list of contracts and detailed information on interests for the 2023 period consisting of the names of stakeholders, titles, addresses and telephone numbers.

The stakeholder list consists of 2 community leaders, 1 religious figure, 4 village heads, 1 contractor, 1 hazardous and toxic waste transporter, 1 worker union administrator, and 1 gender committee.

The auditor has conducted random verification to contact stakeholder contacts and information can be obtained that the stakeholder contact list is in accordance with that compiled by the company.

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|  | <b>Status: Comply</b> |  |
|--|-----------------------|--|

**1.2**

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

**1.2.1**

The Company has had a GAR Social and Environmental Policy on 2022 which contains policies related to the code of integrity and ethical behaviour. The policy regulates business ethics:

- The company will continue to practice and disseminate shared values to all employees
- Human Rights, Labor, Environment, and anti-corruption
- Zero tolerance for any actions or forms of corruption in business practices
- Implement ethical behaviour standards in the management of all business practice activities
- Recognize, practice, and promote transparent Good Corporate Governance

The company does not tolerate bribery and corruption in any form. Any employee who is found to be involved in a bribery or corruption case will be given strict sanctions by the company and punished according to the applicable laws and regulations.

**1.2.2**

Mechanism of monitoring compliance towards company policy and code of conduct of internal and external stakeholders is conducted through several methods, as follows:

- Commitment of contractor as presented in work agreement and refreshment of code of conduct as carried out in 13 February 2020 and 15 February 2021. Furthermore, contractors commitment towards applicable regulation has also presented in contract agreement.
- Daily and monthly monitoring by Foreman and Assistant on work quality checking and progress.
- Internal audit RSPO that conducted annually by internal auditor.

Based on field observation to the estate and mill, it was known that FFB transportation mostly carried out by local contractor. Implementation towards safety and manpower aspect has regularly and evaluate periodically by estate or mill management every month, as presented in the Form No. F/SMART/UMUM/SADV/006/002 about evaluation and recommendation of contractor.

**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**

**BMP and OHS Aspects**

- The company has carried out management of peatlands such as subsidence monitoring and monitoring of the groundwater level and water level in the canals.
- The company has carried out land clearing activities without burning.
- The company has included workers in the BPJS Health and BPJS Employment programs
- The company has provided PPE to all workers free of charge.
- The company already has licensed operators according to the scope of work, including:
  - The SMRE unit has licenses for 1 Welder, 9 Lifting Machine Operators, 1 First Aid Officer, and 2 Electrical Technicians
  - The SMRM Unit has licenses for 1 First Aid Officer, 14 Firefighters, 2 Lifting Machine Operators, 5 Steam Engine Operators, 4 Electrical K3 Technicians, 1 Class 2 Welder, 15 Power and Production Machine Technicians/Operators, 1 Water Test Sampler, 1 Air Pollutant and Emissions Controller, 1 Water Pollutant Controller, 1 Hazardous Waste Operator
  - The GABA Unit holds a total of 10 Lifting Machine Operators licenses

**Employment Aspects**

- Compulsory to report employment of PT Sumber Indah Perkasa (Sungai Merah Estate) with no. Reporting 34696.20230323.0001 which was reported on March 23, 2023
- Mandatory report on KUD Krida Sejahtera (KKPA Gedung Aji Baru) workforce for the period January 23, 2023 to January 23, 2024.

**Legal Aspect**

- Technical Recommendation Number 525/1324/V.22/D/2022 from the Plantation Office of Lampung Province on 16 June 2022 regarding changes to plantation business permits regarding the following:
  1. Additional processing capacity for 2 (two) processing factories Mills) from a capacity of 60 Tons of FFB/Hour to 90 Tons of FFB/Hour (Sungai Merah Mill and Sungai Buaya Mill)
  2. The addition of an area of 455.2 hectares for the Sungai Buaya Estate and Sungai Merah Estate.
  3. Biogas generator planning.

From these technical recommendations a risk-based business license has been issued, namely:

1. Risk-Based Business Permit with License Number 8120218041296001 for PT Sumber Indah Perkasa with the status of

fulfilling the requirements for the Oil Palm Fruit Plantation unit on 11 August 2022.

2. Risk-Based Business Licensing with License Number 81202180412960009 for PT Sumber Indah Perkasa with the status of fulfilling the requirements for the crude palm oil industrial unit (Sungai Buaya Mill) on August 11, 2022.
- The Krida Sejahtera Cooperative has been in the form of a legal entity in accordance with the Decree of the Minister of Cooperatives and Small Entrepreneur Development of the Republic of Indonesia with Number 100/KEP/BH/RWK.7/VI/1994 on June 1, 1994 has obtained a legal entity with Number 849/BH/7/ 1994 on June 1, 1994.
  - Krida Sejahtera Cooperative already has a Cooperative company registration certificate based on the law of the Republic of Indonesia Number 3 of 1982 concerning the mandatory registration of companies with TDP Number 070852250209 with the 3rd update on July 21, 2017.

**Compliance with Environment Regulation:**

The certification unit already has environmental documents along with their environmental permits listed in the following documents:

- Addendum Documents to ANDAL and RKL – RPL for Development of Palm Oil Plantations and Palm Oil Plasma, Palm Oil Processing Plants, and Development of Biogas Palm Oil Processing Plants at PT Sumber Indah Perkasa, Tulang Bawang Regency and Mesuji Regency, 2020.
- Letter of Approval for Fulfillment of Commitments (Environmental Permit) Number 660:/7915/V.16/2020 from the Lampung Provincial Government Investment Service and One Stop Integrated Services which was stipulated on July 20, 2020.

Based on the results of document verification and management interviews on ASA-1.4 activities, it is known that the company already has environmental permits related to Hazardous Waste Storage Permit, LA Permit, Domestic Waste Permit, LA Permit and the latest Environmental Approval based on the Andal Addendum of PT Sumber Indah Perkasa, Tulang Bawang Regency and Kabupaten Mesuji 2020 for a study of 27,001.83 with a factory capacity of 90 tonnes of FFB/hour. Hazardous Waste Storage Permit verification results with number SK 660/190.a/V.9/TB/V/2017 on 29 May 207, the validity period expires on 29 May 2022.

Based on the results of interviews with the DLH (Environmental Agency) of Tulang Bawang Regency and management, it was discovered that the company had made an application for an extension of the validity period of the permit, and was recommended to take care of licensing in an integrated manner regarding the technical details of Hazardous Waste to then be integrated into environmental approvals through the Environmental Approval amendment process. The DLH of Tulang Bawang Regency informed that regarding the LA Permit it was still valid as long as there were no technical changes based on the letter from the DLH of Tulang Bawang Regency number 682/IV.9/III/XI/2021 on November 7 2021 concerning Follow-Up Requests for Technical Approval Directions for Fulfillment of Water Quality Standards Waste.

The progress of obtaining the license is indicated through the following correspondence:

- Application for Integration of PT Sumber Indah Perkasa B3 Waste Storage Permit into PT Sumber Indah Perkasa Environmental Agreement, number 069/SIP-D&L/V/2022 on 23 May 2022 to DLH Lampung Prov.
- Reply letter from DLH Lampung Province number 660/255/V.10/2022 dated 7 June 2022 regarding Directions for Application for Integration of Hazardous Waste Storage into the Environmental Agreement. Where in this letter it is also directed to arrange Technical Approval for Disposal of Waste Water to Land Applications.
- Reply letter from PT Sumber Indah Perkasa to DLH Lampung Province regarding Request for Detailed Discussion of Technical Details of PT Sumber Indah Perkasa's Hazardous and Toxic Waste Storage (LB3), number 136/SIP-D&L/XI/2022 on 21 November 2022.
- There was no return letter from DLH Lampung Province, so on January 23, 2023, PT SIP returned to send a letter regarding the application for the integration of PT Sumber Indah Perkasa's B3 Waste Storage Permit into PT Sumber Indah Perkasa's Environmental Agreement.
- Communication with DLH Lampung Province via email on 6 February 2023, where it was informed that for LA Technical Regulations, Domestic Waste Technical Regulations and TPS LB3 Technical Details should be carried out simultaneously and integrated in the Environmental Agreement.

Based on the explanation regarding the fulfillment of the environmental aspects above, this becomes an **OFI** so that the Company has the opportunity to ensure that progress related to obtaining an integrated TPS LB3 Permit can run positively.

**2.1.2**

The certification unit has SOP to comply with regulations & other requirements (SOP / SMART / GENERAL / SADV / I / 002, dated July 1, 2014). Regulatory updates are carried out at least once a year. The officers responsible for updating the list of regulations according to the SOP are: Identification of regulations at the national level by SADV and at the regional level by Regional SPO Officer and SPO Officer unit. The document describes the company's compliance with the regulations in force in the Republic of Indonesia, for example the fulfillment of the latest regulations such as the Decree of the Governor of Lampung regarding the Provincial Minimum Wage.

**2.1.3**

The company maintains a map showing the location of the boundary poles in each plantation. The company has also monitored the 2022 HGU boundary poles by showing monitoring results, according to maintenance procedures (SOP/SMART/MCAR/XVII/TA-PPH, 15 July 2020). The procedures include stating that the PMNP team ensures and coordinates with the unit head so that the position and number of stakes are in accordance with the Land Use/Building Right Map. In addition, it is also stated that the treatment of stakes is carried out at least 1 x 6 months. The results of field observations, for example, on boundary poles, for example No. 18, 22, 12, 08 and 06 it was found that the condition of the boundary poles was well maintained. For legal boundaries for scheme smallholders in the form of permanent stakes that are installed on the boundary between smallholder's members' land and other community lands. Based on the results of field observations on the smallholder's land of the KKPA Gedung Aji Baru it is known that there is a clear boundary between the farmers' land and the community's land.

**Status: Comply**

**2.2**

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

**2.2.1**

The company already has a list of contracted parties made in the list of stakeholders for the 2023 period. List of contractors are available for all unit audit, in example the contractors for the Sungai Buaya Estate unit include:

- Edi Saputra
- Triyono
- Sri Uminta

From the list of contractors, the company can show a cooperation agreement sampled by the auditor, namely contractor Sri U Minta with document number SIP-SMRE/SPKL-L/January-2023/025 – Transport JJK which was signed on February 16, 2023. The agreement concerns the transportation of long vacancies in company units which are valid for 1 year from January 2, 2023 to December 31, 2023

**2.2.2**

From the contractor list document, the company can show the cooperation agreement sampled by the auditor, namely contractor Sri Uminta. The company can show the cooperation agreement signed on February 16, 2023. The agreement regarding the transportation of empty barrels in the company unit is valid for 1 year from January 2, 2023 to December 31, 2023.

From the auditor's verification of the cooperation agreement document, information can be obtained that the contract has stipulated legal requirements that must be complied with by third parties, for example as in article 6 of the agreement, namely:

- The second party must comply with applicable government laws and regulations related to manpower, environment and OHS.
- The second party is prohibited from employing children under the age of 18 (not employing children, complying with the prohibition on forced labor and the prohibition on the use of workers who result from human trafficking)

The company also conducted an evaluation of compliance with regulations for contractors on November 21, 2022. The results of the evaluation indicated that it was recommended that Sri U Minta contractors be able to work again in the company's operational units.

**2.2.3**

From the contractor list document, the company can show the cooperation agreement sampled by the auditor, namely contractor



Sri Uminta. The company can show the cooperation agreement signed on 16 February 2023. The agreement regarding the transportation of fresh fruit bunches in the company unit is valid for 1 year from 02 January 2023 to 31 December 2023.

From the auditor's verification of the cooperation agreement document, information can be obtained that the contract has stipulated a clause prohibiting child labor as stipulated in Article 6, namely that the second party is prohibited from employing children under the age of 18 (not employing children, complying with the prohibition on forced labor and the prohibition on the use of domestic workers), from human trafficking.

From the results of the auditor's interview with Sri U Minta's contractor, information can be obtained that the company has socialized the prohibition of child labor and if the contractor violates it will be subject to sanctions by the company.

Based on the verification results in the field, information can be obtained that workers have complied with OSH regulations such as using PPE and the results of interviews with workers also obtained information that the wages earned reach the minimum wage and have also received health insurance.

**Status: Comply**

**2.3**

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

**2.3.1**

Based on document verification, it is known that the company receives FFB directly from several sources, namely:

- Sungai Merah Estate (PT Sumber Indah Perkasa) → Certified RSPO
- KKPA Gedung Aji Baru (Plasma PT Sumber Indah Perkasa) → Certified RSPO
- KKPA Gedung Aji Lama (Plasma PT Sumber Indah Perkasa) → Certified RSPO
- Sungai Buaya Estate (PT Sumber Indah Perkasa) → Non Certified RSPO
- Sungai Merah Estate (PT Sumber Indah Perkasa) → Non Certified RSPO
- PT Prima Alumga (third party) → Non Certified RSPO.

Companies can show geolocation information and permits from PT Prima Alumga, namely:

| Name            | Location  | Coordinate     |                  | Legality  |
|-----------------|---|----------------|------------------|---|
| PT Prima Alumga | Mesuji Timur Sub-District, Mesuji District, Lampung Province. | 4° 08' 38.8" S | 105° 32' 16.1" E | <ul style="list-style-type: none"> <li>• HGU Certificate No 24 of 1996.</li> <li>• HGU Certificate No 13 of 1996</li> </ul> |

**2.3.2**

The company does not accept FFB from collectors

**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 already has a management plan contained in the PT Sumber Indah Perkasa 5-Year Economic Feasibility Analysis document (2022 – 2027) which was approved by CSF PSM 2 dated March 15 2023, which contains information such as FFB production projections, CPO & PK production projections, OER and KER for both own estate and smallholders, price estimates and financial indicators (cost and revenue). For example, production projections (FFB, CPO and PK) for the period 2023 – 2027 are as follows:



| Description                | Uom | 2023    | 2024   | 2025   | 2026   | 2027   |
|----------------------------|-----|---------|--------|--------|--------|--------|
| FFB Production SMRE        | MT  | 24,279  | 10,808 | 28,656 | 52,629 | 75,512 |
| FFB Production Smallholder | MT  | 114,590 | 88,963 | 36,955 | 35,567 | 45,578 |
| CPO Production             | MT  | 29,000  | 20,985 | 13,982 | 18,633 | 25,355 |
| PK Production              | MT  | 7,427   | 5,374  | 3,581  | 4,772  | 6,493  |

**3.1.2**

The company shows the PT Sumber Indah Perkasa Region Lampung 5-year Replanting Program document (2023 – 2027) signed by RC Lampung on January 10, 2023, with the following details:

| Unit | HA       |        |          |          |      |
|------|----------|--------|----------|----------|------|
|      | 2023     | 2024   | 2025     | 2026     | 2027 |
| SMRE |          |        |          |          |      |
| GABA | 1,166.25 | 998.00 | 1,071.91 | 1,258.44 | -    |

Companies can show an evaluation of the realization of the implementation of replanting activities, for example:

- No. 0601/BAPP/Reg-LP/XII/2022 from RC Lampung on December 6, 2022 regarding the 3rd Replanting Bill at SMRE for the work of CV Sarana Palogada Sentratama.
- Minutes of Work Inspection dated 29 November 2022 with the following details:

| Description               | Unit | Contract Volume | Achievement | %     |
|---------------------------|------|-----------------|-------------|-------|
| Chipping Plant on Mineral | Ha   | 253.18          | 217.62      | 85.95 |
| Hole on mineral           | Hole | 36,205.00       | 9,925.00    | 27.41 |

**3.1.3**

The company can show evidence that it has conducted periodic management reviews, for example:

- Minutes of the SMRE Management Review Meeting which was held on 17 February 2023 which was attended by 17 participants.
- Minutes of the GABA Management Review Meeting which was held on March 8, 2023 which was attended by 14 participants.
- Minutes of the SMRM Management Review Meeting which was held on March 2, 2023 which was attended by 10 participants.

The meeting discussed, among others:

- Internal Audit Results (RSPO, ISPO, ISCC and OIA 2023): No findings
- Customer Feedback: So far no complaints
- Process Performance and Product Conformity: the company provides SCCS training to all staff and employees in the Critical Control Point area
- Status of Preventive and Corrective Actions: maintaining the sustainability of Sungai Merah Mill
- Follow-up of Management Review: Monitoring of the receipt of goods has been carried out by each department assistant to check the appropriate specifications.
- Changes that may affect the management system: Kernel Silo Automation and Domestic Water Automation.
- recommendations for improvement: Continue to increase knowledge of all staff and employees regarding the INANI RSPO P&C 2018.

**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 unit of certification performed several internal audits aimed at monitoring the consistency of continuous improvement in every aspect, as demonstrated through the RSPO and SCCS internal audit reports dated 30 January – 3 February 2023. The audits were carried out by four internal auditors, resulting in full compliance with verified indicators. A management review on this matter was carried out on 28 February 2023. The audit results were approved by all Estate and Mill Managers.

Continuous Improvement:

- Use of the eFACT Program ((Electronic Field Activity Captured and Traceability) in recording harvests and mature upkeep (census and spray) into digital format.
- Use of the *Emdek* Hopper Cover as a cover for mechanization of fertilization in the GABA KKPA area.
- Constantly do the calculation for GHG emission annually in order to monitored the emission that were produced by the company's operational activities.

**3.2.2**

Based on document verification, for The RSPO metric template version 2.1 known annual data 12-month periods use (January to December 2022) for schedule reporting annual data peat area, pesticide usage, average LTIFR (Lost Time Injury Frequency Rate) and fresh water usage.

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 data presented can be ascertained in accordance with the existing raw data.

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                     | : | Golden Agri Resources |
| RSPO Membership Number                  | : | 1-0096-11-000-00      |
| Name of Certified Unit                  | : | Sungai Merah POM      |
| Name of Certification Body              | : | PT MUTU AGUNG LESTARI |
| RSPO PalmTrace ID Number                | : | RSPO_PO1000001154     |
| Number of Mills                         | : | 1                     |
| Number of Estates                       | : | 2                     |
| Production Area (ha) - Estate           | : | 5489                  |
| Certified Area (ha) - Estate            | : | 8552                  |
| High Conservation Value (HCV) Area (ha) | : | 27                    |
| Peatlands - Planted (ha)                | : | 1035                  |
| Freshwater Usage per PO produced tonne  | : | 1.50                  |

**Status: Comply**

**3.3**

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

**3.3.1**

The company has procedures for cultivating and processing (SOP) for oil palm which are available in Indonesian. Cultivation procedures regulate activities starting from land clearing, seeding, planting, maintenance, harvesting, sending FFB to factories to replanting, while processing procedures regulate activities from receiving FFB to testing product quality. SOP includes key processes such as harvesting, transportation, fertilization, IPM, GAP, etc.).

Procedures are available at the audit location (plantation and factory offices) and are written in Indonesian language that is easily understood by workers. Based on field observations in factories and plantations during the audit, it is known whether procedures have been implemented and workers can explain and demonstrate their work in accordance with procedures, referring to operational, safety and environmental best practices.

Based on a review of procedural documents, it can be concluded that oil palm agronomy, processing and safety procedures are still relevant to the current situation and cover all major aspects from the field to the mill. All procedures are available in Indonesian. Likewise with the results of interviews with employees where plantation and factory employees' understanding of technical and

safety matters was considered very satisfactory.

**3.3.2**

As a mechanism to check the implementation of procedures consistently, the company has an Internal Audit procedure Number SOP/SMART/UMUM/SADV/II/009 dated December 5, 2012. The company routinely carries out inspections of plantation and mill operations, for example:

- Operational Internal Audit (OIA) is conducted twice a year with the scope of administration of bank cash and memorials, administration of accounts payable and receivable and current accounts, non-plant fixed assets, maintenance of plants and plantation areas, production of wage crops and personnel.
- Internal sustainability audit activities are carried out by the OSDV (operational sustainability Division).
- The conformity check of the procedures for the work done by the contractor is carried out at the time of submitting the payment stages.

**3.3.3**

The company can show the monitoring and follow-up records that documented in Indonesian Language, some of which are contained in the following documents:

- PT SIP's RSPO Internal Audit Report (SMRM, SMRE and GABA) conducted on 30 January - 3 February 2023 with no discrepancies.
- The OIA report of the SMRM unit for Semester I 2023 dated 6 February 2023 contains information on discrepancies, clarifications from the auditee and suggestions for improvements needed. The things examined include: Administration of Bank Cash and Memorials, Administration of Accounts Receivable and Hub. Checking Account (Outstanding down payment), Inventory of goods (difference in stock taking, slow moving stock), etc.

**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**

**EIA (Environmental Impact Assessment)**

The certification unit already has environmental documents along with their environmental permits listed in the following documents:

- Environmental Impact Assessment Addendum (ANDAL and RKL-RPL Addendum) of PT Sumber Indah Perkasa has been carried out in 2020 by PT Bina Madani and has been approved by AMDAL Commission of Lampung Province through Decree No. 85/KOMDAL/V.10/2020 on 26 June 2020. Scope of Addendum of ANDAL and RKL-RPL has been covered all operational activities in PT Sumber Indah Perkasa in Mesuji and Tulang Bawang District including development of main and plasma (smallholder KKPA) oil palm plantation, increased of mill production capacity into 90 TonFFB/hour each, and development of biogas plant.
- Matrix of RKL-RPL 2020, has covered impacts management and monitoring in all activities in PT SIP including pre construction, construction, operation, and post operation of own estates and plasma palm oil plantation, mill, air strip and biogas plant.

Based on the 2020 Environment Management and monitoring plan document above, there is a matrix consisting of several components that must be managed and monitored. Based on the results of verification and comparison with the Environment Management and Monitoring Plan Semester 2 report of 2022, the company has managed and monitored all the components requested in the matrix. This report has been prepared by adjusting the writing format stipulated in Minister Environment Regulation Number 45 of 2005 concerning Guidelines for Writing Environment Management and monitoring plan Reports. The form of evaluation carried out by the company includes, among others, Trend Evaluation, Critical Level and Compliance which are discussed for each managed aspect such as:

- Decreased Air Quality
- Decreased Quality of Surface Water and Groundwater
- Decreased of Soil Quality
- Noise
- Public Health

- Public Perception
- Business Opportunities
- Community Income
- Locally-generated revenue
- Decrease in Environmental Sanitation
- Work accident

Based on the results of interviews with the Tulang Bawang District Environmental Service, it is known that in the past one year there have never been any complaints from the public or NGOs regarding the issue of environmental pollution. PT SIP is known to have carried out environmental monitoring and management according to the environmental management and monitoring matrix around PT SIP's operational area.

#### **SIA (Social Impact Assessment)**

PT Sumber Indah Perkasa has conduct Social Impact Assessment on 2012 by CSR Department of PT SMART . The scope of study are impact of plantation and mill operation to workers and community surrounding company areas including surrounding villages activities. These assessments also identified negative and positive impact of plantation and mill operation towards social aspect.

SIA identifications was also done based on affected party consultation such as Talang Batu Village, Batu Ampar Village, Sumber Jaya Village, Wira Tama Village, Pasar Batang Village, Suka Makmur Village, Bina Bumi Village, Suka Rame Village, Sldoharjo Village, Boga Tama Village, Tri Village Rejo Muyo, Tri Tunggal Jaya Village, Sidang Gunung Tiga Village, Brabasan Village, Gedung Ram Village.

The SIA study covers several aspects of the discussion as follows:

- Employment
- Economy
- Transportation Infrastructure
- Education
- Religion and Tradition
- Health

Based on that study, PT SIP has made SIA management Plan that were covered some issues as listed below:

- **Employment:** Help reduce unemployment in the surrounding area by recruiting local workers, employee welfare and the value of wages received,
- **Economy:** Increasing the economic level and income of the community by collaborating with local contractors and local suppliers, developing the village economy by developing local shops
- **Transportation Infrastructure:** Activities and community mobilization that are getting smoother with assistance in opening and maintaining roads
- **Education:** increasing public awareness of education is shown by the increasing number of graduates, the development of village areas, the development of quality education with the help of CSR in the field of education, such as free eyeglasses for elementary school students and scholarships for outstanding students
- **Religion:** activity assistance for worship facilities and infrastructure.
- **Social:** Meeting the needs of the community, respecting the cultural heritage and customs of the local community
- **Health:** mass medical treatment, medical assistance through CSR programs such as minor surgery for people diagnosed with certain diseases.

Based on interviews with Villages representatives of Sidoharjo and Sumber Jaya Village, It is known that there was no negative issue regarding to environmental impact assessment and social impact assessment management by The company. Local villager are involved in first SIA's identification through FGD and public consultation that was being held on 10<sup>th</sup> November 2011 at the Sungai Buaya Estate employee hall which was attended by 51 people. Therefore, the company actively involving surrounding villages to FGD and interviews for monitoring activities to review and composing new program related to social impact assessment and CSR.

### 3.4.2

The Company shown evidence that the SEIA related documents have been arranged in a participatory manner, involving affected stakeholders. For example, in the SIA document attached minutes of meeting and questionnaire from Talang Batu Village, Batu Ampar Village, Sumber Jaya Village, Wira Tama Village, Pasar Batang Village, Sidoharjo Village, Suka Makmur Village, Bina Bumi Village, Suka Rame Village, Boga Tama Village, Tri Rejo Muyo Village, Tri Tunggal Jaya Village, Sidang Gunung Tiga Village, Brabasan Village, Gedung Ram Village.

Those assessments have identified the positive and negative impacts for internal and external stakeholder, as well as biodiversity, caused by company's operational activities, among others in aspects of livelihood, health, land tenure, employment, education, economy, social, cultural and religious, etc. Based on document review, and stakeholder consultation, known that the SEIA documents has covered all operational area and impacts of its activities.

The social impact management and monitoring plan has been developed with the participation of widely affected stakeholders so that there are several identified, such as: grievance internal & external, social conflict and community satisfaction.

#### **EIA (Environmental Impact Assessment)**

Based on the results of document verification, it can be concluded that all management and monitoring Parameters requested in environmental documents have been implemented, for example the implementation of environmental management for important impacts of air quality by routinely carried out air quality testing. The company has also carried out an evaluation for each significant impact monitoring Parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels and evaluation of compliance. Based on the results of the evaluation, it is known that all Parameters are still in accordance with the Quality Standards, and there is no indication of contamination for PT SIP. The process of improvement / management of the slope and erosion level has been improved a lot and continues to be improved to follow the direction of the existing study results.

The company has attached a report on the implementation of management and monitoring plan every semester in plantation and mill units which is contained in the following documents:

- Report on the Implementation of the RKL-RPL of PT Sumber Indah Perkasa, Tulang Bawang Regency and Mesuji Regency - Lampung Province, Semester II of 2022 on 14 February 2023 to the Environmental Office of Tulang Bawang Regency, and the Environmental Office of Mesuji Regency.
- Environmental Management Report October 31, 2022 to the Environmental Service of Lampung Province.

#### **SIA (Social Impact Assessment)**

Meanwhile, the plan of social monitoring and management included Social Impact Assessment implementation report period 2022. The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan of PT SIP. The plan describes monitoring indicator, monitoring method, PIC and frequency. These programs are arranged according to the identification of the needs of the surrounding community.

Company has shown result of social impact monitoring result in 2022 which included activities as shown below:

- Reconstructing the CSR program
- Coordination and cooperation of formal or non-formal social activities with the village government
- Monitoring activities through data verification and community visits
- Mapping of plantation roads and village roads that are potentially damaged
- Installation and maintenance of warning to reduce the speed of vehicles around the settlement
- Maintenance of plantation roads and surrounding villages
- Socialization of pest management to farmers around the outskirts of the company
- Regular meetings in the context of a partnership relationship between the company and farmers
- Submission of job vacancies information if there is a need for manpower
- Cooperating with local contractors and local suppliers in meeting the needs of plantation operational activities.

Based on the results of interviews with the Village Representatives from Sidoharjo Village, It is known that company already held

environment and social impact monitoring accordance to their operational activities by involving local communities around PT SIP operational area. Based on this interview, also known that company already socialize about grievance and complaint mechanism to external stakeholders such as surrounding villages and this mechanism already understood by local villager. Based on that explanation, the representatives from Sidoharjo Village and Sumber Jaya Village already know how to inform the company if there were some issues related to monitoring program of EIA and SIA arise.

### 3.4.3

#### **EIA (Environmental Impact Assessment)**

Based on RKL-RPL report in semester I and semester II of 2022 of PT Sumber Indah Perkasa, sighted that all environmental quality has been accordance with Standard Quality. Based on Matrix RKL-RPL it is known some significant impacts that must be managed, including:

- Decreased Air Quality
- Decreased Quality of Surface Water and Groundwater
- Decreased of Soil Quality
- Noise
- Public Health
- Public Perception
- Business Opportunities
- Community Income
- Locally-generated revenue
- Decrease in Environmental Sanitation
- Work accident

Based on the results of the verification of the environmental management and monitoring plan document for semester II of 2022, information was obtained that there is no negative impact on the environment arising from the company's operational activities. Based on the monitoring test results, there was no any test results that surpassed quality standards, every result was in accordance to determined quality standards. Evidence of stakeholder participation, either local government agency such as Environmental Agency of Mesuji District and surrounding community of the company such as Sidoharjo Village can be seen from the attendance list of the meeting that the company has documented, among others. This involvement of local communities by the Management of PT SIP already mentioned in Indicators 3.4.1

#### **SIA (Social Impact Assessment)**

The social impact management and monitoring plan has been developed with the participation of widely affected stakeholders, and all issues have been monitored and managed in a comprehensive and integrated manner.

PT SIP has presented the Palm Oil Plantation Social Impact Monitoring and Management Report 2022 which describes the social impact management and monitoring activities to reduce negative impacts and increase positive impacts according to the plan, for example: local workers, CSR, road maintenance, 3rd FFB supplier, improvement of local communities salary and economic, and etc.

The company has conducted an annual review of the SIA program running in 2022 and a five-year review with the aim of evaluating the SIA program in the current year and to update the social impact management matrix for 2023 – 2024. This review is carried out by involving management and affected stakeholders in this regard. The village community around PT SIP's operational area, through public consultation and FGD in order to carry out SIA monitoring which was carried out on 7-9 February 2023 for 54 people from Sidang Gunung Tiga Village, Aji Egypt Village, Sumber Jaya Village, Sidomukti Village, Batu Ampar Village, Bandar Aji Village, Tri Tunggal Jaya Village, Wira Agung Sari Village, Talang Batu Village, Sidoharjo Village. The review also involved representatives from PT SIP employees on 8-9 February 2023 which was attended by 17 people.

#### **The monitoring and review results are as follows:**

- Communication between the company and internal and external stakeholders, especially the affected villages around the operational areas of PT SIP, is quite good and harmonious. There are no known issues related to communication constraints experienced between the village community and the company.



- Social assistance from the company for village communities around PT SIP such as Talang Batu Village have been well implemented, such as the Mass Circumcision activities in 2022, the celebration of religious holidays (Eid al-Fitr) in 2022.
- It is known that the company is also active in providing assistance for community economic activities, such as support for community vegetable gardens and community wild honey cultivation.
- The company is also known to always carry out social impact management as stated in the Manage matrix and PT SIP Social Impact Monitoring matrix which has been explained in indicator 3.4.1.
- Throughout 2022, there are no known social issues that have been conveyed or complained about by the community, workers, internal organizations, as well as NGOs and the local government.

Based on the information above, it is known that the company already has a social and environmental management and monitoring plan that is implemented, monitored, and periodically updated in a participatory manner.

**Status: Comply**

**3.5**

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

**3.5.1**

There are no changes from the previous year's audit of the procedure document, the Company shows procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement for the period 2021-2023 written in Bahasa. In general this procedure describes:

- Recruitment of workers is based on needs and adjusted to the capabilities of the company.
- Candidate must be at least 18 years old at the time of recruitment.
- Recruitment of workers is based on the abilities, skills, and assessment of prospective workers.
- The company is authorized to place, transfer and promote employees in accordance with applicable regulations.
- Termination of employment can occur when a worker retires, dies, resigns, and terminates the employment agreement due to serious and other violations.

Apart from being listed in the CLA, the company also has other procedures in the form of Policies, SOPs, Internal Memorandums, and others related to recruitment, promotion, retirement, termination of employment and others. These procedures have been documented for all workers and their representatives. For example, several procedures owned by the company: CLA article 7 regarding the acceptance of new workers, placement of workers' transfers.

From this explanation it can be concluded that the Company has procedures for recruitment, selection, employment, promotion, retirement and termination of employment that must be documented/available to workers and their representatives

**3.5.2**

The company has established employment procedures contained in the PT Sumber Indah Perkasa collective labor agreement documents for the 2023 – 2025 period.

The cooperation agreement explains the recruitment of employees, namely:

- Candidates who are accepted must be at least 18 years old
- The process of recruiting workers is not carried out in a discriminatory manner

From the employee list for the 2022 period, the company can show recruitment documents sampled by the auditor, namely employees with the initials MAR who work as a general compound at Sungai Merah Mill with contract employee status.

The company can show the work agreement document with the employee made on July 8, 2022. The work agreement includes, among others:

- Type of work and work location
- Terms and conditions of work
- The validity period of the agreement
- Remuneration
- Rights and obligations



In addition, companies can also show other supporting documents in recruitment such as job applications, identity cards, results of medical examinations and so on.

**Status: Comply**

**3.6**

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

**3.6.1**

The certification unit has conducted a risk assessment of all operational activities to identify OHS issues on all Estate and Mill operational, which are shown in documents of Hazard identification and risk assessment period January – December 2023 of SBYE, SMRE, GABA and SMRM prepared by the OHS Committee secretary. The document describes, among others, Stations/Activities, Routine/Non-routine, Identification of Potential Hazards (Sources/Events), Impact), Existing Controls, Preliminary Risk Analysis (Level of Likelihood, Severity Level, Risk Level) and Risk Accepted / Unaccepted for all stations / activities on Mill and Estates, including:

- The SMRE unit HIRAC document was made by the Secretary of the OHS Committee on January 6, 2023
- The SMRM unit HIRAC document was made by the Secretary of the OHS Committee on January 23, 2023
- The GABA unit HIRAC document was prepared by the OHS Committee Secretary on February 4, 2023

Based on interview with management it is known that HIRAC will be update every time there is an issue that occurs including the occurrence of work accidents. The company can show that the HIRAC documents has been understood by the workers, for example, based on the results of field observations the spraying activity at GABA, it is known that the workers have understood harvesting procedures and appropriate use of PPE. In addition, based on the results of field observations of St. Engine Room activities at SMRM, it is known that workers already know how to operate the machine and using appropriate PPE.

**3.6.2**

The company already has an OHS plan that is structured into an OHS program that informs activity plans and the frequency of their implementation for all Estate and Mill units, for example the SMRM OHS Program made by the SPO Officer on 15 March 2023, as follows:

- Routine Activities (Monthly OHS Meetings, Review of Risk Analysis Matrix (once a year), Extension of machine licenses, making of new Operator Licenses, Health checks).
- Training (firefighting training, first aid training, MSDS training, training on the use of emergency response equipment)
- Socialization (Socialization of SOP/IK, OHS Policy, Use of PPE, Emergency response flow, HIRAC, handling of hazardous materials and hazardous waste).
- Simulation (chemical spill, fire, safety riding).

The company has monitored the effectiveness of the OHS plan, one of which is through the OHS Committee meetings for all units periodically every month. In addition, the company can also show the realization of the OHS program as a form of monitoring the effectiveness of the OHS plan to deal with OHS risks in people such as carrying out medical check-ups, ensuring personnel have licenses according to their field of work and OHS testing and inspection of equipment and machinery. For example, as follows:

Medical Check Up

- SMRM:
  - Periodic MCU activities on October 7 2022 for 137 workers with the result that 2 workers have hypertension disorders and are recommended to reduce smoking and maintain diet.
  - Audiometry Special MCU activity on October 7 2022 for 81 workers with all normal results.
  - Semester Spirometry Special MCU Activity on October 7 2022 for 60 workers with all normal results.
  - Cholinesterase Special MCU activities on October 7 2022 for 20 workers with all normal results.
- SMRE:
  - Periodic MCU activities from 26 September to 1 October 2022 for 714 workers with all healthy results.
  - MCU Special Cholinesterase and Spirometry Semester II activities on October 12, 2022 for 230 workers with all normal results.
- GABA:
  - Periodic MCU activities on August 29, 30, 31 and September 1 for 326 workers with all healthy results.
  - Cholinesterase Special MCU activities on October 11, 2022 for 60 workers with all normal results.

- Spirometry Special MCU activity on October 11, 2022 for 60 workers with all normal results.

Operator Licenses

- The SMRE unit has licenses for 1 Welder, 9 Lifting Machine Operators, 1 First Aid Officer, and 2 Electrical Technicians, for example:
  - Welder License No. 792/JL/PNK3/X/2011 issued on 25 October 2011 (no validity period)
  - Electrician License No. 1410-TK3-LIST/DPNK3/10.11 valid until 7 September 2023
  - OHS Excavator Operator License No. P.11.1255-OPK3-LT/PAA/XII/2021 valid until 31 December 2026
- The SMRM Unit has licenses for 1 First Aid Officer, 14 Firefighters, 2 Lifting Machine Operators, 5 Steam Engine Operators, 4 Electrical OHS Technicians, 1 Class 2 Welder, 15 Power and Production Machine Technicians/Operators, 1 Water Test Sampler, 1 Air Pollutant and Emissions Controller, 1 Water Pollutant Controller, 1 Hazardous Waste Operator, for example:
  - Class 1 Boiler Operator License No. 578/LPG/KK/OB-II/05 valid until 10 August 2025
  - Class 1 First Mover Operator License No. 787/OPM.K3/PTP/V/2019 valid until 10 May 2024
- The GABA Unit holds a total of 10 Lifting Machine Operators licenses, for example:
  - Backhoe Loader Operator License No. 141088-OPK3-LT/PAA/IV/2019 valid until 22 April 2024
  - Tractor Operator License No. P.11.1261-OPK3-LT/PAA/XII/2021 valid until 31 December 2026.

Machines Licences

The SMRM unit has machinery and equipment including 3 Genset Units (Capacity 450 KVA, 152 KVA and 485 KVA), 2 Turbine Units, 2 Boiler Units (Capacity 20 TPH) 4 Units Sterilizer (Capacity 30 TPH), etc. For all of these machine units, certificates of permits and OHS inspection periods that are still valid can be shown.

**Status: Comply**

**3.7**

**All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.**

**3.7.1 – 3.7.2**

The company has a documentation training program that covers the principles and criteria of the RSPO which can be accessed by all staff and interests prepared by the SPO Officer, namely:

- Training on land fire prevention and control attended by 39 people which will be held in December 2022 at the Sungai Merah Estate Unit.
- First aid training attended by 50 people which will be held in June 2022 at the Sungai Merah Estate Unit.
- Training on procedures and work instructions for spraying and fertilizer which was attended by 17 people which was carried out in May 2022 at the Gedung Aji Baru.

From the results of auditor interviews with workers in the field and plantation cooperative workers, information can be obtained that the company has conducted training for workers in a language understood by these workers.

**3.7.3**

The company shows that they have properly documented every training and socialization activity that has been carried out to all workers, contractors and related stakeholders. SCCS training was conducted on 14 and 24 February 2023 for weighbridge operators, grading and admin. Based on interviews with all workers involved in supply chain operations, such as security (to verify receipt of FFB), weighbridge operators, and PICs related to the supply chain, have understood the supply chain mechanism, and IP records have been carried out and monitored fairly well.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1 & 3.8.2**

The mill is receiving and processing FFB from certified and uncertified sources, hence, the RSPO SCCS Module E (MB) are applied.

**3.8.3**

Estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-1.4 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are

shown in the following table:

| Products           | Last Year Projected Certified Volume (09 September 2022 – 01 May 2023) (MT) | Actual (March 2022 – February 2023) MT | Estimate Production of 12 month (MT) further |
|--------------------|---|--|--|
| FFB Certified (MT) | 151,096   | 373,916.60                             | 115,000                                      |
| CSP0 (MT)          | 29,851  | 36,045.79                              | 23,600                                       |
| CSPK (MT)          | 7,924   | 9,285.19                               | 5,800  |

*Notes: the actual period is 12 months (March 2022 – February 2023), while the license period is 7 months (August 2022 – February 2023), so if compared to the actual 7 months period, the actual production is still below the quota of the license period granted.*

**3.8.4**

The Mill has registered as RSPO member under Golden Agri-Resources (No. 1-0096-11-000-00) and also has been registered in IT platform palm trace RSPO <https://palmtrace.rsपो.org/web/rsपो/member-directory> which information as follows:

- Member Name: PT Sumber Indah Perkasa – Sungai Merah Mill
- License ID: CB137707
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000001343
- Type of Business: Oil Mill

**3.8.5**

Sungai Merah Mill had procedure for SCCS with MB or IP model in SOP of RSPO Supply Chain Model of Mass Balance (No. PT.SIP-SMRM/SOP/RANTAI PASOK-MB/23 Rev 09 dated 04 January 2023), SOP of FFB Processing (No. SOP/SMART/MCMD/I/TM-PKS), SOP of Reporting of Certified Product (No. SOP-SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP /SMART/GENERAL/SADV//001). The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 04 January 2023). The company has conducted SCCS Training on 14 and 24 February 2023 for weighbridge operators, Grading and admins. Based on interviews with all workers involved in supply chain operations, such as security (to verify receipt of FFB), weighbridge operators, and PICs related to the supply chain, have understood the supply chain mechanism, and IP records have been carried out and monitored fairly well. Auditors conduct interviews with workers who are responsible for the delivery of certified products, namely weighing operators. Operators are able to explain the technical acceptance of certified FFB, sales of CPO/PK and also the reporting mechanism if there is an error in recording information.

**3.8.6**

The Procedure to conduct annual internal audit are described in SOP for internal audit No. SOP/SMART/UMUM/SADV//009 issued on 1 July 2014 covering all audits for sustainable palm oil including SCCS. In the SOP it is stated that internal audit is done annually. The internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. Internal audit was held on 30 January – 3 February 2023 for all business units (Estate and Mill) and there was no non-conformity related to supply chain indicators. Management review on this matter was conducted on 28 February 2023.

**3.8.7**

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 7 months before audit which is August 2022 – February 2023:

| Period       | FFB (Ton) |               |           |
|--------------|-----------|---------------|-----------|
|              | Certified | Non-Certified | Total     |
| August 22    | 17,237.69 | 21,852.31     | 39,090.00 |
| September 22 | 20,944.74 | 21,227.59     | 42,172.33 |
| October 22   | 26,922.68 | 17,538.22     | 44,460.90 |

|              |                   |                   |                   |
|--------------|-------------------|-------------------|-------------------|
| November 22  | 24,882.64         | 17,010.88         | 41,893.52         |
| December 22  | 23,703.40         | 15,491.68         | 39,195.08         |
| January 23   | 20,157.94         | 12,805.59         | 32,963.53         |
| February 23  | 14,045.28         | 11,027.94         | 25,073.22         |
| <b>Total</b> | <b>147,894.37</b> | <b>116,954.21</b> | <b>264,848.58</b> |

Estimated certified product recorded in the last assessment report (ASA-1.3). Actual certified produced has been verified during this assessment. The data are shown in the following table:

| Products           | Last Year Projected Certified Volume (05 September 2022 – 01 May 2023) (MT) | Extension Volume (MT) | Actual (August 2022 – February 2023) MT |
|--------------------|---|-----------------------|---|
| FFB Certified (MT) | 116,000   | 35,096                | 147,894.37                              |
| CSPO (MT)          | 24,360  | 5,491                 | 29,069.20                               |
| CSPK (MT)          | 5,800   | 2,124                 | 7,499.03                                |

Due to overproduction of certified product compared to the quota given, the unit of certification submits a volume extension request to CB where evidence can be shown in the form of an email volume extension request to PT Mutuagung Lestari on February 07, 2023, with details of FFB 9,527 MT; CSPO 300 MT; and CSPK 884 MT; and on March 09, 2023 with details of FFB 25,569 MT; CSPO 5,191 MT; and CSPK 1,240 MT

Related for handling non-conforming oil palm products, has been set in the SOP for Handling Complaints and Dissatisfaction, document number SOP/SMART/SUST/IV/003, Rev.3.0 dated 14 February 2022. This procedure is generally applied to all complaint's aspects, including complaints and non-conforming products from customers/buyers. During the audit, there is no written complaint from stakeholders related to nonconforming products.

**3.8.8**

Based on documents verifications, interview with management as well as verification through Palm Trace it was known during period March 2022 – February 2023 there are 12,562.37 MT CSPO, 9,138.15 MT CSPK and 23,166.65 MT CSPO sold under another scheme Sold under RSPO Certified. Based on documents verification, it was known that the CSPO and CSPK from the Mill were sold has met the requirements of certified product information. The selling documentations shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information of delivery date, description of product and supply chain model, product quantity, identification number (unique code), certificate number, sender name and address of the seller. For example, PK certified delivery on 3 September 2022 with shipping announcement TR-26fcea4a-df70. The information provided on invoices are:

- The name and address of the buyer (PT Sumber Indah Perkasa – Tarahan Bulking Lampung-Indonesia);
- The name and address of the seller (PT Sumber Indah Perkasa – Sungai Merah Mill)
- The loading or shipment / delivery date (03 September 2022);
- A description of the product supply chain model (MB)
- The date on which the documents were issued (03 September 2022);
- The quantity of the products delivered (25.02 ton);
- Any related transport documentation (transport by PT Satrindo Jaya Agropalma);
- A unique identification number (11920);
- RSPO certificate number (Mutu-RSPO/131);
- etc.

**3.8.9; 3.8.10; 3.8.11**

The Mill do not use contractor for processing of physical handling of RSPO certified oil palm products. Transportation for CPO and PK were conducted by the buyer based on sales contract.

3.8.12

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. Based on document verification on procedure of document control and monitoring (No. SOP/SMART/UMUM/SADV/1/001 dated 5 December 2012), retention time for all records and report, including regarding to supply chain are kept for 10 years.

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12-months before audit (March 2022 – February 2023):

| Period                                    | CPO Production (ton) |                  |                  | CSPO Despatch (ton) |                  |              |                  |
|---|----------------------|------------------|------------------|---------------------|------------------|--------------|------------------|
|   | Certified            | Non-Certified    | Total            | RSPO                | Other scheme     | conventional | Total            |
| <b>Stock</b>                              | <b>577.46</b>        |                  |                  |                     |                  |              |                  |
| March 22                                  | 1,812.22             | 1,927.17         | 3,739.39         | 2,319.86            | 0                | 0            | 2,319.86         |
| April 22                                  | 1,168.11             | 2,830.06         | 3,998.17         | 951.57              | 0                | 0            | 951.57           |
| May 22                                    | 934.43               | 2,819.88         | 3,754.31         | 995.35              | 0                | 0            | 995.35           |
| June 22                                   | 1,423.83             | 3,530.20         | 4,954.03         | 646.53              | 0                | 0            | 646.53           |
| July 22                                   | 1,716.00             | 3,353.07         | 5,069.07         | 2,063.28            | 0                | 0            | 2,063.28         |
| August 22                                 | 3,209.50             | 4,048.10         | 7,257.60         | 2,825.70            | 0                | 0            | 2,825.70         |
| September 22                              | 3,928.52             | 4,006.75         | 7,935.27         | 2,731.41            | 1,513.00         | 0            | 4,244.41         |
| October 22                                | 5,028.39             | 3,255.08         | 8,283.47         | 28.67               | 4,213.01         | 0            | 4,241.68         |
| November 22                               | 4,883.26             | 3,340.42         | 8,223.68         | 0                   | 5,672.91         | 0            | 5,672.91         |
| December 22                               | 4,786.54             | 3,053.26         | 7,839.80         | 0                   | 4,536.37         | 0            | 4,536.37         |
| January 23                                | 3,869.13             | 2,481.60         | 6,350.73         | 0                   | 4,526.00         | 0            | 4,526.00         |
| February 23                               | 2,708.40             | 2,146.75         | 4,855.15         | 0                   | 2,705.36         | 0            | 2,705.36         |
| <b>Total (March 2022 – February 2023)</b> | <b>35,468.33</b>     | <b>36,792.34</b> | <b>72,260.67</b> | <b>12,562.37</b>    | <b>23,166.65</b> | <b>0</b>     | <b>35,729.02</b> |
| <b>Grand Total</b>                        | <b>36,045.79</b>     | <b>36,792.34</b> | <b>72,838.13</b> | <b>12,562.37</b>    | <b>23,166.65</b> | <b>0</b>     | <b>35,729.02</b> |

| Period       | PK Productions (ton) |               |              | PK Despatch (ton) |              |              |          |
|--------------|----------------------|---------------|--------------|-------------------|--------------|--------------|----------|
|              | Certified            | Non-Certified | Total        | RSPO              | Other scheme | Conventional | Total    |
| <b>Stock</b> | <b>99.40</b>         |               | <b>99.40</b> |                   |              |              |          |
| March 22     | 472.3                | 508.58        | 980.88       | 559.02            | 0            | 0            | 559.02   |
| April 22     | 294.87               | 712.94        | 1,007.81     | 268.11            | 0            | 0            | 268.11   |
| May 22       | 241.77               | 710.3         | 952.07       | 179.43            | 0            | 0            | 179.43   |
| June 22      | 357.18               | 875.7         | 1,232.88     | 305.96            | 0            | 0            | 305.96   |
| July 22      | 428.14               | 846.7         | 1,274.84     | 472.14            | 0            | 0            | 472.14   |
| August 22    | 877.09               | 1,109.64      | 1,986.73     | 877.84            | 0            | 0            | 877.84   |
| September 22 | 1,080.64             | 1,099.78      | 2,180.42     | 840.86            | 0            | 0            | 840.86   |
| October 22   | 1,389.82             | 905.11        | 2,294.93     | 1,483.78          | 0            | 0            | 1,483.78 |
| November 22  | 1,199.40             | 826.37        | 2,025.77     | 1,167.3           | 0            | 0            | 1,167.3  |
| December 22  | 1,214.25             | 777.82        | 1,992.07     | 1,296.53          | 0            | 0            | 1,296.53 |
| January 23   | 951.04               | 612.23        | 1,563.27     | 1,126.13          | 0            | 0            | 1,126.13 |

|                    |                 |                 |                  |                 |          |          |                 |
|--------------------|-----------------|-----------------|------------------|-----------------|----------|----------|-----------------|
| February 23        | 679.29          | 537.25          | 1,216.54         | 561.05          | 0        | 0        | 561.05          |
| <b>Total</b>       | <b>9,185.79</b> | <b>9,522.42</b> | <b>18,708.21</b> | <b>9,138.15</b> | <b>0</b> | <b>0</b> | <b>9,138.15</b> |
| <b>Grand Total</b> | <b>9,285.19</b> | <b>9,522.42</b> | <b>18,807.61</b> | <b>9,138.15</b> | <b>0</b> | <b>0</b> | <b>9,138.15</b> |

**3.8.13**

CPO (OER) and PK (KER) production conversion rates are based on actual production. Then management will monitor whether the rate is reasonable. Based on audit production data for the previous 12 months, the average OER was 19.37%, while KER was 5.01%.

**3.8.14**

The conversion rate of production of CPO (OER) and PK (KER) were based on three monthly basis. Then the management will monitor if the rate reasonable.

**3.8.15**

SCSS module used in Sungai Merah Mill is Mass Balance (MB), because the mill receives FFB from the estate RSPO certified and from third party that non-certified RSPO

**3.8.16**

RSPO IT Platform member registration number for Sungai Merah Mill is RSPO\_PO1000001343. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three (3) months after dispatch. For example:

- Certified PK sold to PT Sumber Indah Perkasa dated 21 January 2023 for 199.19 MT and transaction creates in IT Palm Trace dated 23 January 2023 with number transaction ID TR-31d3d572-0dd3.
- Certified PK sold to PT Sumber Indah Perkasa dated 06 December 2022 for 351.11 MT and transaction creates in IT Palm Trace dated 23 December 2022 with number transaction ID TR-1904c4fc-bcf2.

**Removing Stock**

Unit of certification sold all CSPK as RSPO product. For the CSPO that sold as other scheme or as conventional, the company has been removed the stock from the palm trace, as example remove stock of CSPO dated 2 February 2023 for 4,526 MT (transaction ID: ST-TR-1497bc78-aeb2).

**3.8.17**

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

**Status: Comply**

**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**

**4.1**

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

**4.1.1**

The company showed their commitment due to respecting human rights stated in the stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. In addition, it's also stated in the company's Social and Environment Policy validated on October 1, 2022, by Head of Upstream, CEO and Managing Director of Sustainability & Strategic Stakeholder Engagement. Both policies explained that Sinarmas Group committed to respect and protect human rights in order to create security for all workers including not to discriminate, give freedom in beliefs, respect and uphold human rights including the rights of human right defenders.

The policy / declaration has been well documented and has been socialized to the workers at the time of the morning checkroll and by using signboard placed in several locations to make it easier for workers to find out.

**4.1.2**



From the results of the auditor's interviews with trade unions and workers in the field, it was found that there were no acts of violence in the company's operational units, apart from that there were no soldiers or military personnel in the company's operational units.

**Status: Comply**

**4.2**

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

**4.2.1**

The company has an SOP document for Handling Complaints and Conflicts with revision 3 on March 8, 2022. Protection for whistleblowers is contained in the document point 2.2.1 part a which state that the company guarantees the anonymity of reporters and case whistleblowers. (whistleblower) with the aim of reducing the risk of revenge.

From the results of the auditor's interview with representatives of the sample villages and the Head of Sumber Jaya Village, information can be obtained that the village has understood the company's mechanism when it comes to submitting complaints to the company.

**4.2.2**

Companies can demonstrate the existence of communication standards and consultation procedures as indicated by SOP communication and consultation SOP-SMART-GENERAL-SADP-I-004, which was ratified on 1 July 2014 regarding Communication and Consultation. The deadline for responses to requests for information or conflicts is 1 week after the letter is received (from the Unit Head to the relevant Department). Response no later than 3 weeks after the letter is received.

The company has appointed people who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

Based on the results of interviews with employees; It is known that the unions and the local community in villages such as Desa Sumber Jaya know that they understand the procedure.

**4.2.3**

The unit of certification has SOP for Handling Complaints and dissatisfaction with No. SOP/SMART/GIMS-SCMD/USDV/II/001 issued July 1 2014 with the last revision April 11 2017. The SOP explains that the Social Officer / KTU receives letters of complaint and dissatisfaction directly from the complainant or indirectly through the suggestion box. Incoming information and data is recorded in the Complaints and Dissatisfaction recording form.

Apart from that, there is also SOP for communication and consultation SOP-SMART-GENERAL-SADP-I-004, which was ratified on 1 July 2014 regarding Communication and Consultation. The deadline for responses to requests for information or conflicts is 1 week after the letter is received (from the Unit Head to the relevant Department). Response no later than 3 weeks after the letter is received.

For people who cannot read or write, the certification unit has a communicator as a liaison between the company and the community. The results of interviews with representatives of Talang Batu Village found that the officers who had been active so far were the public relations department and the SPO Officer.

Based on the results of the auditor's interview with employees; It is known that the unions and the local community in villages such as Desa Sumber Jaya know that they understand the procedure.

**4.2.4**

The company has SOP of handling grievance and dissatisfaction (No. SOP/SMART/SUST/IV/003) last revision on 8 March 2022. This system refers to the GSEP dated October 1, 2022. The policy is contained in the Complaint Data Handling Form. In the document described in point 2.1.1 it is stated that the company is committed to actively promoting and supporting a responsible settlement of any conflict involving GAR's operations with the authorities when the underlying events occur. This includes working



with relevant stakeholders to ensure that a balanced, accountable, mutually agreed upon and documented conflict resolution system is accessible to smallholders, indigenous peoples, rural communities and other affected parties to address grievances, grievances and resolve conflicts. to society, mutual satisfaction of the parties based on respect for their legal and customary rights, including to lands and resources and their right to give or withhold free, prior and informed consent for planned operations on their lands. The system will include mapping of all conflicts within GAR's operations, development of action plans to address identified conflicts, transparent monitoring and reporting, the option for local communities and/or indigenous groups to access independent legal and technical advice, the ability for complainants to select individuals or groups to support them and/or act as an observer as well as a third-party mediator option.

**Status: Comply**

**4.3**

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

**4.3.1**

The company has procedures for Corporate Social Responsibility (SOP/SMART/CDES-CSR/SADV/1/001 dated 01 July 2014 which aim to:

- Describes the stages of program identification, the process of submitting an assessment, the implementation of work programs, monitoring and evaluation as well as controlling the Corporate Social Responsibility program documents
- Explain the duties and responsibilities of staff and management related to the implementation of corporate social and environmental responsibility.

Based on the results of interviews with management representatives, in fulfilling social responsibility the company has developed a CSR program for each year which informs the assistance to be provided along with the implementation schedule. It is known that the CSR program is a form of program which is the result of recommendations from the SIA study so that the form of community involvement in the preparation and evaluation of the SIA and CSR programs is carried out simultaneously, for example:

- Attendance List for SIA Monitoring in Sumber Jaya Village, Sidoharjo Village, Wira Agung Village, and Batu Ampar Village on 7 February 2023 which was attended by 21 people.
- Attendance List for SIA Monitoring in SMRM participated by 7 Employee's on 8 February 2023.

The company CSR socialization for PT SIP are being held at the same time with SIA Monitoring on date as listed above, those matters are discussing the following topic such as:

- Identification of Community Activities
- Productive Cooperation
- Gathering for CSR and Social Communication
- Involvement in the preparation of the CSR program according to a two-way agreement

The 2023 CSR Program of PT Sumber Indah Perkasa covers the fields of Education, Social, Health, Infrastructure, Economy, and Environment. For example as follows:

- School Bus Operational Assistance
- Assistance with religious activities
- Cheap cooking oil bazaar
- Counselling and provision of vitamins for pregnant women
- Heavy equipment assistance for village road repairs
- Help to rehabilitate yards by planting live pharmacies.

The company has prepared a CSR report which was reported to the Region Secretary of Tulang Bawang District on RKL-RPL Report where the report explains aspects of Education, Environment, Social and Health, for example as follows:

- Funding for Early Childhood Education in surrounding Village
- Assistance with the cost of equipment for the art and culture festival for elementary school
- Assistance with religious activities
- Cement assistance for the construction of special latrines for the underprivileged in Talang Batu Village

- etc

Based on the description above, the company already has a program to improve the welfare of the surrounding community and involves the community around the company in the program identification process.

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**

Sungai Merah Mill and its supply base (SMRE and GABA) has the land rights i.e Land Use Title (*HGU*), Building Right Title (*HGB*) and Freehold Title (*SHM*). With following detail:

**Land Use Title (*HGU*)**

- Land Use Title number 37 with an area of 2088.13 ha. Issuance date of the certificate is November 26, 1996 and the period of expiry of the rights is December 31, 2027
- Land Use Title number 38 with an area of 1899.68 ha. Issuance date of the certificate is November 26, 1996 and the period of expiry of the rights is December 31, 2027

**Building Right Title (*HGB*)**

Building Right Title No. 62 with an area of 58.20 ha with the issuance date of the certificate March 25, 2000 and the expiry date of the rights 24 September 2029.

**Free Hold Title (*SHM*)**

KUD Krida Sejahtera

GABA: total area 4,521 ha with an area that is included in the scope of certification is 4,505.75 ha because there are 15.25 ha of GABA area affected by the National Electricity Route. The unit of certification have *SHM* for an area of 4,483 ha. Meanwhile there is about ± 38 ha previous certified area covered GABA that still have not SHM / land title. Company also has recapitulation of SHM for GABA KKPA, and copy of each SHM were available.

The total area managed by the company is 8,793.3 Ha and the total scope of certification is 8,551.76 Ha. the area of 241.54 ha has not yet become the scope of certification because the results of the HCV study are still in the process of being reviewed by the HCVRN.

**4.4.2**

Up to ASA-1.4 no additions were made to the company's operations. The last land compensation process was carried out in 1990.

The land of origin is 8,366.99 ha of state land and 1,115.12 ha of community land. Apart from that, you can also show the minutes of the waiver of rights and the payment of compensation for each village in the Mesuji and Gala sub-districts which were carried out in April 1990. land owner, etc.

**4.4.3**

In accordance with the information contained in PT SIP's basic information and operational maps, it is known that the area included in the scope of certification is 8,551.76 ha. The area is divided into HGU, SHM, and HGB as explained in 4.4.1. Details of land use are a planting area of 8,344.28 ha and other areas consisting of buildings and factories, roads, ditches and swamps of 207.48 ha. The total area of the scope of certification is 8,551.76 ha. The land history of scheme smallholders is land that has been controlled for generations by smallholders so that there is no land compensation process.

The operational map shown by the company has a scale of 1:200,000

The results of consultations with the BPN of Tulang Bawang Regency also obtained information that the company's location was in accordance with the local RTRW.

**4.4.4; 4.4.5; 4.4.6**

Up to ASA-1.4, there has been no increase in the size of the company's operational area. The land compensation process was last carried out in 1990. In land relinquishment, generally the land owner acts as a representative for himself. Regular reviews of the FPIC process are outlined in the SIA document which serves to highlight social issues of affected communities including land issues. All records are made in Indonesian, proof of payment is clear and signed by both parties between the company and the land seller (local community) without coercion.

**Status: Comply**

**4.5**

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

**4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8**

Until ASA-1.4 is implemented there is no area expansion or new planting. This is evidenced by the results of public consultations with the community and the absence of additional GRIT records since 1990. The unit of certification can show land compensation documents which include news, measurement program, master map of the compensation area, title certificate, statement of land rights waiver, map of the area to be compensated, receipt of compensation payment. Documents for the compensation process have been signed by both parties and known by local officials such as the village head, sub-district head and witnesses. Existing and well-documented agreements are those that have been implemented by the FPIC process. Based on the results of interviews with representatives of Sumber Jaya Village and Sidang Gunung Tiga Village, there were no disputes or other land issues with the company. The land history of scheme smallholders is land that has been controlled for generations by smallholders so that there is no land compensation process.

**Status: Comply**

**4.6**

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

**4.6.1 & 4.6.2**

The unit of certification shows the Technical Instructions for Land Preparation: Land/Land Compensation Document Number: SOP/NP/SMART/VII/D&L002 dated 1 July 2010. The procedures include explaining the process of land identification, socialization to the community, physical inventory, for the compensation process.

Complementary compensation payment documents: receipts, documentation, identification cards (KTP), minutes of land handover and compensation, certificates of land ownership, certificates, detailed land maps and attendance lists of land surveying.

**4.6.3**

Until the ASA-1.4 assessment was conducted, there were no new GRITs. The last land acquisition was carried out in 1990. There is FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, section 2.4 explains that the identification of participatory maps related to community legal ownership takes into account gender, community leaders, local communities or transmigrants, ethnic groups, etc.

**4.6.4**

Until ASA-1.4 is implemented there is no area expansion or new planting. This is evidenced by the results of public consultations with the community and the absence of additional GRIT records since 1990. The unit of certification can show land compensation documents which include news, measurement program, master map of the compensation area, title certificate, statement of land rights waiver, map of the area to be compensated, receipt of compensation payment. The compensation process document has been signed by both parties and is known by local officials such as the village head, sub-district head and witnesses. The land history of scheme smallholders is land that has been controlled for generations by smallholders so that there is no land compensation process.

Based on the results of interviews with representatives of Sumber Jaya Village and Sidang Gunung Tiga Village, there were no disputes or other land issues with the company.

Status: Comply

4.7

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

4.7.1 & 4.7.2

The land compensation process was completed by the company in 1990. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community takes into account gender, community leaders, local or transmigrant communities, ethnic groups, etc.

4.7.3

From the results of public consultations with community representatives from Sumber Jaya Village and the Sidang Gunung Tiga Village, one of the positive impacts of opening the company is the opening of road access. They stated that before the existence of the company, the community's access to interact with other areas was only through the river. Once the company exists, the community can access the company road for their daily activities.

The Village Head of Sumber Jaya Village and Sidang Gunung Tiga also stated that the existence of the company also provided access to recruitment and the use of local contractors.

Based on the results of interviews with representatives of Sumber Jaya Village and the Sidanag Gunung Tiga, there were no disputes or other land issues with the company.

Status: Comply

4.8

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

4.8.1; 4.8.2; 4.8.3; 4.8.4

The certification unit has SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 with Revision Number 3, published on 1 July 2014. These procedures include explaining conflict information, conflict analysis, coordination of conflict resolution, and preparing reports on the progress of handling carried out periodically at least once a month.

When ASA-1.4 was implemented, there were issues with land disputes with groups claiming to be representatives of the Talang Batu community regarding land considered to have come from clan/state lands that had not been compensated and also news from the internet with the link <https://radarlampung.disway.id/read/653544/masuk-hgu-masyarakat-buay-mencurung-minta-tanah-adat-dikembalikan>. The auditor team has verified, namely:

Claim on behalf of Erwan

- Letter Number: 591/622/L01/MSJ/2020 dated 13 February 2020 from the Regent of Lampung to the Kapolres Mesuji stating that PT SIP has been able to show land acquisition documents such as minutes of release of rights, minutes of commission B inspection, up to the decision to grant HGU. In addition, there was an agreement letter on behalf of PT SIP with the people of Talang Batu (Mr. Hatta as Village Head, Mr. Basli and Mr. Erwan) as community leaders regarding the relinquishment of land rights on 22 July 2004.
- In this regard, it is conveyed that PT SIP's HGU is still valid and has fulfilled all the requirements to obtain land rights totaling ± 9,522.11 ha and has been given recognition money for the use of former clan/state land in accordance with the provisions of North Lampung Regent Letter: 100/ 691/I-LU/1990 dated 24 August 1990.
- On January 16 2020 an audience was held between the people of Talang Batu Village, represented by Erwansyah and mediated by the Mesuji Police Chief. Indigenous people (Marga Mesuji) consider the company's HGU to still exist on customary land. In accordance with the current conditions and seeing a threat from the community acting on behalf of Talang Batu Village against a company owned by the Mesuji government, the Mesuji District Government asked the Police Chief to take security/law enforcement steps by applying a persuasive approach in an effort to control preventing horizontal conflicts between indigenous

peoples and company over the disputed land.

- Separately, the Mesuji Regency DPRD also mediated between PT SIP and the Talang Batu community on December 23, 2020. The conclusion from the mediation results was that no agreement was reached and if the community still objects/does not accept the mediation results, they are welcome to file a lawsuit against the company through legal channels.
- Based on the document review, it is known that currently in the area claimed to be in dispute, operational activities are running as usual. After the meeting on December 23, 2020, the community group stated that representatives of the Talang Batu community did not file a lawsuit.

Claims on behalf of Saidi:

- The company has reported to the Mesuji Police Chief regarding the Report of occupying PT SIP's HGU land on November 7, 2022 with Reporting Number 12/D&L/SBYE/XI-2022. The area claimed is in block G21 Division 2 Sungai Buaya Estate. This was done because the claimant had set up tents on the company's land.
- Letter of Acceptance of Report with Number STPL/462/XI/2022/SPKT/RESOR MESUJI/POLDA LAMPUNG on 14 November 2022 from the Mesuji Resort Police.
- Letter from the Mesuji Resort Police Number B/258.a/XI/2022/Reskim on 17 November 2022 explaining that a report from PT SIP had been received and an investigation process would be carried out.
- Letter from the Mesuji Resort Police Number B/258.b/XI/2022/Reskim on 20 December 2022 explaining that an investigation had been carried out and Mr. Saidi had dismantled the tent that had been set up and the investigation process had been stopped.
- Hearing on 10 November 2022 between Mr Saidi and PT SIP at the Mesuji Police with the result that there was no agreement and they were asked to take legal action.
- Audience with the DPD, Mr Saidi, and PT SIP on 11 November 2022 with no agreement and are welcome to take legal action.
- Based on the document review, it is known that currently in the area claimed to be in dispute, operational activities are running as usual. After the meeting on November 11, 2022, the community group stated that representatives of the Talang Batu community did not file a lawsuit.

Based on the results of interviews with BPN in Tulang Bawang Regency, there are issues of land grabbing in the company area. The auditor team has verified. Following are the results of the audit team's verification:

- Based on the results of interviews with the BPN of Tulang Bawang Regency, it was discovered that there was information that the community had seized 50 hectares of land in the PT SIP area.
- Results of interviews with company representatives found that the land grabbing occurred after the company carried out replanting activities and the land grabbers felt that the company had not compensated the land.
- The company has reported the case to the Tulang Bawang Police on October 17, 2021 and the report has been received by the Tulang Bawang Police with a report receipt number STTLP/B-292/X/2021/LPG/RESTUBA on October 25, 2021.
- Based on the results of the report, an investigation has been carried out and a case has been filed. Investigations have been carried out by conducting interviews with witnesses, Examination of Plantation Experts. Up to the ASA 1.4 audit, cassava and watermelon had been planted in the areas where the expropriation had taken place and currently this case is still in the process of being resolved.

**Status: Comply**

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

**5.1**

**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**

**5.1.1 – 5.1.3, & 5.1.5 – 5.1.6**

The company receive FFB not only from its own estates but also from direct scheme smallholder as associated smallholder namely Gedung Aji Lama KKPA. The company also received FFB from other direct party such as from PT Prima Alumga.

Based on interview results, with management representatives and with Plantation Agency of Mesuji District, it is know that there is work agreement between the company and all the direct FFB supplier such as listed down below:

- Work agreement number 001/SPK/KKPA/XI/94 dated 25 November 1994 between PT Sumber Indah Perkasa and KUD Krida



Sejahtera and is valid for 25 years.

- Work agreement number 001/SIP-KUDKS/III/2022 dated March 15, 2022, between PT Sumber Indah Perkasa and KUD Krida Sejahtera and is valid for 25 years.
- Work Agreement number 001/TBS/SMS-PAL/III/2021 dated March 5, 2021, valid until March 15, 2023. Currently for a new work agreement, it is in the process of being extended at the Purchasing Department of PT SMART, Tbk Head Office.

Based on that interview and those work agreement, it also known that the company's price determination refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders. And for the pricing determination for another supplier such as PT Prima Alumga, was determined based on mutual agreement between both parties. Whereas, the pricing determination related to the acceptance of FFB based on compliance on FFB Criteria written in the contract.

Based on interview with indirect third party FFB such as KUD Krida Sejahtera and PT Prima Alumga representatives, it is known that both parties are involved in arranging the work agreement contract, and always be informed about the changes in FFB prices. The company communicates with supplier through whatsapp group, email and also informs the FFB price on the notice board at the factory, so it could be seen easily by the FFB suppliers.

Based on review document, the company has shown auditor prove of pricing determination through invoicing of updated receipt of FFB invoicing, and also receipt of latest payment:

- PT Prima Alumga, receipt of payment for selling periode on December 2022 was paid on 25 January 2023.
- PT Prima Alumga, receipt of payment for selling periode on January 2022 was paid on 15 February 2023.
- Invoicing based on Lampung Province Price determination for FFB Purchasing from KUD Krida Sejahtera for February Periode, dated 8 March 2023.

Based on interview, with KUD Krida Sejahtera and PT Prima Alumga representatives, it is known that the management of the PT Prima Alumga, and KUD Krida Sejahter with its members know about the latest FFB prices every twice a week to once a month. Based on the explanation above, it is concluded that the company periodically provides updated information on FFB prices to FFB suppliers.

#### **5.1.4**

Based on document review, the company can show the data of listed members in KUD Krida Sejahtera ( Gedung Aji Baru KKPA) in which part shown there is representation of women as member of farmer group that sells FFB to the company.

All the member of KUD Krida Sejahtera already informed and aware about the pricing determination and FFB Criteria to get acceptance in Sungai Merah Mill, and also understood about the invoicing process and payment mechanism. All written terms and condition already involving all related parties and was mentioned in work agreement letter, as known by all the members of FFB Supplier.

#### **5.1.7.**

Based on the results of the visit to the Sungai Merah Mill, it is known that there are two Weighbridges. The unit of certification can show calibration records for the two Weighbridges which were carried out by the Legal Metrology UPTD, the Department of Trade and Industry of the Tulang Bawang District. The following are the results of the weighing test:

- Avery Weigh Tronix Weighbridge with serial number ZM510-SD4/183350075 with capacity of 60,000 Kg with a calibration date of 9 March 2023 and valid until 12 March 2024.
- Avery Weigh Tronix Weighbridge with serial number ZM510/187350372 with capacity of 60,000 Kg with a calibration date of 7 July 2022 and valid until 10 July 2023.

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

#### **5.1.8**

The company have independent outgrower (PT Prima Alumga) that supply FFB to the Mill. Based on the results of interviews with

representatives of PT Prima Alumga, the company has conducted socialization related to RSPO, socialization activities related to RSPO principles, code of ethics policies, complaints, waste management, K3 etc to supplier and also to the Gedung Aji Baru KKPA on 18 March 2022.

Based on the results of the interviews with PT Prima Alumga, it is known that the arrangement of the contract has been made, the provisions for determining the price, the criteria for receiving the fruit, and the payment mechanism have been informed in the contract. So far, it is known that PT SIP has never made payments outside of the agreement.

As informed in work agreement between PT SIP and 3<sup>rd</sup> parties FFB Supplier, the price determination of FFB was determined based on the agreement between involved parties and were known accordance to Lampung Province FFB Price determination.

**5.1.9**

Company has SOP of Handling Complaints and Dissatisfaction No. SOP/SMART/SIGS-CSR/SADV/II/003 revision 3 on 8 March 2022. This procedure explains things as follows:

- The process of delivering and handling complaints and grievances internally and externally. In company guarantees the anonymity of the reporting and the revealer of the case (whistle-blower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external.
- Responses to the complaint and dissatisfaction is given as soon as possible and not later than one month after the issue received.
- Submitting to the SPO and filling out the Complaint Form, can be by telephone, orally, and can be received from anyone who can send complaints and conflicts to grievance@sinarmas-agri.com.
- Then recorded in F/SMART/SUST/IV/003/001 concerning Recording of Complaints and Conflicts,
- EM/MM categorized complaints into low and high.
- Then it is recorded in F/SMART/SUST/IV/003/002 regarding the conflict complaint handling plan
- Maximum handling is carried out within 14 days.
- The progress of the handling is recorded in F/SMART/SUST/IV/003/003 regarding Complaint and Conflict Handling Reports >> the agreement is reported in minutes of handover.
- The results of the recapitulation of complaints and their resolution are conveyed in F/SMART/SUST/IV/003/003 regarding the recapitulation of handling and complaints of conflicts.

Based on the complaint handling logbook document in 2021-2022, it is known that there are no complaints was found regarding the FFB price fixing. In addition, based on an interview with the KUD, it was found that the payment of the FFB price was in accordance with the price set by Department of Agriculture and Food Security of the Lampung Province.

**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**

Based on result on document review and interview with management, smallholders are fully managed by the company so that plantation management is in accordance with the standards of the parent company. Company has shown proof of socialization related to P&C RSPO for example Minutes of outreach to FFB contractors and suppliers include code of ethics, explanation of communication and consultation SOPs, compliance of FFB contractors and suppliers with labor regulations, explanation of complaint and dissatisfaction SOPs, GAR social and environmental policies, waste management, OHS policies, contractor control SOPs, use PPE, as well as the certification and mitigation program on 18 March 2022.

In this socialization activity, the certification unit also promoted the RSPO that in the future external FFB suppliers must also participate in RSPO certification. Based on the results of the socialization conducted to FFB suppliers, conclusions were drawn, including:



- FFB suppliers in the form of companies have not been able to participate in RSPO certification due to company policies that have not been able to undertake to participate in RSPO certification, but currently these companies have followed ISPO certification to fulfil obligations from National regulations.
- FFB suppliers in the form of independent smallholders have not been able to participate in RSPO certification activities due to financial constraints which are quite expensive for them, but so far the implementation of their management has followed what has been socialized by companies that violate the RSPO standard.

Moreover, PT SIP also associated with KUD Krida Sejahtera (Gedung Aji Baru KKPA) to fully managed all the operational work and both are certified supplier FFB to Sungai Merah Mill.

**5.2.2 – 5.2.3**

Based on result on document review and interview with management, smallholders are fully managed by the company so that plantation management is in accordance with the standards of the parent company.

Certificate holder was not developed and implemented livelihood improvement programmes including the RSPO Standard for Independent Smallholder. This because there was no Independent Smallholder in PT SIP. Which in this case, made this indicator was not applicable for the assessment. The company already has 3rd party Independent FFB suppliers as mentioned in indicators 2.3.1 and has informed them regarding the price of FFB through a Work Agreement Contract.

**5.2.4**

The company has a smallholder area (Gedung Aji Baru KKPA) with a full management system where all plant maintenance activities are carried out by PT Sumber Indah Perkasa and carried out by workers at PT Sumber Indah Perkasa who have received training on handling pesticides. For example, Minutes of Training on Spray, Fertilization, MSDS, Handling of hazardous materials and hazardous waste on 21-25, 28, 30-31 May 2022 for a total of 60 workers in the GABA unit

**5.2.5**

Plasma management is fully managed so that the standard for plantation management is the same as for the management of the main estate. Currently GABA RSPO certified plasma.

Based on an interview with management representative in Krida Sejahtera KUD (GABA KKPA) sighted they are understood procedures of pesticide application, as socialized and trained by the company. Certificate holder can show records of training on IPM and the use of pesticides to plasma farmers, for example, recordings of training on IPM, spraying, fertilizing and controlling Ganoderma, on February 15 – 17 March in GABA KKPA which was attended by 38 participants including plasma farmers, employees, Own Estates employees, warehouse staff and etc.

Based on the results of interviews with pesticide applicators (SMRE and GABA), it is known that workers have received routine training every year by the certification unit and during field visits the workers have applied good and correct use of pesticides according to the procedures owned.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**

**6.1**

**Any form of discrimination is prohibited.**

**6.1.1**

The company has a GAR Social and Environmental Policy signed by the Head of Upstream, CEO-Downstream&Comercial, Executive Director&CFO; Managing Director of Sustainability & Strategic Stakeholder Engagement. In point 3 Work Environment and Industrial Relations states:

The company provides equal opportunities for all workers, and embraces diversity regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or trade union membership. The company ensures that workers are protected from acts of

discrimination at all stages of the employment relationship. There is no forced labor system that can cause human rights violations and inconvenience employees/prospective employees in the employment or recruitment process.

Based on the employee registration documents, the Company has provided equal opportunities and treatment in employment opportunities. This is evidenced by the ethnic diversity that is accepted to work on the review of employee list documents.

Based on the results of interviews with several employees at the estate and mill, it is known that there is no discrimination based on SARA while working. In addition, the results of interviews with SPSI management and the Gender Committee also explained that there were no issues regarding discriminatory treatment of employees during the 2022/March 2023 period.

#### **6.1.2**

Based on the results of interviews with Estate & Mill employees, as well as representatives of the gender committee, SPSI and staff of the Manpower Office in Mesuji Regency as well as plantation field workers, it is known that during the period 2022/March 2023 there was no information on the presence of foreign workers. In addition, information was also obtained that no recruitment fees were charged for workers who had just joined the company and had never been discriminated against by the company regarding workers' rights.

#### **6.1.3**

Companies can show proof of implementation related to recruiting, promotion, training.

From the results of the auditor's review of employment documents proving that the company does not discriminate and treats all workers fairly, the following is evidence that can be shown by the company:

- **Recruitment**

Recruitment of employees with the initials MAR as outlined in the work agreement document on July 8, 2022. The company can also show proof of medical eligibility stating that the employee is healthy and fit to work.

- **Employee assessment**

Evaluation of employees for the 2022 period with initial worker I group PT 4A with the position of Estate field worker, from the results of the assessment, information was obtained that the results were satisfactory.

- **Training**

Land fire prevention and control training attended by 39 people which will be held in December 2022 at the Sungai Merah Estate Unit.

#### **6.1.4**

From the results of the auditor's interviews with union officials and employees, information can be obtained that the company does not carry out pregnancy tests as a discriminatory measure.

Pregnancy tests are only carried out for employees who handle chemicals or pesticides.

#### **6.1.5**

The company has established a gender committee structure consisting of women and men in company units consisting of:

- Leader
- Advisor
- Chairman
- Vice Chairman
- Treasurer
- Member

Companies can show the realization of the gender committee program such as the socialization of handling sexual harassment in each division which will be held in February 2022.

From the results of the auditor's interview with the management of the gender committee, information can be obtained that there are no cases of harassment in the company unit.

**6.1.6**

Fair wage payments have been properly made by company units, taking into account abilities, performance, expertise, length of service, and other factors as the basis for remuneration. So that the payment of wages is in accordance with the load / task / type of work respectively.

Companies can also show proof of payment of equal wages for the same scope of work for the period February 2023 for example:

- Employee salary slip with initials SM NIK 17000 (male) who works as a harvester gets a basic wage of IDR 2,873,727 with details of harvest premium income of IDR. 728,934, BPJS Health and Employment deductions, trade union deductions, etc
- Salary slip for employees with initials RM NIK 17081 (female) who works as a nurse gets a wage of IDR 2,873,727 with other income details such as job premium IDR 36,956, BPJS Health and Employment deductions, union deductions, etc.

Based on the results of field auditor interviews with harvesters (men) and loose fruits collectors (women) in the plantations, it is known that workers get the same basic wages.

**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 already has a collective labor agreement document as contained in the Decree of the Head of the Lampung Provincial Manpower Office Number: Kep. 188.4/06 08 /08/02/2023 Concerning the Renewal of the Collective Labor Agreement Between Companies PT Sumber Indah Perkasa With the SPSI Workers Union PT Sumber Indah Perkasa which is valid from 31 January 2023 to 31 January 2025.

Companies can also show proof of payment of wages, for example for the February 2023 period, namely:

- Employee salary slip with initials SM NIK 17000 (male) who works as a harvester gets a basic wage of IDR 2,873,727 with details of harvest premium income of IDR. 728,934, BPJS Health and Employment deductions, trade union deductions, etc
- Salary slip for employees with initials RM NIK 17081 (female) who works as a nurse gets a wage of IDR 2,873,727 with other income details such as job premium IDR 36,956, BPJS Health and Employment deductions, union deductions, etc.

From the results of auditor interviews with workers in the field, information can be obtained that workers understand payment documentation on payslips such as basic wages, benefits, premiums, overtime, BPJS deductions, union deductions and so on.

**6.2.2**

Companies can show documentation related to work contracts and other documents as follows:

• **Employment contract**

The Work Contract for the initials of MAR employees with contract worker status made on August 31, 2022. The work contract document explains, among other things:

- Type of work and place of work
- Working days and hours
- Terms and conditions of working hours
- The validity period of the agreement
- Remuneration
- The rights and obligations of the first party
- The rights and obligations of the second party

- And so forth

- **Overtime**

Overtime for employees of the Sungai Merah Mill security unit on February 7, 2023 with 0.5 hours of overtime work on behalf of:

- Worker initial S with ID 03251
- Worker initial N with ID 00059
- Worker initial H with ID 12161

- **Annual leave**

- Employee with initials AR with ID 98041 annual leave on 30 March 2023 – 31 March 2023

- **Maternity leave**

- Employee with the initials AA with ID 17440 from 25 October 2021 to 24 January 2021

From the results of auditor interviews with workers in the field, information can be obtained that workers understand the work contract in a language that is understood and payment documentation on payslips such as basic wages, benefits, premiums, overtime, BPJS deductions, union deductions and so on.

### 6.2.3

The company already has proof of legal compliance as stated in the PT Sumber Indah Perkasa joint work agreement document which is valid from January 31, 2023 to January 31, 2025.

The regulations explain, among other things:

- **Clause 10. Working days and hours**

- Working hours in the company are 7 hours a day and 40 hours a week.
- Work done more than 7 hours a day and 40 hours a week is considered overtime work if you work more than working hours.

- **Clause 11. Overtime Work**

- Overtime can be done for a maximum of 4 hours in 1 day and 18 hours in 1 week.

- **Clause 13. Annual Rest**

- Every worker who has worked for 12 consecutive months is entitled to an annual rest of 12 working days with full pay.

- **Clause 14. Maternity break/abortion, Menstruation, Sexual harassment**

- Female workers who are going to use maternity leave must submit a written application to the company accompanied by a statement from the doctor and midwife who treats them.

From these stipulated regulations, companies can show evidence of their implementation, namely:

- **Overtime**

Overtime for employees of the Sungai Merah Mill security unit on February 7, 2023 with 0.5 hours of overtime work on behalf of:

- Worker initial S with ID 03251
- Worker initial N with ID 00059
- Worker initial H with ID 12161

- **Annual leave**

- Employee with initials AR with ID 98041 annual leave on 30 March 2023 – 31 March 2023

- **Maternity leave**

- Employee with the initials AA with ID 17440 from 25 October 2021 to 24 January 2021

From the results of auditor interviews with workers in the field, information can be obtained that workers understand payment documentation on payslips such as basic wages, benefits, premiums, overtime, BPJS deductions, union deductions and so on.

**6.2.4**

The company already has a list of facilities and infrastructure for employees for the 2023 period, such as housing, daycare, houses of worship, clinics, sports facilities and so on.

From the results of field observations in residential areas and interviews with workers and trade unions, it is known that the company has provided housing, infrastructure and facilities that are proper/in good condition to workers such as houses, clean water facilities, prayer facilities, sports, first aid centers and others. The condition of the house is permanent and has good sanitation. From the interviews it was also known that in each housing location there is a daycare, trash bin and others.

**6.2.5**

Based on the results of field observations of employee housing, it is known that the location of the housing is still close to the village. There are also some employees who choose to live in privately owned houses in the village. Based on this, it can be concluded that the location of employee housing is close to markets, stalls or other food sellers.

**6.2.6**

The company has set a living wage set in February 2023 which is given to all workers which includes among others:

- Electricity Calculations
- Calculation of non-cash houses
- Water calculation (non-cash)
- School calculations (non-cash)
- Calculation of polyclinic facilities and services (non-cash)
- Calculation of child care centers (non-cash)

Based on the results of the auditor's verification that the determination of living wage has exceeded the minimum wage set by the government and the calculation is also based on actual and rational prices at the location of the certification unit.

**6.2.7**

From the results of a review of employee list documents for the period January 2023 and February 2023, it can be obtained that employees working in company units consist of permanent employees, including harvesters, security, drivers and contract employees for maintenance and maintenance work.

**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**

In Circular No. 094/CEO2-SE/12/2010 dated 14 December 2010 there is a statement acknowledging freedom of association. This document is issued in Indonesian language which can be understood by all employees. The statement states that employees have the right to form a trade union and become a member/leader of a trade union in accordance with applicable regulations.

From the results of interviews with harvest workers, fertilizer workers and other employees, information can be obtained that employees already know about the existence of freedom of association in the company unit.

**6.3.2**

Companies can show minutes of meetings between companies and workers' unions such as the KKPA Gedung Aji Baru unit which was made on March 6 2021 which explains the formation and election of the F SP PP SPSI KUD Krida Sejahtera Gedung Aji Baru KKPA committee consisting of the chairman, deputy chairman 1 , deputy chairman 2, secretary and treasurer attended by 20

workers.

**6.3.3**

Based on the results of interviews with trade unions, as well as interviews with plantation and factory employees, it is known that the trade union organization (SPSI) consists of a Chair, Deputy Chair, Secretary, Treasurer, etc. All union officials are employees who are not involved in the organizational structure of the company (staff up).

And information can be obtained that management does not interfere with the formation or activities of organizations/workers' unions.

**Status: Comply**

**6.4**

**Children are not employed or exploited.**

**6.4.1**

The company has a GAR Social and Environmental Policy to implement policies related to hiring workers in accordance with applicable regulations and has been signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, Managing Director of Sustainability & Strategic Stakeholder Engagement, in 2022. In point 3 Work Environment and Industrial Relations states that companies prohibit the employment of children and take action to prevent the use of child labor in our activities, besides that there is also a statement of zero tolerance against immoral treatment and harassment. Take corrective action if child labor is found and ensure proper follow-up and provide safety protection assistance. In addition, the company has issued a Circular Letter from the Human Resources Director No. 002/SE-HRDV/03/09 dated 31 March 2009 concerning Minimum Age Limits stated that companies set a minimum age limit of 18 years based on Law no. 13 of 2003 and there has been a warning regarding the prohibition of using child labor and areas that are dangerous for children to be placed where they can be seen clearly.

Document verification results reveal that there are no workers under the age of 18 years old. In addition to having a policy governing the minimum age of workers for workers, the unit of certification also includes a clause on child protection and a prohibition on employing workers under the age of 18 in any agreement with the contractor. Based on interview with contractor on the estate and mill sighted that they been understood about this policy.

**6.4.2**

The company has a GAR Social and Environmental Policy to implement policies related to hiring workers in accordance with applicable regulations and has been signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, Managing Director of Sustainability & Strategic Stakeholder Engagement, in 2022. In point 3 Work Environment and Industrial Relations states that companies prohibit the employment of children and take action to prevent the use of child labor in our activities, besides that there is also a statement of zero tolerance against immoral treatment and harassment. Take corrective action if child labor is found and ensure proper follow-up and provide safety protection assistance. In addition, the company has issued a Circular Letter from the Human Resources Director No. 002/SE-HRDV/03/09 dated 31 March 2009 concerning Minimum Age Limits stated that companies set a minimum age limit of 18 years based on Law no. 13 of 2003 and there has been a warning regarding the prohibition of using child labor and areas that are dangerous for children to be placed where they can be seen clearly.

In addition, in the employee recruitment process, this is evidenced by an identity card when recruiting employees. The company has included a clause regarding the prohibition of child labor in the work agreement Article 5 Terms & job specifications, point 20 both parties are prohibited from employing children under the age of 18, not doing forced labor and the results of human trafficking.

Based on the results of the payment for the labor list documents for the period of February 2023, no workers who are less than 18 years old are found.

Based on interviews with contractors at the plantations and factories, it was found that there was a clause prohibiting the employment of children under 18 years of age, conveyed through socialization and work contracts.

**6.4.3**



Based on a review of the employee list document for the period 2022/February 2023 it is known that the minimum age for work is 18 years, and there are no company and contractor workers who are under the age of 18 when starting work.

In addition, the results of interviews and field observations of several plantation operations and KKPA Gedung Aji Baru show that the company has socialized the prohibition of employing children under the age of 18.

**6.4.4**

The company has a GAR Social and Environmental Policy to implement policies related to hiring workers in accordance with applicable regulations and has been signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, Managing Director of Sustainability & Strategic Stakeholder Engagement, in 2022. In point 3 Work Environment and Industrial Relations states that companies prohibit the employment of children and take action to prevent the use of child labor in our activities, besides that there is also a statement of zero tolerance against immoral treatment and harassment. Take corrective action if child labor is found and ensure proper follow-up and provide safety protection assistance. In addition, the company has issued a Circular Letter from the Human Resources Director No. 002/SE-HRDV/03/09 dated 31 March 2009 concerning Minimum Age Limits stated that companies set a minimum age limit of 18 years based on Law no. 13 of 2003 and there has been a warning regarding the prohibition of using child labor and areas that are dangerous for children to be placed where they can be seen clearly.

From the results of interviews with Sri Uminta contractors, information can be obtained that the company has submitted a child protection policy.

**Status: Comply**

**6.5**

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

**6.5.1 – 6.5.2**

The company has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policies contained in the Circular Letter from CEO 2 No. 003/CEO2-SE/01/2011 dated 10 January 2011 which requested all unit heads and their staff to disseminate information to all employees regarding the prevention and handling of sexual harassment.

Every worker has the right to receive protection against sexual harassment in the workplace and sexual harassment is a violation and if convicted of sexual harassment, the violator will be punished according to applicable regulations. And the management of the gender committee has conducted outreach to employees and representatives of the gender committee are available in each division.

Based on interviews with workers and the gender committee, the policy has been disseminated to workers through gender committee meetings with workers and in the past year period, there were no reports or cases/incidents related to sexual harassment, violence at work/reproductive rights.

**6.5.3**

The company already has a policy number KHI-smart/005-00 which was set on August 1, 2017 regarding female workers which explains that:

- The company does not employ pregnant and lactating women workers/labourers in places, locations and jobs that according to the doctor's statement are dangerous to the health and safety of the womb and themselves.
- The company provides reproductive rights for female workers through that workers/laborers who are still breastfeeding are given proper opportunities to breastfeed their children if this must be done during working time.

The company has identified 127 pregnant and lactating female workers for 2022. From these data, information was obtained that there were no pregnant or breastfeeding female workers.

**6.5.4**

Mechanism of complaint and grievance is presented in procedure with number SOP/SMART/GIMS-SCMD/USDV/001 dated 02 June 2016 revised 11 April 2017. The procedure has assuring anonymous and protection to whistleblower (in the document point 2.2.1). Based on information from electronic media (website), gender committee and labour union representatives, as well as female

employees on the estates and mill, it was known that there is no negative issues and such case related to reproductive right, sexual harassment, violence and discrimination in the work place.

**Status: Comply**

**6.6**

**No forms of forced or trafficked labour are used.**

**6.6.1**

Same with the 2022 audit. The company has a policy against forced or bonded labor or debt bondage and is taking steps to prevent it. Procedures related to human resource management indicate that each worker has an employment agreement that describes a specific job description. Based on the employee list for 2022/February 2023 and field observations, it is known that there are no migrant workers or information about forced labor. Each worker has a work agreement that describes a specific job description, wages received, the validity period of the contract and there is no replacement of the contract without prior consultation and approval from the worker.

Based on employee data, most of the workers come from the local community. They have a recruitment process in place in the company and comply with the applicable hiring procedures.

There are no significant obstacles related to work or violations of company rules. For example, harvesters work every day based on 7 hours of work. The unit of certification provides an output target that can be obtained in less than 7 working hours. If the harvester obtains more results in or more than 7 working hours, the harvester will receive a harvest premium payment. No penalty is given to harvesters if they do not get results due to natural factors such as rain. Based on the list of wage payments, harvesters have earned above the minimum wage.

Based on the results of interviews with workers in the plantations and PKS as well as administrators of the All Indonesian Trade Unions, it is known that there has never been an incident of forced labor in the 2022/February 2023 period.

**6.6.2**

Based on the results of interviews with union officials, there were no foreign workers at the company. In addition, there are no indications of forced labor within the company. employees work according to their respective scope of work.

From the employee list for the 2022 period, the company can show recruitment documents sampled by the auditor, namely employees with the initials MAR who work as a general compound at the Sungai Merah Mill unit with contract employee status.

The company can show the work agreement document with the employee made on August 31, 2022. The work agreement includes, among others:

- Type of work and work location
- Terms and conditions of work
- The validity period of the agreement
- Remuneration
- Rights and obligations

From the results of interviews with workers and representatives of workers through the union it is known that the company has provided a copy of the agreement to the workers.

**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 already has an OHS Committee organization that is in charge of Occupational Safety and Health and is complemented by an OHS Committee secretary who already has a decree appointing an OHS Expert in the company, including:

Ratification of OHS Committee Structure

- Ratification of OHS Committee No. KEP.560/027/V.7/03/2023 dated 20 February 2023 (SMRM) which is valid for 2 years with a secretary named Dedi Afrianto.
- Ratification of OHS Committee No. KEP.560/89/V.7/02/2022 dated 21 February 2022 (GABA) which is valid for 2 years with a secretary named Indra Kurniawan.
- Ratification of OHS Committee No. KEP.560/345/V.7/04/2021 dated 12 April 2021 (SMRE) which is valid for 2 years with a secretary named Dedi Afrianto.

#### OHS Expert Appointment Decree

- Appointment Decree of OHS Expert Dedi Afrianto No. 5/3002/AS.01.03/III/2022 dated 28 March 2022 valid for 3 years.
- Indra Kurniawan's OHS Expert Appointment Decree No. P4118/NAKER-BINWASK2/IV/2019 is valid for 3 years until 30 April 2022. The company shows a record of e-mail regarding the application for the extension from 17 April 2022 to the latest update via a Certificate from PJK3 dated 31 March 2023 informing that the extension of the OHS Appointment Decree Indra Kurniawan's expert is still being processed at the Indonesian Ministry of Manpower.

In addition, the company can show records of regular meetings between the person in charge and the workers which are held once a month which discuss the interests of all parties related to safety, health and welfare and record any issues that arise. For example, The minutes of the OHS Committee meeting (SMRE) on 2 February 2023 which discussed, among other things, the status of the current month's OHS Committee meeting and the status of the previous month's OHS Committee meeting which contained information from such as: OHS month commemoration (blood donation), OHS Management System internal audit, OHS management review meeting, inspection Initial health before work, OHS field checklist, socialization of HIRAC analysis and pregnancy checks by female spray workers

#### **6.7.2**

The unit of certification shows emergency (according to potential emergency in Estate and Mill area) and work accident response procedures which are documented in Indonesian and are listed in:

- SOP for handling accidents and occupational diseases (SOP/SMART/HESS-EHSD-10).
- SOP for Emergency Preparedness and Response (SOP/SMART/General/SADV/II/005).

The results of field observations and interviews in the Estate and Mill areas revealed that harvest, spray, warehouse and Mill workers could explain OSH procedures, including emergency response procedures, and their procedures were clearly understood by all workers.

In addition, based on the results of field observations at both the Mill and Estate it is also known that the company has provided first aid kits such as first aid kits placed in buildings and first aid bags carried by the foreman in the field. The completeness of the contents of the first aid boxes and bags is in accordance with the number of workers who are covered and checked for completeness and expiration date every month. The following is the number of First Aid Boxes and Bags provided by the company in each unit:

- SMRM: 8 First Aid Kits
- SMRE: 19 First Aid Kits and 30 First Aid Bags
- GABA: 7 First Aid Kits and 29 First Aid Bags

Based on the results of field observations and interviews, for example during harvesting activities at SMRE, information was obtained that the foreman tasked with carrying the first aid bag had received first aid training internally and had an understanding of procedures for providing first aid in the event of an accident, in addition to all accidents and drug use. recorded in the first aid logbook.

#### **6.7.3.**

The company has shown PPE Matrix Documents for Estate and Mills. The document describes the type of PPE that must be worn for each type of work. For example, in harvesting work, the PPE that must be used is a helmet, goggles, combination gloves, and boots. Based on the results of field observation in harvesting activity on SMRE, it is known that workers have used PPE according to company standards. In addition, the worker also explained that if the PPE is damaged, the worker can report it to the foreman to ask for the replacement of the PPE.

The company can show evidence that it has provided PPE to all workers, including PPE with a short life span such as cloth gloves, for example proof of handover of cloth gloves at the GABA unit in October 2022 and January 2023, which informs that there are workers who have received replacement gloves hands every three months and some don't get reimbursed. This indicates that the replacement is given when there is damage to the PPE used.

Based on the field visit to SMRE and GABA, it is known that there is a storage area for PPE and spray equipment as well as sanitation facilities for employees after the spraying work is completed in adequate condition for all workers. Based on the results of field visits and interviews with spraying workers, it is known that workers have used PPE completely and company management always monitors workers regularly regarding the use of PPE properly and correctly.

**6.7.4.**

Companies can show recorded proof of payment via bank transfer as well as a list of social security program participants (BPJS Health and BPJS Employment), for example the details for February 2023 are as follows:

| Unit | Description   | Number of Workers |
|------|---|-------------------|
| GABA | Number of Workers per February 2023                     | 490               |
|      | Number of BPJS Health Participants in February 2023     | 433               |
|      | Number of BPJS Employment Participants in February 2023 | 490               |
| SMRE | Number of Workers per February 2023                     | 684               |
|      | Number of BPJS Health Participants in February 2023     | 536               |
|      | Number of BPJS Employment Participants in February 2023 | 684               |
| SMRM | Number of Workers per February 2023                     | 137               |
|      | Number of BPJS Health Participants in February 2023     | 138               |
|      | Number of BPJS Employment Participants in February 2023 | 137               |

Based on the data in the table above, information is obtained that there is a difference between the number of employees and the number of BPJS Health participants, which is due to the fact that there are workers who are Recipients of Contribution Assistance from the Government.

Based on the results of interviews with employees at both Mill and Estate, information was obtained that all workers were aware of their participation in the BPJS Health and BPJS Employment programs which were registered after the workers joined and the administrative requirements were declared complete. In addition, workers also have cards and understand how to use BPJS facilities.

**6.7.5**

The company has recorded work accidents using Lost Time Accident (LTA) for each unit, for example the results of the 2022 LTA recording are as follows:

| Unit | LTA  | FR   | SR       | Work Hour |
|------|------|------|----------|-----------|
| SMRM | 0.00 | 0.00 | 0.00     | 336,204   |
| SMRE | 0.00 | 0.00 | 0.00     | 1,461,653 |
| GABA | 2.06 | 2.06 | 6,234.00 | 971,704   |

The company shows evidence of work accident claims to BPJS Employment, for example for worker work accidents with the initial "S" dated October 25, 2022 accompanied by Accident/Incident and Emergency Investigation Reports for work accident incidents which provide an explanation of the worker's work accident incident along with identification of the cause of the accident and action corrective and preventive action.

|  |                           |               |            |             |
|--|---------------------------|---------------|------------|-------------|
| <b>Status: Comply</b>  |                           |               |            |             |
| <b>PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT</b>   |                           |               |            |             |
| <b>7.1<br/>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>   |                           |               |            |             |
| <b>7.1.1</b>   |                           |               |            |             |
| <p>The company has shown an integrated pest control plan contained in the SOP / SMART /MCAR/ VII / TA-HPT) date July 15, 2020 which aims as a guide in Integrated Pest Management activities as one of the activities in the process of treating oil palm plants. The job description explains the work stages of Pest and Disease Control which are presented briefly as follows. The EWS stages consist of Detection and Census. Detection aims to determine as early as possible the occurrence of pest attacks (EWS) including insects and vertebrates, if a pest or disease attack is found, then a census is carried out. Detection activities are carried out periodically every 2 months.</p> <p>The company shows the implementation of the Integrated Pest Management plan, for example as follows:</p> <ul style="list-style-type: none"> <li>• The SMRE unit's Palm Leaf-Eating Caterpillars Census Report for the period September 2022 – February 2023 showed that no UPDKS attacks were found.</li> <li>• The SMRE unit Oryctes Census Report for 2022 found the highest attack in July 2022 at 0.72% and the lowest in September 2022 at 0.01%.</li> <li>• The 2022 SMRE unit rat census report in the TBM and TM areas showed that no attacks were found.</li> <li>• SMRE <ul style="list-style-type: none"> <li>- Report on Care and Planting of Beneficial Plants (<i>Turnera Subulata</i> and <i>Antigonon</i>) Year 2022: 4,691.41 Ha.</li> <li>- Reports on the number of Gupon as of January 2023 totaling 345 units (344 Good Condition and 1 unit Damaged) and 288 Active units.</li> </ul> </li> <li>• GABA <ul style="list-style-type: none"> <li>- Report on Care and Planting of Beneficial Plants (<i>Turnera Subulata</i> and <i>Antigonon</i>) Year 2022: 23,952 Ha.</li> <li>- Report on the number of Gupon as of December 2022 totaling 436 units (394 in Good Condition and 42 in Damaged Condition).</li> </ul> </li> </ul> |                           |               |            |             |
| <b>7.1.2</b>   |                           |               |            |             |
| <p>Based on the results of document review and field observations, it was found that the company had used <i>tyto alba</i> as a natural enemy of pests and beneficial plants including <i>turnera subulata</i> and <i>antigonon</i>. 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.</p>   |                           |               |            |             |
| <b>7.1.3</b>   |                           |               |            |             |
| <p>Based on document review, field observation, as well as interview with the workers and external stakeholders, it is known that the company did not use fire for pest control.</p>   |                           |               |            |             |
| <b>Status: Comply</b>  |                           |               |            |             |
| <b>7.2<br/>Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</b>   |                           |               |            |             |
| <b>7.2.1; 7.2.5</b>  |                           |               |            |             |
| <p>Based on the results of a review of the pesticide use list document, for example in 2021, 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:</p>   |                           |               |            |             |
| <b>Merk</b>  | <b>Active Ingredients</b> | <b>Target</b> | <b>WHO</b> | <b>LD50</b> |

|                 |                                       |   |     |       |
|-----------------|---------------------------------------|---|-----|-------|
| Erkafuron 20 WG | Metsulfuron-Methyl 20%                | Broad-Leafed Weeds                      | U   | 2,000 |
| Garlon 670 EC   | Tryclopyr butoxy ethyl ester: 670 g/l | Broadleaf weeds and woody weeds         | III | 5,000 |
| Starane 290 EC  | Fluroxypyr 295 g/l                    | Broad-Leafed Weeds, Narrow-Leafed Weeds | U   | 2,000 |
| Rolifos 150 SL  | Ammonium Glufosinate 150 g/l          | Broad-Leafed Weeds, Narrow-Leafed Weeds | III | 4,000 |
| Garlon 306 EC   | Tryclopyr butoxy ethyl ester: 306 g/l | Broadleaf weeds and woody weeds         | III | 5,000 |
| Roll Up 480 SL  | Glyphosate Isopropylammonium 480 g/l  | Broad-Leafed Weeds, Narrow-Leafed Weeds | III | 5,000 |
| Cymbush 50 EC   | Cypermethrin 50 g/l                   | Palm Leaf Eater                         | II  | 2,200 |
| Marshal 200EC   | Carbosulfan 20%                       | Palm Leaf Eater                         | II  | 905   |

Based on the results of the document review, 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.

### 7.2.2

The company already has records of all pesticides used, for example the use of Roll Up at SMRE in 2022 as follows:

- Active Ingredients: Isopropilamina Glifosat 480 g/l
- LD50: 5,000
- Application Area: 19,758.44 Ha
- Active Ingredients/ Ha: 0,168 L/Ha
- Total Applications: 6.915,45 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 aimed at controlling Palm leaf eating caterpillar pests and tyto alba for controlling rat pests. Based on the results of field observations on SMRE and GABA, 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 the list of pesticide use documents, for example for 2022, it is known that there is use of insecticides with the active ingredients Cypermethrin and Carbosulfan in the SMRE (11.566,32 L) and GABA (116,98 L) which is intended for oryctes pest control.

Based on SOP/SMART/MCAR/VII/TA-HPT concerning Control of Plant Pests and Diseases which was published on July 15 2020, information was obtained that the threshold for oryctes control was found, namely if  $\geq 5$  new attack points per Ha were carried out,



control was carried out with a combination of insecticide applications and pheromones with the following conditions:

- Mature area: application once a month until the attack is under control.
- Immature area: Oryctes endemic area, done every 2 weeks.

Based on the review of the results of the 2022 oryctes attack census results, information was obtained that no oryctes attacks exceeded the threshold ( $\geq 5$  new attack points per Ha), but the company can show evidence that control is needed using insecticides due to conversion activities from oil palm plantations to Sugarcane plantations in the company area around PT SIP resulted in a massive oryctes attack in 2019 so that the company has carried out control and prevention to date.

#### 7.2.6

Companies can show evidence of providing training to personnel handling pesticides, for example:

- SMRE  
Minutes of Training on Spray, Fertilization, MSDS, B3 and LB3 Handling on 15, 19, 20, 21, 27 and 29 December 2022 for a total of 223 workers.
- GABA  
Minutes of Spray, Fertilization, MSDS, Handling of B3 and LB3 Training on 21-25, 28, 30-31 May 2022 for a total of 60 workers.

In addition, based on the results of field visits and interviews with the GABA spray teams, it was found that workers could briefly explain how the spray works safely and how to handle it in case of an emergency.

#### 7.2.7

The results of field observations of chemical storage warehouses on SMRE and SBYE, 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

PT Sumber Indah Perkasa has established ex agrochemical waste management listed on waste management procedures SOP/SMART/LEMS-EHSD/SADV//002 and agrochemicals containers handling working instructions (IK/SMART/LEMS-EHSD/SADV/002/001). This procedure stated that all ex-chemicals containers were kept on temporary hazardous storage on estate/mill. Based on interview with spraying team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Based on filed observation on SBYE, MSJA and GALA, mixing areas and chemical container washing areas acquired information that company has managed agrochemical containers by rinse them on isolated placed and regularly submitted to third party contractors. Evidence for ex agrochemical disposal to related licensed third parties i.e. hazardous manifest are available and able to seen on indicator 7.3.1.

Based on an interview with management representative in Krida Sejahtera Cooperative sighted they are understood procedures of pesticide application, as socialized and trained by the company.

Based on the results of interviews with pesticide applicators SMRE, Division 4 and Division 5, it is known that workers have received routine training every year by the certification unit and during field visits the workers have applied good and correct use of pesticides according to the procedures owned.

Based on filed observation on SBYE, MSJA and GALA → ?

#### 7.2.9

Based on the results of interviews with management representatives, it is known that the company does not apply pesticides by air.

#### 7.2.10

Labor Health Examination Procedure No. SOP/SMART/HESS-EHSD/SADV//012 dated July 1, 2014, the procedure briefly describes the health inspection program for spray workers and chemical storage warehouses, including *Cholinesterase* and

*Spirometry tests.*

Based on the results of interviews with spray workers, it was stated that the company has conducted health checks including special inspections 2 times a year and general inspections 1 time a year the last time being carried out in 2022.

Companies can show records of the implementation of special Health checks carried out in 2022, including:

- SMRE: Implementation of the MCU Special Cholinesterase and Spirometry Semester II activities on 12 October 2022 for 230 workers with all normal results.
- GABA:
  - Implementation of Cholinesterase Special MCU activities on October 11, 2022 for 60 workers with all normal results.
  - Implementation of Spirometry Special MCU activities on October 11, 2022 for 60 workers with all normal results.

**7.2.11**

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

**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 already has SOPs regarding waste management both solid, liquid and air waste which are listed in one procedure, namely Waste Management SOP Number SOP/SMART/LEMS-EHSD/SADV/II/002 revised 0.0 effective date 2 July 2014 which was approved by the Division Head Environmental & Sustainability.

The company also has separate procedural documents for the Management of Hazardous Waste and Hazardous Materials listed in the documents namely Work Instructions for the Management of Hazardous Waste and Ex-Chemicals with document number IK/SMART/LEMS-EHSD/SADV/002/2001 revision 0.0 effective date 2 July 2014 which was approved by the Division Head Environmental & Sustainability effective date 2 July 2014.

All of these procedures aim to regulate the management of liquid waste, solid waste, air waste, hazardous waste, domestic waste, and medical or infectious waste, both originating from plantation operations, factory operations and the daily activities of the community or workers who live in in the company's residential complex.

The management that must be carried out for this waste includes:

- Solid waste: such as empty fruit bunches, fibers, shells, are fully utilized to support plantation activities and palm oil processing factories. The company also utilizes shells and fiber which are sold back to other companies to be used as fuel. Apart from being sold for the shell and fiber itself, it is also used for boiler fuel. While the empty fruit bunch is used as organic fertilizer in oil palm plantations. Boiler ash as one of the solid wastes produced can be applied to paving roads or applied to land. Solid waste generated from domestic activities is collected and disposed of in landfills that have been determined by the company.
- Liquid waste: Liquid waste resulting from processing at the factory is managed in a Wastewater Treatment Plant Pond to then be channeled and applied to the oil palm plantation land owned by PT Sumber Indah Perkasa to the location listed in the permit for the utilization of liquid waste on plantation land. Meanwhile, for domestic liquid waste generated from toilet activities, it is channeled into a septic tank, and for domestic liquid waste generated from bathing and washing activities, it is channeled through ditches or drainage. Drainage channels are maintained so that they function properly, are clean and are not clogged which can cause odor pollution.
- Air waste: inventoried and recorded in the GHG inventory document and calculations related to the emissions produced. The company conducts routine monitoring every month for ambient air quality testing which will then be monitored and reported in the quarterly RKL/RPL report to the relevant agencies.
- Hazardous waste : stored in Temporary Storage in accordance with the provisions in the regulations. The handling of Hazardous

waste is carried out according to the type of characteristics regulated in the Hazardous Waste Handling SK (IK/SMART/LEMS-EHSD/SADV/002/001). All Hazardous waste may not be utilized without a Hazardous Waste Utilization Permit from the relevant agency; therefore it must be handed over to the collector or Hazardous waste transporter.

- Medical waste: stored in medical waste bins that have been provided and identified and then when collected will be sent to the nearest hospital that has facilities and permits for destruction.

The company already has work instructions regarding hazardous waste management through the document IK/SMART/LEMS-EHSD/SADV/002/001 Rev 0.0 which explains:

- Hazardous Waste classification: used oil and used hydraulic oil, rags, plastics and filters, used batteries, light bulbs, clinical waste, used chemical packaging.
- Storage: Hazardous is stored in a designated place, Hazardous packaging must always be closed during storage. Hazardous waste stored in the division may only be stored for 1 week and must be sent to Hazardous Waste Temporary Storage every week and it is not allowed to use used chemicals, oil and all types of Hazardous Waste in housing. In addition, it was also explained that Hazardous waste should not be stored for more than 90 days from the date it was generated.
- Hazardous Waste labelling: an appropriate label must be affixed to each Hazardous waste which includes the date the waste was generated, symbol and label and Hazardous Waste code, balance sheet and transportation of Hazardous Waste outside the Hazardous Waste producing area
- Safety of Hazardous Waste transportation: Hazardous Waste transportation may only be carried out by vehicles that are registered and authorized by the relevant agency.
- Training & health check. Involvement of waste generators in identifying, handling, labelling, transporting, storing, and responding to Hazardous Waste spills, and operators are required to carry out periodic health checks
- Hazardous Waste Reporting: reporting to the relevant agency every three months to the agency.

In addition to the procedural documents for Hazardous Waste Management, the company also has procedural documents for the management of agrochemicals and Hazardous Waste materials contained in the SOP/SPO/SMART/LH-08 document dated 1<sup>st</sup> July 2010, regarding Warehouse Management. This procedure describes all activities related to the receipt of all goods, both Hazardous and Non-Hazardous. The contents of the procedure in outline are as follows:

- Receive goods prior to receipt, carry out inspections according to the officer's specifications, when receiving chemicals, the head of the Warehouse returns chemicals that are not equipped with an MSDS
- After the goods are received and the MSDS has been completed, it will become a reference for handling these chemicals, relating to storage, transfer of use and disposal,
- Goods that have been labelled and recorded will be recorded in the inventory list according to the provisions, Warehouse staff will carry out inspections of goods storage
- Moving goods, especially for agrochemicals, must be carried out in closed packaging and equipped with tools
- Release and collection of goods must be done via SAP, with the FIFO principle. If the results of the inspection of goods are found to be expired, then they are returned to the supplier (when received).

Based on the results of interviews with the Environmental Officer, it can be seen that the company has routinely carried out testing and monitoring of test results and made reports for the management of the waste and reported it to the relevant agencies in accordance with the required provisions.

All hazardous wastes were placed in the Permitted Hazardous Waste Store (TPS LB3), as follows:

- Permit of Hazardous Waste Storage for SBYE, GABA, SMRM and GALA is presented in Decree of Environment Agency Head No. 660/190.a/V.9/TB/V/2017 dated 29 May 2017, valid for five years (2022). Company has submitted extension of Permit of TPS-LB3 on 25 March 2022 based on Letter No. 06/D&L/SIP-LH/III/2022 to Environmental Agency of Tulang Bawang Regency.
- Permit of Hazardous Waste Storage for SBYM, MSJA and SMRE is presented in Decree of Environment Agency Head No. 660/02/LBBB/IV.14/MSJ/2017 dated 14 December 2017, valid for five years (2022).

The company has implemented Hazardous waste management in accordance with its own procedures, including by recording and documenting Hazardous waste stored at Hazardous waste in the hazardous waste logbook and balance sheet, recording and documenting Hazardous waste submitted to the collectors and transporters in the form of hazardous waste manifest evidence.

Last transportation manifest on January 11, 2023 transported by PT Primanru Jaya, with transport vehicle numbers B 9013 OZ:

- KLHK-1678092114, Used battery, 0.28472 tons
- KLHK-1678091752, Used Filter, 0.237 tons,
- KLHK-1678091521, Used Majun Cloth, 0.065 tons
- KLHK-1678091351, used B3 packaging, 0.33562 tons
- KLHK-1678091416, TL Lamp, 0.00378 tons
- KLHK-1678092948, Medical Waste, 0.018 tons
- KLHK-1678092283, Used Oil, 1.6767 tons

The company has recorded properly so that the waste management data can be traced easily and there are no discrepancies in the recording. The company also routinely transports Hazardous waste once every 3 months. Based on this explanation, it can be concluded that the company already has documents for storing and handling hazardous waste in accordance with applicable regulations and in accordance with its implementation in the field.

Based on the document review, it is known that the company has conducted Hazardous and Non-Hazardous waste management which has been reported to the relevant agencies either through reporting on waste handling or listed in the RKL-RPL report and has shown proof of the report as stated in indicator 1.1.2.

The company also shows a license to utilize liquid waste for Land Application (LA) in accordance with the Decree of the Head of the Investment Service One Stop Service and Industry of the Tulang Bawang District Number for PT SIP as mentioned in indicator 7.8.3. Management and implementation on Wastewater of SMRM was inform further detail on indicator 7.8.3. The company also shown license of utilize of surface water intake permit and already explained in indicator 7.8.4.

Based on the results of interviews with the Environmental Service of Tulang Bawang District, it is known that the certification unit has complied with all reporting provisions relating to environmental management aspects (such as waste management and pollution) in accordance with the provisions of laws and regulations in a disciplined and orderly manner. It is not known that there have been cases of environmental pollution that caused negative impacts to the community and the environment around the company due to the company's operational activities. It is also known that the certification unit has never experienced delays in mandatory reporting related to the results of monitoring and management of liquid, solid, and air waste to the relevant agencies.

### **7.3.2**

Based on field observation in SMRM, solid and liquid wastes have been managed without polluting the environment. Solid waste management such as hazardous waste produced is stored in hazardous waste storage, empty bunch is disposed in empty bunch storage before being applied to land, shells and fiber are used as boiler fuel, and boiler ash is stored in boiler ash storage before being used as stockpile. Meanwhile, liquid waste from mill is processed through WWTP until it has been fulfilled quality standard before it is steamed to land application.

Based on field observation to Hazardous Waste Storage in SMRM and SMRE hazardous waste from each unit has been stored to hazardous waste storage which has been equipped with emergency response facilities such as fire extinguisher, alarm, spill kit, emergency shower, secondary containment and first aid kit. Hazardous waste has been stored based on toxicity and hazardous characteristics, e.g., empty chemical containers and battery waste are stored in different location in hazardous waste storage in SMRE and GABA. Besides, each stored waste is given MSDS and recorded in a logbook. Meanwhile, domestic waste from housing area is disposed into landfill in each unit. In addition, the certification unit also manages domestic waste by dumping it into landfills and then burying it when it is full. Based on the results of field visit to Landfill area in Division 4, Block M50, SMRE it is known that waste implementation was accordance to its procedure and there was no issue of pollution was found during the observation. The company does not incinerate domestic waste, there are several warning boards on residential, factory and estate locations to prohibit burning waste. The results of field observation also show that the company has managed domestic and hazardous waste quite well. Based on interview with management representative, solid waste management, e.g., in housing area of estate and mill, is sorted into organic and inorganic waste. Organic waste is composted in back yard while inorganic waste is disposed into landfill.

### **7.3.3**

Based on field observation in housing area of SMRE, it is known waste separation is separated based on the type of organic and inorganic waste, garbage transportation is carried out routinely, waste separation organic and inorganic are adjusted to the appropriate tub then put into the the landfill and closed periodically.

The results of field visits in several areas of estate or Mill did not find any indications of waste destruction by open 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 unit of certification has shown SOP Fertilization (SOP/SMART/MCAR/IX/TA-PPK) which aims as a guideline in applying fertilization in accordance with management policies. The scope of fertilization activities in the SOP includes all activities related to fertilizing oil palm in nurseries, Immature and Mature, both inorganic fertilization and oil palm products based on the results of soil and leaf analysis. The unit of certification has implemented procedures to optimize production, including:

- Regular sampling of soil and leaves by SMARTRI to ensure the elements needed by plants to produce optimally. The results of the soil and leaf analysis tested will be the basis for determining the dosage of fertilization in each estate.
- Fertilization activities that prioritize the principles of right time, right target, right dose and right application. In addition, marginal soils are given extra fertilization in the form of empty fruit bunches.
- Application of Palm Oil Mill Effluent (POME) to increase soil fertility and also application of Empty Bunch Fruit.
- Maintenance of ground cover plants to reduce evaporation (to maintain soil moisture). For example, planting legumes (*Mucuna Bracteata*) and maintaining soft ferns (*Nephrolepis bisserata*). All spraying employees are always advised in the morning meeting not to spray the plants.
- The company's commitment not to use herbicide-based active ingredients of paraquat since 2016. Based on information from managers and staff, this shows the company's commitment to support RSPO guidelines to reduce/not use class 1A and 1B herbicides.
- Monitoring of SOP implementation, among others, is carried out through an internal audit mechanism which is carried out by the OIA Department every semester.

Based on observations in Land Application are on SMRE, it was found that POME had been applied to the land in accordance with the permits and recommendations they had. This activity demonstrates the company's efforts to increase soil organic content so as to increase soil nutrients needed by roots, especially on marginal soils and prevent overflow/spill over into the field.

**7.4.2**

Soil and leaf sampling was analyzed regularly by SMARTRI to determine the nutritional status of soil and leaf, and to be guided in the preparation of annual manuring program recommendation. Soil is analyzed when the age of the plant is 3, 5, 8 years and continued once every 5 years and 1 year before replanting. Leaf was analyzed annually. Soil and leaf sampling was taken from each estate. Organization has defined work instructions for LSU (Leaf sampling unit) IK/SMART/MCAR/IX/TA- PPK/05-LSU sampling and for SSU (Soil Sampling Unit) IK/SMART/MCAR/IX/TA-PPK/06- SSU take. Last LSU and SSU taken by SMARTRI in all estate. Evidence of periodic leaf sample analysis in Memorandum of Laboratory Analysis Results. For example:

Leaf Analysis

- GABA  
Leaf analysis report No. 258/DAUN/LAB-SMARTRI/V/2022 dated 25 May 2022 for 15 samples (N, P, K, Mg, Ca, B, Cl)
- SMRE  
Leaf analysis report No. 257/DAUN/LAB-SMARTRI/V/2022 dated 25 May 2022 for 19 samples (N, P, K, Mg, Ca, B, Cl)

Soil Analysis

Soil Analysis report SMRE No. 062/TANAH/LAB-SMARTRI/II/2019 dated 6 July 2019 for 114 Samples (Texture (hydrometry), pH, C.Org, N Total, P, K, Mg, Cad, Exchangeable Bases, P-Bray, CEC, A-AI Exchange).



**7.4.3**

The unit of certification has several procedures that explain the strategy for recycling nutrients that have been implemented in the field, including:

- SOP/SPO/SMART/LH-09 regarding Waste Management
- IK/SMART/MCAR/IX/TA -PPK / 14 concerning Fertilization with Palm Oil Mill Effluent
- SOP/SMART/LEMS-EHSD/SADV//002 Rev 0.0 regarding Waste Utilization

In addition to chemical fertilizers, the unit of certification has also implemented a nutrient cycle strategy for soil fertility purposes, through the application of by-products, such as empty bunches mulch (EFB) and land application with palm oil mill waste (POME). For example, a by-product application note is presented as follows:

Land Application (POME)

| Unit | M3         |            | %   |
|------|------------|------------|-----|
|      | Plan       | Actual     |     |
| SMRE | 147,993.75 | 223,722.00 | 151 |

Empty Bunch Fruit Application

| Unit | Ton       |           | %   |
|------|-----------|-----------|-----|
|      | Plan      | Actual    |     |
| SMRE | 57,369.60 | 75,781.50 | 132 |

**7.4.4**

Based on the results of the document review, for example in 2021 it is known that the fertilizers recommended and used in 2022 include Kies Gran, Kies Powder, CuSO<sub>4</sub>, Borate, Urea, MOP, Dolomite, RP, etc. The fertilizer that used and applied is in accordance with recommendation (achievement 100%).

| Unit | Kg            |               | Achievment (%) | FFB Production (Kg) |
|------|---------------|---------------|----------------|---------------------|
|      | Plan          | Realization   |                |                     |
| SMRE | 2,974,263.71  | 2,974,263.71  | 100            | 19,692,690          |
| GABA | 20,022,483.40 | 20,022,483.40 | 100            | 102,068,070         |

**Status: Comply**

**7.5**

**Practices minimise and control erosion and degradation of soils.**

**7.5.1**

Unit of certification has soil map which derived from semi detail soil survey that conducted by Plantation Monitoring and Planning (PNMP) Division, with scale varies from 1:70,000 to 1:50,000. Estate soil properties is summarized as follows:

- Semi Detail Soil Map SMRE Scale 1:70.000, Soil type in SMRE has consist of haplohemist, endoaquults, hapludults, dystrodepts, udipsamments, plinthudults and endoaquepsts. It was identified marginal to currently not suitable areas as a presence of peat soils and sandy texture soils. The rest slope area was varying from flat to rolling. Especially on peat areas, the depth of peat was varying on medium (1-3 m) to deep (>3 m).
- Soil type in GABA has consist of typic haplohemist areas, haplorthods, hapludults, dystrodepts, udipsomments, plinthaquults and endoaquepsts. It was identified marginal to currently not suitable areas as a presence of peat soils and sandy texture soils for about 31.15 % and 1.45 %, respectively. Furthermore, there is marginal area due to presence of rolling slope area which covers about 3.62 %. The rest slope area was varying from flat to undulating. Especially on peat areas, the depth of peat was varying on medium (1-3 m) to deep (>3 m) for about 22.62 % and 8.53 %, respectively.



Based on explanation above, it could be concluded that in general fragile and marginal areas were mainly due to presence of peat with various depth. Furthermore, another marginal limitation was mainly due to presence sandy soil texture areas, rolling to somewhat hilly slope and low soil fertility.

**7.5.2**

Based on soil map as derived from soil survey, as well as field observation to estate operational areas, slope characteristics in all estates is summarized as follows:

- SMRE: slope condition in SMRE were varies from flat to rolling and there is small portion of rolling to somewhat hilly (21-40 %) which covers about 3 %. However, there is no areas categorized as hilly to steep. However, there were flat areas as presence of peat in Division 5.
- GABA: slope condition in GABA were varies from flat to undulating and there is small portion of rolling areas (16-21 %) for about 4 %.

Based on explanation above, it could be concluded that there were no areas classified as hilly to steep, within estate operational areas. Most of the area were dominantly flat to undulating. So, it can be concluded that there is no replanting in areas with steep slopes.

**7.5.3**

Based on the results of the study of the area statement documents, information was obtained that the company did not carry out new planting activities and only carried out replanting activities.

**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**

Unit of certification shows soil suitability class which used as reference for agronomy input towards oil palm cultivation, summarized in the following Table:

| Unit       | Actual Suitability Class (ha) |          |          |        |    | Total (ha) |
|------------|-------------------------------|----------|----------|--------|----|------------|
|            | S1                            | S2       | S3       | N1     | N2 |            |
| SMRE       | -                             | 1,720.06 | 1,866.83 | 459.12 | -  | 4,046.01   |
| GABA       | -                             | 3,410.87 | 1,040.81 | 54.07  | -  | 4,505.75   |
| Total (ha) | -                             | 5,170.43 | 2,877.71 | 503.62 | -  | 8,551.76   |

Based on the Table above, it was known that about 60 % of estate operational areas was classified as slightly suitable (S2) and about 34 % and 6 % were classified as marginal (S3) to not suitable (N), with limitation mainly due to presence of peat soil with depth various from medium to deep which led to prone flooded and poor in drainage and rooting properties, as well as presence of sandy soil texture, low fertility and small portion of rolling to somewhat hilly slope. By proper agronomy input such as water management and soil fertility enhancement, potential soil suitability could be upgraded into slightly suitable (S2) class and marginal (S3) class.

**7.6.2; 7.6.3**

Based on the results of field observations and a review of the areal statement documents, it is known that the company does not carry out new plantation development activities and only carries out replanting activities. In addition, based on the results of field observations, it is known that the company has managed marginal soils in accordance with the best soil management practices, such as:

- Carry out fertilization applications according to recommendations, both organic (POME and EFB) and inorganic.
- Make drainage ditches on the right and left of the road and inside the block.

- Monitoring peat areas through monitoring subsidence rates, monitoring piezometers and weirs.

**Status: Comply**

**7.7**

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

**7.7.1**

Based on review on hectare statement and information from Agriculture Agency of Tulang Bawang and Mesuji Regency, it was known that there is no new planting or land expansion in PT SIP operational areas.

**7.7.2**

Companies can show proof of delivery of peat inventory (second submission) to the RSPO secretariat via email to [ghg@rspo.org](mailto:ghg@rspo.org) on 5 April 2020 for PT Buana Adhi Tama (BAT) and PT Agro Lestari Mandiri (AMNL) which contain information on peat areas in the Lampung Region (PT Sumber Indah Perkasa) with the following details:

|                                  |                 |
|----------------------------------|-----------------|
| Planted Area (Ha)                | 2.137,59        |
| Other (Infra, Building etc) (Ha) | 81,53           |
| <b>Total Peat Area (Ha)</b>      | <b>2.219,12</b> |

*RSPO responded to the second submission of peat inventory via email on 7 April 2020, as follows:*

- We noticed that the plantation/estate name was not listed in the peat inventory submitted. We would really appreciate if you could kindly specify the plantation/ estate name in the peat inventory and kindly resubmit to us.*
- To add more clarity, we would also appreciate if you could kindly specify the certification status (certified/ uncertified) in the remark's column in the company inventory.*

Then, based on the results of a study of semi-detailed soil map documents, information was obtained that measurements had been carried out on the area of PT Sumber Indah Perkasa (SBYE and SMRE) which had peat soil types, which resulted in changes in the area of peat in PT Sumber Indah Perkasa to the following:

|           |          |
|-----------|----------|
| SMRE (Ha) | 1.447,96 |
| GABA (Ha) | 301,88   |

Based on the results of interviews with management, it was stated that the company would deliver peat inventory again in 2023.

Thus, companies are encouraged to submit back peat inventory reports according to the updated peat area data and complete suggestions/responses from the RSPO according to the email on 7 April 2020. **(OFI)**

**7.7.3; 7.7.4; 7.7.6**

Based on the results of field observations and document studies, it is known that the company has managed peatlands in accordance with the best land management practices such as monitoring the rate of subsidence of peatlands, monitoring the water level in blocks (piezometers) and in canals (weirs), as well as managing water levels. by installing water gates. Companies can show documentation of monitoring carried out at the SMRE Unit, for example:

- There is a total of 11 subsidence compliance points which are measured once a month, for example based on the measurement results in December 2022 at subsidence Pole No. S-21 block D31 obtained information that there had been a decrease of 23.80 cm since the installation in 2018 with an initial height of 20 cm.
- There are a total of 22 Water Level compliance points (11 east and 11 west) whose measurements are carried out once a week, for example in Block H21 in December 2022 obtained height information between 10 cm (during high rainfall) and -65 cm. The water level is affected by rainfall.
- There are a number of 11 Piezometer compliance points whose measurements are carried out once a week, for example in Block H21 in December 2022 obtained height information between -3 cm to -38 cm below the ground surface.

In addition, based on the results of a 1:125,000 scale Semi Detailed Land Map document study in the GABA unit, there is a peat area of 301.88 Ha which is located next to SBYE and SMRE so that management is carried out simultaneously with SBYE and SMRE in accordance with the compliance points determined by Directorate General of Pollution Control and Environmental Damage through Decree No. SK.103/PPKL/PKG/PKL.0/12/2017 which was stipulated on December 27, 2017.

**7.7.5**

Companies can show Drainability Assessment Reports for PT Sumber Indah Perkasa, Tulang Bawang and Mesuji Regencies, Lampung Province, made by Plantation Monitoring and Planning in April 2022. The results of DLT analysis calculations will be classified as follows:

- $DLT > 2 \times 20$  Years (2 planting cycles) then the area can be replanted.
- $DLT \geq 2 \times 20$  Years (2 planting cycles) then the area cannot be replanted.
- $D_p \leq D_{DB}$  then the calculation cannot be used, but the area still has the possibility of replanting

Based on the analysis and calculations performed, the following conclusions are obtained:

- The Drainability Assessment activity at PT SIP was carried out using an analysis approach to peat characteristic conditions and drainage/ hydrological conditions. PT SIP's peatlands are divided into 8 ZPAs based on their outlets. The flow from PT SIP all flows to the north, namely to the Crocodile River.
- The results of the Drainage Limit Time (DLT) analysis show that 154 analysis units at PT SIP can be replanted (Classification Go).
- Oil palm plantations located on peatlands such as PT SIP must always maintain their sustainability so that sustainability can be achieved. The company's concrete steps in an effort to achieve sustainability in managing peat ecosystems are to maintain the availability of water in the land and ditches as optimally as possible so as to minimize subsidence. If the availability of water in peatlands cannot be maintained, then the process of subsidence and loss of peatlands will accelerate and the replanting process will not take place.

The Drainability Assessment was sent to the RSPO Secretariat via email on 28 April 2022, regarding the response the company had asked again via email on 17 March 2023 but until the ASA 1.4 audit was carried out, there had been no response from the RSPO Secretariat.

**7.7.7**

Based on hectare statement review and soil survey report, it was known that there is no peat abandoned areas. Peat utilization in PT SIP areas has been appointed for planting and infrastructure areas, respectively. Hence, conservation area dedicated for peat conservation is not applicable.

**Status: Comply**

**7.8**

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

**7.8.1**

The company has a SOP for identification, management and maintenance of water sources and quality as stated in the SOP for Management and Monitoring of Water Resources Number SOP/SMART/BCOS-EHSD/SADV/I/2004 rev 0.0 which is approved by the Head of Upstream and is valid since 1 July 2014. The purpose of this SOP is to maintain the existence and sustainability of the condition, nature and function of water resources so that they are always available in sufficient quantity & quality to meet plantation operational needs.

The SOP describe as follows:

- Identification of water sources: Rivers, POM Reservoir (Surface Water), Estate Water Reservoir (Surface Water), and Drilling Wells (Underground Water).
- Management of water sources: delimits at least 50 m (according to the HCV recommendation), 10 m buffer zone for water storage areas, all water sources are identified, warning signs and mapped.

- Maintenance of water sources: demarcation of riparian (rivers) and creating a 10 m buffer zone around the catchment area, prohibition of spraying and fertilizing as well as socialization, periodic water quality analysis, and distance from housing and other activities that can contaminate water sources at least 1000 m.

To ensure that the supply of water sources can be sustainable, efforts are being made

- Construction of a water dam (reservoir) that has a spillway to monitor the water level/level. The level (height of the spillway) is determined to ensure that there is enough water for the people downstream
- Ensure that the use and management of water in operations will not negatively impact other users within the same catchment area, including local communities and water users in general;
- Ensuring that local communities, workers and their families have sufficient access to clean water for drinking water use and Bathing, Washing, Latrine.

Based on the explanation above, it can be concluded that the company already has SOPs for identifying, managing and maintaining water sources and quality and has available maps of water bodies that are quite informative and in accordance with actual conditions in the field.

**7.8.2**

Water source management and monitoring plans has been set in the SOP of Water Source Management and Monitoring (No. SOP/SMART/BCOS-EHSD/SADV/II/004) and in the semesterly Environmental Management and Monitoring Plan (RKL/RPL). Unit of certification has shown Location Map of PT SIP (1:110.000) which has been consist of identification of river stream in PT SIP. Based on the map, there is 1 river on SMRE namely Pidada River and 1 river in Plasma area, namely Pidada River.

The company has monitored the quality of surface water through a KAN-accredited test laboratory (LP-001-IDN) such as for September 2022 Surface Water Test Results for Pidada River :

| Parameter         | Quality Standards of PP RI 22, 2021 | Upstream | Downstream |
|-------------------|-------------------------------------|----------|------------|
| Dissolved residue | 1000 mg/L                           | 116      | 140        |
| pH                | 6 - 9                               | 6.21     | 6.32       |
| BOD               | 3 mg/L                              | 2,74     | 2,56       |
| COD               | 25 mg/L                             | 18,1     | 16,4       |
| Amoniac           | 0.2 mg/L                            | 0,13     | 0,12       |
| Cadmium           | 0.01 mg/L                           | <0.00043 | <0.00043   |
| Copper            | 0.02 mg/L                           | <0.015   | <0.015     |
| Lead              | 0.03 mg/L                           | <0.0015  | <0.0015    |
| Fatty Oil         | 1 mg/L                              | 0.41     | <0.0028    |

Based on the test results above, it is known that there are no parameters that exceed the quality standards set.

Based on the results of a visit to the Pidada River Border, SMRE, show that the map owned by the company is in accordance with the actual conditions in the field. And it is known that there were no indications of chemical applications on the river side, there is also found signboard and HCV border around that area.

Based on these explanations and descriptions, it can be concluded that the unit of certification already has a surface water quality monitoring program that has been implemented and is well documented.

**7.8.3**

There is effluent Plant (WWTP) in SMRM. The company has implementing land application with permit No. 660/222/V.9/TB/III/2019 dated 26 March 2019, valid for 5 years. Monitoring of effluent outlet is conducted on monthly basis as refers to the Decree of Minister of Health (*Kepmen LH*) No. 29 in 2003. Nine parameters measurement and analysis are conducted by Testing Laboratory (KAN No. LP-833-IDN). For example, results of testing presented as follows:

**Waste Water Quality Test of SMRM of periode October to December 2022**

| Parameter | Units | Quality Standards* | October | November | December |
|-----------|-------|--------------------|---------|----------|----------|
| pH        | -     | 6 - 9              | 7,5     | 7        | 6,7      |
| BOD       | Mg/l  | ≤5000              | 1690    | 712      | 351      |
| COD       | Mg/l  | -                  | 5629    | 2155     | 1169     |
| Oil & Fat | Mg/l  | -                  | 40      | 40       | 39       |

Based on the results of the WWTP visit, it is known that the waste disposal location for later use on the Palm Oil Estates land is in accordance with the block as specified in the permit document, the LA condition is in good condition, clean, not covered by weeds and well maintained and no overflow was found. from the LA ponds (flatbed) at the observation site.

Based on the results of a field visit to LA block S47, division 3, SMRE, it is known that the condition of LA is in good condition, and no leakage or overflow of waste has been found around the area. Based on the results of interviews with LA officers, it is known that the officers have understood their duties and responsibilities well and have used PPE that has been adjusted to identify the type of work carried out and provided by the company. The worker informs that there is a routine maintenance schedule for the flatbed contained in the application land.

**7.8.4**

PT SIP has permit of water resources usage (mining) for oil palm processing which presented in Decree of Minister of PUPR No. 513/KPTS/M/2017 dated 27 July 2017, valid for five (5) years. Total volume permitted is 8.9 llt/sec or 23,068.80 m<sup>3</sup>/month in 24 hours/day.

The company has the latest permits through the Granting of Water Resources Exploitation Permits to Sumber Indah Perkasa Limited Liability Companies in the Way Buaya River, Mesuji Regency and Way Pidada River, Tulang Bawang Regency, Lampung Province for Palm Oil Industry Business, based on the Decree of the Minister of Public Works and Public Housing number SK/ 1737/KPTS/M/2022 on December 6, 2022 with a term of 5 years.

According of water usage records, it was known that water usage in PT SIP is less than permitted volume. SMRM is able to shows water usage for oil palm processing in 2022, presented as follows:

**SMRM**

| No.          | Month     | Processed FFB (Ton) |                                   |
|--------------|-----------|---------------------|-----------------------------------|
|              |           |                     | Processed Water (m <sup>3</sup> ) |
| 1            | January   | 16,138.68           | 7,912.10                          |
| 2            | February  | 14,746.69           | 4,543.30                          |
| 3            | March     | 12,446.56           | 6,439.20                          |
| 4            | April     | 13,389.79           | 6,141.60                          |
| 5            | May       | 17,041.75           | 7,029.30                          |
| 6            | June      | 24,192.35           | 7,725.20                          |
| 7            | July      | 26,281.11           | 7,989.50                          |
| 8            | August    | 35,189.26           | 11,080.90                         |
| 9            | September | 39,889.76           | 10,292.70                         |
| 10           | October   | 43,828.27           | 10,541.90                         |
| 11           | November  | 38,341.59           | 10,721.50                         |
| 12           | December  | 31,689.44           | 10,784.50                         |
| <b>TOTAL</b> |           | <b>313,175.25</b>   | <b>101,201.70</b>                 |

The company shows a budget for the use of treated water for the 2022 period of 222,645 m<sup>3</sup>. Based on the usage data above, it is known that there is no usage data that exceeds the budget provisions set by the company and the provisions in the permit to use surface water owned by the company.

The company has also been able to show proof of payment of the water levy along with the collection tax letter for the water use period in December 2022 – February 2022 as follows:

- Surface Water Tax for December 2022 is payable on 10 January 2023
- Surface Water Tax for January 2022 is paid on 21 February 2023
- Surface Water Tax for February 2022 paid on 21 March 2023

Based on the results of a field visit to the WTP section at SMRM, it is known that the condition of the flow meter at the location is still functioning properly, so that the recording of water use can be carried out routinely and properly monitored by the operator in charge of recording the flow meter data. Based on the results of interviews with operators, it is known that operators understand their job duties and responsibilities well and use PPE that is in accordance with what has been identified and provided by the company according to the type of work they are doing.

Based on the explanation above, the company already has water usage documents for palm oil processing units along with supporting documents in the form of Surface Water Use Permit Documents, recapitulation of water use, and proof of payment of fees for surface water use.

**Status: Comply**

**7.9**

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

**7.9.1**

Certification unit has shown records of fossil fuel for Period January to December of 2022. Based on provided data, it is known that to usage of Shell to replace fuel consumption was 18,552.38 Kg, and usage of fiber as much as 43,536,786 Kg can lead up to reduce fuel consumption. Whereas 1 Kg of shells use is equivalent to 4,105 Kcal, and 1 Kg use of Fiber is equivalent to 2,637 Kcal, and 1 L use of Fossil fuel is equivalent to 9063 Kcal.

Based on these data, after calculating it is known that the total Kcal from the use of fiber and shells can save the use of diesel fuel as much as 265.82 L, with a diesel price per litter of IDR 8,820 so the total cost efficiency of saving diesel is IDR 13,042,772,294. Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and EFB is used to substitute diesel fuel as boiler fuel, while 88% of produced shell are sale to 3<sup>rd</sup> party. The company also utilizes liquid waste which is used to substitute fertilizer for land through Land Application. All of these wastes are utilized and recorded usage data in detail and traceable. However, until this audit stage is carried out, the company has not utilized waste air.

**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 minimise GHG emissions.**

**7.10.1.**

The company has an inventory of GHG emission sources that are listed in the identification document for the source of greenhouse gas emissions produced by estates and mills. Based on the document review, it can be concluded that the company has identified the source of GHG produced by PT Sumber Indah Perkasa. Identification of significant sources of GHG emissions are identified and a mitigation plan has been developed by the company that includes estates and mills. Significant GHG emissions include land use change, processing of POME, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plan includes the proper use of fertilizers and application as recommended, limiting the use of electricity, transportation and maintenance of machines, and periodic air quality tests.

The company has also reported the GHG calculation results to the public with a summary report which can be viewed on the RSPO website. This calculation has carried out routinely every year for January to December period, for example below this, has shown GHG Calculation of PT Sumber Indah Perkasa with the data based on January to December period of 2022.



**Summary Emission:**

| Emission per product | tCO2e/tProduct |
|----------------------|----------------|
| CPO                  | 10.92          |
| PK                   | 10.92          |

| Extraction | %     |
|------------|-------|
| OER        | 17.71 |
| KER        | 4.62  |

| Land use                         | Ha         |
|----------------------------------|------------|
| Planted area on mineral soil     | 15088.49   |
| Planted on peat                  | 2540.91    |
| Total oil palm planted area      | 17629.40   |
| Conservation Area (Forested)     | 0.00       |
| Conservation Area (Non Forested) | 74.78      |
| FFB Production per hectare       | 23.14 t/ha |

**Estate/Plantation field emission and Sinks**

| Description                        | Own              |             | Group       |             | 3 <sup>rd</sup> Party |             | Total            |
|------------------------------------|------------------|-------------|-------------|-------------|-----------------------|-------------|------------------|
|                                    | tCO2e            | tCO2e/tFFB  | tCO2e       | tCO2e/tFFB  | tCO2e                 | tCO2e/tFFB  |                  |
| Land conversion                    | 41174.31         | 0.23        | 0.00        | 0.00        | 0.00                  | 0.00        | 41174.31         |
| CO2 emissions from fertilizer      | 10450.51         | 0.06        | 0.00        | 0.00        | 0.00                  | 0.00        | 10450.51         |
| N2O emissions from peat            | 13368.29         | 0.08        | 0.00        | 0.00        | 0.00                  | 0.00        | 13368.29         |
| N2O from Fertilizer                | 8593.83          | 0.05        | 0.03        | 0.00        | 0.00                  | 0.00        | 8593.83          |
| Fuel consumption                   | 2006.47          | 0.11        | 0.01        | 0.00        | 0.00                  | 0.00        | 2006.47          |
| Peat oxidation                     | 97506.29         | 0.00        | 0.00        | 0.00        | 0.00                  | 0.00        | 0.00             |
| <b>Sinks</b>                       |                  |             |             |             |                       |             |                  |
| Crop sequestration                 | -34465.15        | -0.19       | -0.00       | -0.00       | -0.00                 | -0.00       | -34465.15        |
| Sequestration in Conservation area | 0.00             | 0.00        | 0.00        | 0.00        | 0.00                  | 0.00        | 0.00             |
| <b>Total</b>                       | <b>138634.56</b> | <b>0.78</b> | <b>0.04</b> | <b>0.00</b> | <b>641367.19</b>      | <b>0.00</b> | <b>780001.75</b> |

**Mill Emissions and Credits**

| Description              | tCO2     | tCO2e/t FFB |
|--------------------------|----------|-------------|
| <b>Emissions sources</b> |          |             |
| POME                     | 68169.05 | 0.20        |
| Fuel consumption         | 175.21   | 0.00        |

|                            |          |      |
|----------------------------|----------|------|
| Grid electricity           | 0.00     | 0.00 |
| Credits                    |          |      |
| Export of grid electricity | 0.00     | 0.00 |
| Sales of POM               | 0.00     | 0.00 |
| Sales of EFB               | 0.00     | 0.00 |
| Total                      | 68344.26 | 0.20 |

**Emissions from Palm Kernel Crusher**

| Emission Source         | tCO2e |
|-------------------------|-------|
| PK from own mill        | 0.00  |
| PK from other source    | 0.00  |
| Fuel Consumption        | 0.00  |
| Total Crusher Emissions | 0.00  |

**Palm oil mill effluent (POME) treatment**

|                                 |      |
|---------------------------------|------|
| Diverted to compost             | 0%   |
| Diverted to anaerobic digestion | 100% |

**POME diverted to anaerobic digestion.**

|  |       |
|--|-------|
| Diverted to anaerobic pond                           | 100 % |
| Diverted to methane capture (flaring)                | 0 %   |
| Diverted to methane capture (electricity generation) | 0 %   |

GHG calculation on January to December 2022 period shown net emission of GHG are Increasing compared to 2021 net GHG is 5.91 tCO2e/t product meanwhile for year 2022 period shown net emission GHG is 10.92 tCO2e/t product.

**7.10.2**

Based on document verification and interview with management, there are no new developments in the operational area of PT SIP after 2014.

**7.10.3**

Identification of environmental aspects and impacts is carried out annually for sources of pollution and emissions at the Palm Oil Mill as stated in the identification and evaluation form of environmental aspects F/SRUM/LEMS-EHSD/SADV/001/001. Environmental aspects are identified in each palm oil mill activity, namely: entrance gate, weighbridge, parking lot, grading, loading ramp, sterilizer, thresher, press, but and kernel, clarification, storage tank, CPO dispatch, engine room, boiler, water Treatment Plants, chemical warehouses, temporary storage for hazardous waste, diesel fuel stations, vehicle washing offices, housing, and warehouses for lubricants or fuel oil.

The company has identified significant GHG emissions and pollutants from plantation and mill operations. Identification of sources of GHG emissions, among others:

- Fuel for electricity
- Operational vehicle fuel
- Use of CaCO<sub>3</sub>
- Use of HCl and NaOH
- Use of Al<sub>2</sub>(SO<sub>4</sub>)<sub>3</sub>

- Process at WWTP

Mitigation programs (reduce and minimize) that have been implemented by the company include:

- Substituting diesel fuel with renewable energy (shells and fiber) in the CPO production process
- Maintenance and repair of generators and turbines on a regular basis
- Reducing electricity consumption and the use of air conditioning
- Periodic maintenance and repairs to operational vehicles
- Supervise the use of CaCO<sub>3</sub>
- Monitor the use of chemicals
- Wastewater application

Company has RKL-RPL Implementation Report every semester. For example, report for the period 2022 semester 2 which contains the results of air emissions and ambient tests and has been reported to the relevant agencies. Emission and ambient air testing were carried out and the results of measuring the emission air quality of boilers and generators that met the quality standards stipulated in the Minister of Environment Regulation No. 07 of 2007, and the ambient air quality in factories and plantations has met the quality standards set out in Government Regulation No. 22 of 2021.

The mitigation program is effectively reduce the GHG emission and can be proven by GHG calculation for period 2022 compared to 2021 as mentioned in 7.10.1.

GHG calculation on January to December 2022 period shown net emission of GHG are Increasing compared to 2021 net GHG is 5.91 tCO<sub>2</sub>e/t product meanwhile for year 2022 period shown net emission GHG is 10.92 tCO<sub>2</sub>e/t product.

**Status: Comply**

**7.11**

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

**7.11.1**

At the time the RSPO ASA 1.4 audit was carried out, there were no land clearing and planting activities carried out by the company. In the Long-Term Plan document, it is known that replanting is in 2020 and 2022 for SBYE and was Planned on 2024 for GABA. PT Sumber Indah Perkasa has plantations with planting years 1991 – 2000 and 2018 - 2019 which are divided into 2 estates, namely SMRE and GABA.

Based on observation in estate operational areas and information from village representatives, as well as representatives from Environmental Agency and Agriculture/Plantation Agency of Tulang Bawang and Mesuji Regency, it was known that there is no use fire for land preparation and replanting activities.

**7.11.2.**

The company has an SOP for Emergency Preparedness and Response with the document number SOP/SMART/UMUM/SADV/II/005 ratified by the Head of Upstream on 01 July 2014. Broadly speaking, the SOP contains the definition of an emergency and the emergency response team, the flow of reporting if it occurs emergencies, the duties and responsibilities of the emergency response team, planning and handling actions in the event of an emergency, and recovery as a result of an emergency. As for emergency response situations identified such as fire/explosion, pollution, natural disasters, riots, demonstrations and work accidents.

Unit of certification has established the preventive and control fire cases in the year of 2022 with several activities, such as: socialization of forest fire prevention to employees on check roll; therefore to the surrounding village, installing the signboard for prohibits of burning on the strategic places, basic training to the all of staff, adding firefighting tools, hotspot and fire spot monitoring from towers and patrols, giving permission to several cow breeders to take grass as partners in case of an incident fires, daily monitoring of forest fire by public metrology center (satellite). Based on the results of monitoring in 2022, it was known that there have never been any fire cases. It was also strengthened by interview result from related agencies in Tulang Bawang Regency and Mesuji Regency.

Based on the field observation in GABA, it is known that the Company already has fire equipment storage which from the observation results known that the fire control was in good condition and still function well when were used to have simulation during Audit Asa-1.4 Assessment. Those fire equipment such as nozzle, and water tank which still function well and monitored regularly every week during training activities and simulation for fire fighter team as mentioned in indicator 7.11.3. Based on interview results, with one of firefighter team member, it is known that the worker already aware about first hands handling if there was to be any fire case occur around company's operational area and surroundings.

**7.11.3.**

The company shows evidence of recorded socialization of forest and land fire prevention which is carried out routinely in the plantation area of PT Sumber Indah Perkasa, both to employees and to the surrounding community. Socialization activities to employees are carried out during the morning check roll in each division delivered by the Assistant of each Division. Meanwhile, socialization to the community is carried out by coordinating with stakeholders.

The company also showed evidence of recorded training activities and simulations for members of the Emergency Response Team which were held jointly at SBYE Estate on 27 March 2022 which was attended by PT SIP employees where the employees participating in the training are representatives from the Emergency Response Team and employee representatives from each village around PT SIP's plantations.

During Audit ASA 1.4, it is known that company has demonstrated fire emergency response simulation to team auditor on SMRE and GABA. Based on the simulation, it can conclude that the company already has qualified fire fighter team, and all the tools were used are functioned properly. Based on interview with the firefighter team, it is known that they are routinely once a month monitored all the fire fighter equipment readiness.

**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**

There is no new planting after November 2005 and 01 January 2010. Reporting of zero liability (disclosure) or submission to RSPO has conducted on 29 August 2014.

**7.12.2**

HCV assessment of PT SIP is carried out by Environment Department Staff of PT SMART from 08 June 2010 to 10 November 2011, with report finalisation in December 2011. There is four Assessors which all were RSPO-Approval HCV Assessor, lead by ALS Licensed Assessor No. ALS140217NM). Peer review of report is conducted by Resit Sözer, an independent consultant in December 2010, while public consultation had been carried out in 10 November 2011, attended by 51 stakeholders. Based on report study it was informed that HCV area is presented as follows:

**SMRE**

| Type of HCV  | Identification Results  | Location                   | Hectarage (ha) |
|--------------|---|----------------------------|----------------|
| 1.2          | Protected Fauna: <ul style="list-style-type: none"> <li>• <i>Ictinaetus malayensis</i> (Elang Hitam)</li> <li>• <i>Elanus caeruleus</i> (Elang Tikus)</li> <li>• <i>Ardea sumatrana</i> (Cangak Abu)</li> <li>• <i>Halcyon smyrnensis</i> (Cekakak Dada Putih)</li> <li>• <i>Bubulus ibis</i> (Kuntul Kerbau)</li> <li>• <i>Crocodilus porosus</i> (Buaya Muara)</li> </ul> | Division 6<br>Pidada River | -              |
| <b>Total</b> |   |                            | -              |

**GABA**

| Type of HCV  | Identification Results   | Location                             | Hectarage (ha) |
|--------------|--|--------------------------------------|----------------|
| 1.1          | Riparian zone  | Putuk River                          | 17.42          |
| 4.1          |  | Camp River                           | 10.06          |
| 1.2          | Protected Fauna: <ul style="list-style-type: none"> <li>• <i>Ardeola speciosa</i> (Blekok Sawah)</li> <li>• <i>Bubulus ibis</i> (Kuntul Kerbau)</li> <li>• <i>Ardea purpurea</i> (Cangak Laut)</li> <li>• <i>Ardea sumatrana</i> (Cangak Merah)</li> <li>• <i>Alcedinidae</i> spp.</li> <li>• <i>Felis bengalensis</i> (Macan Akar)</li> </ul> | Division 6<br>Pidada River           | -              |
| 6            | Cemetery of elders: <ul style="list-style-type: none"> <li>• Mbah Mul</li> <li>• Mbah Setajim</li> <li>• Public Cemetery Sidodadi</li> </ul>   | Block D04<br>Block C07<br>Block B 20 | -              |
| <b>Total</b> |  |                                      | <b>27.48</b>   |

With detail based on comparison with areal statement study as listed below :

**GABA HCV area: 27.48 Ha**

- The total planted area is **27.48 Ha**

According to the Tables above, it could be concluded that there are no RTE species (IUCN) within PT SIP operational areas. Furthermore, informative HCV Map of each estate are available in various scales.

**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 not set HFCL for Indonesia.

**7.12.4**

The company already has a 2022 HCV management and monitoring plan which is stated in the 2022 HCV Management Plan document for PT SIP, namely:

- Monitoring and maintenance of HCV attributes
- Install/rehabilitate HCV attributes.
- Socialization of HCV to Employees and Contractors
- Socialization of HCV to the Community
- Routine patrols
- Monitoring of protected species
- Planting erosion-repelling crops
- Monitoring and maintenance of erosion prevention plants

The management plan was developed in consultation with relevant stakeholders and was being held at the same time with the monitoring SIA's activities as mentioned in indicator 3.4.3. The realization of the management plan has been included in the report on the implementation of management and monitoring of high conservation value areas 2020. Based on the results of the document review, the Company has carried out management and monitoring in accordance with the established management plan. All those plans were reviewed every five years and become the foundation for the HCV next management plan.

HCV management plan as listed above was developed from HCV Identification results and consultation with relevant stakeholders such as Environmental agency, Natural Conservative agency, and surroundings village participant in early stage of public consultation for HCV Identification Assessment by Internal Group of Smart, Tbk.

Based on the results of field observations in the Putuk River conservation area at GABA, Block B49, Division 7.2, it is known that the boundaries of the conservation area are well managed, there are HCV Area signboards and prohibitions on hunting and prohibition on spraying/application of chemicals, it is also known from these observations that no planting was found in the buffer area zone. The area is left natural and undisturbed. Based on the results of interviews with management representatives, it is known that the company has been diligent in socializing the existence of the HCV area to workers and the community around PT SIP.

#### 7.12.5

Based on document verification, there is no local community rights which is identified in HCV area.

#### 7.12.6

Unit of certification has established HCV management program which is presented in the annual HCV management plan based on the previous result of HCV management and monitoring. Result of HCV management and monitoring in 2022 is presented in Report of HCV Management and Monitoring PT SIP 2022 document. HCV management and monitoring plan 2022 is established in each estate and KKPA. Among the programs are monthly monitoring in riparian area of Tapa River, quarter monitoring of primary and secondary fauna, annual HCV socialization to employees and surrounding communities, weekly monitoring patrol, monitoring and maintenance of HCV attributes in several locations.

Several implementations of HCV managements is presented as follows:

- Signboard of protected fauna and UU No. 05/1990 installation and/or maintenance in SMRE, and GABA totalling for about 10, 11 and 18 pcs, respectively.
- Fauna monitoring results in 2022 in all PT SIP.
- Update List of fauna revision status from Government Regulation (PP) No. 7 in 1999 to Minister of Forestry and Environment Regulation (*Permen LHK*) No. 106 in 2018.
- Monitoring of soil erosion, degradation, sedimentation rate and debit rate, as well as its evaluation is available and presented in HCV management and monitoring report 2022.

Company has RTE protection policies and rules and HCV management which are available in:

- Memorandum of Senior Managing Director Operation dated 6 January 2009 Regarding Watershed Protection.
- SOP for Management and Monitoring of HCV number SOP/SMART/BCOS-EHSD/SADV/II/002 dated 1 July 2014.
- SOP for water resources management and monitoring SOP/SMART/BCOS-EHSD/SADV/II/2014 dated 1 July 2014.
- Internal Office Memo from MD Services & Project No. 1231/M-Int/MDSP-VIC/XI/11 dated 25 November 2011 regarding Zero Tolerance Policy towards Endangered Animals.
- Circular from SMD Operations No. 002/SE-SMD OPS/IX/2010 dated 20 September 2010 regarding protected animals.

The company monitors the management of the HCV area and the presence of wild animals every three months. The monitoring includes the condition of the boundary markers and the condition of river borders, the presence of wild animals in the company, hunting/destroying conservation areas around the plantations and monitoring areas with high erosion potential and rehabilitation by planting woody plants. The last monitoring took place in December 2022.

Unit of certification has policy of HCV (included RTE species) which presented in document No. SOP/NP/Smart/IV/LH001 and Policy of RTE Wildlife, issued by President Director of PT SMART, Tbk on 25 June 2012. In order to deliver HCV knowledge to all employees and surrounding communities, management unit has conducting signboard installation and socialization. For example, several socializations which has been carried out during 2021/2022 are presented as follow:

- HCV socialization in SMRE has been conducted on 25 February 2022 which were attended by 25 participants from SMRE employees.
- HCV socialization in GABA has been conducted on 25 March 2022 which were attended by employees of 38 participants.
- HCV Socialization in GABA has been conducted on 15 – 17 March 2022 which were attended by 18 participants.

Based on field observation, HCV management has been implemented in form of HCV signboard in each location and no spray signboard in riparian instalment. Based on interview with employees and surrounding communities, it was known that they had known that there is RTE species and HCV area in the company operational area.



To provide protection for these RTE species, the management unit has created a board prohibiting hunting, patrolling, rehabilitating riparian as habitat and reporting to the relevant agency (Natural Resources Conservation Agency). In addition, the company also conducts routine inspections for the protection of HCV/RTE species, the last inspection was carried out in December 2022. The results of the Patrol show that there is no poaching, destruction of ecosystems and no wild animal traps in the HCV area. Based on interview with workers in SMRE, and GABA, they have been aware of RTE species in the operational areas of PT SIP which are not allowed to be hunted or kept at their house.

**7.12.7**

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

The company has carried out socialization on the existence of endangered plants and animals as well as the management and protection of HCVs to employees and the surrounding community, which is indicated in the minutes of socialization, for example as follows:

- HCV socialization in SMRE has been conducted on 25 February 2022 which were attended by 25 participants from SMRE employees.
- HCV socialization in GABA has been conducted on 25 March 2022 which were attended by employees of 38 participants.
- HCV Socialization in GABA has been conducted on 15 – 17 March 2022 which were attended by 18 participants.

In addition, indirect socialization is in the form of warnings/prohibitions or references to regulations for the protection of endangered animals and plants aimed at employees and the community around the company.

The socialization contains material on:

- General understanding of HCV and description of the six (6) HCV elements.
- Prohibition of hunting wild animals, especially species protected by law (Permen LHK No. P 106 of 2018), IUCN and CITES as well as legal sanctions received under Law no 5 of 1990
- List of protected flora and fauna
- The importance of preserving ecosystems and the environment for employees
- Prohibition of burning land in the company's environment, fire hazard, and the importance of fire control.

Based on the results of interviews with representatives of the village community, namely Sidoharjo and Sumber Jaya Village and several workers, information was obtained that the informant could explain the management of protected areas and HCVs.

**7.12.8**

There is no new planting after November 2005 and 01 January 2010. Reporting of zero liability (disclosure) or submission to RSPO has conducted on 29 August 2014.

|                       |  |
|-----------------------|--|
| <b>Status: Comply</b> |  |
|-----------------------|--|

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

|                |  |               |
|----------------|--|---------------|
| <b>1.</b>      | <b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>                  | <b>X or √</b> |
| <b>ASA-1.4</b> | The company does not use RSPO trademark.   | √             |
|                | <b>Status: Comply</b>  |               |
| <b>2.</b>      | <b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b> | <b>X or √</b> |
| <b>ASA-1.4</b> | The company does not use RSPO trademark.   | √             |
|                | <b>Status: Comply</b>  |               |
| <b>3.</b>      | <b>Implementation of Certificate and Trademark is not used on product</b>  | <b>X or √</b> |
| <b>ASA-1.4</b> | The company does not use RSPO trademark.   | √             |
|                | <b>Status: Comply</b>  |               |
| <b>4.</b>      | <b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>  | <b>X or √</b> |
| <b>ASA-1.4</b> | The company does not use RSPO trademark.   | √             |
|                | <b>Status: Comply</b>  |               |

**3.3 Summary of RSPO Partial Certification.**

Compliance of the uncertified management units of Golden Agri-Resources, Ltd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 5.5.3. A summary of findings is as stated below.

Golden Agri-Resources, Ltd Time Bound Plan (TBP) is explained in table 1.5. Golden Agri-Resources run forty nine (49) mills and one hundred and eighty (180) estates (own and smallholders) in Indonesia and has achieved RSPO certified for thirty one (31) mills and supply base in Indonesia. Golden Agri-Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri-Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri-Resources, Ltd on 27 January 2023 made by Head of Operations Sustainability.

MUTU has verified partial certification for uncertified unit's subsidiary of Golden Agri-Resources, Ltd based on their Time Bound Plan. There are eighteen (18) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

| 2.1 Un-Certified Units or Holdings |   |  |
|------------------------------------|---|--|
| Section                            | Requirement   | Concerns to Discuss, if any  |
| 2.1.1                              | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p><i>Company Group/Holding Statement:</i><br/>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggal – Sawita Mill : Pre Audit 2015, Compliance Audit 24 - 31 May 2021</li> <li>2. PT Smart Tbk – Bukit Kapur Mill: Pre Audit 2015, Compliance Audit 15 November 2021</li> <li>3. PT Sinar Kencana Inti Perkasa – Kasuari Mill: Pre Audit 2015, Compliance Audit 11 October 2021</li> <li>4. PT Agrolestari Mandiri – Pekawai Mill: Pre Audit 2015, Compliance Audit 01 March 2021</li> <li>5. PT Binasawit Abadi Pratama – Perdana Mill: 14 June 2021</li> <li>6. PT Agrokarya Prima Lestari – Kuayan Mill: Pre Audit 2014, Compliance Audit 13 September 2021</li> <li>7. PT Mitrakarya Agroindo – Tangar Mill: Pre Audit 2015, Compliance Audit 27 September 2021</li> <li>8. PT Paramita Internusa Pratama – Belian Mill: Pre Audit 2015, Compliance Audit 28 June 2021</li> </ol> |

| 2.1 Un-Certified Units or Holdings |             |  |
|------------------------------------|-------------|--|
| Section                            | Requirement | Concerns to Discuss, if any  |
|                                    |             | <p>9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 01 November 2021</p> <p>10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 15 February 2021</p> <p>11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 20 September 2021</p> <p>12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 25 October 2021.</p> <p>13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 6 December 2021</p> <p>14. PT Bangun Nusa Mandiri – Kenari Mill: Compliance Audit 4 October 2021.</p> <p>15. PT Agrolestari Sentosa – Jalemo Mill: Compliance Audit 11 October 2021</p> <p>16. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 8 November 2021.</p> <p><b>Auditor Verification:</b><br/>Internal Audit report available for uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base) compliance audit on 24 - 31 May 2021.</li> <li>2. PT SMART (Bukit Kapur Mill and supply base) compliance audit on 15 November 2021.</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) compliance audit on 11 October 2021.</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base) compliance audit on 01 March 2021.</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base) compliance audit on 14 June 2021.</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) compliance audit on 13 September 2021.</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base) compliance audit on 27 September 2021.</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base) compliance audit on 28 June 2021.</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) compliance audit on 01 November 2021.</li> <li>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) compliance audit on 15 February 2021.</li> <li>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 20 September 2021.</li> <li>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 25 October 2021.</li> <li>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 6 December 2021.</li> <li>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) compliance audit on 4 October 2021.</li> <li>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 11 October 2021.</li> </ol> |

| 2.1 Un-Certified Units or Holdings |             |   |
|------------------------------------|-------------|---|
| Section                            | Requirement | Concerns to Discuss, if any   |
|                                    |             | <p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</p> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari) that has been certified with an internal audit plan on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggal Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit plan on 7 November 2022.</li> </ol> <p><i>Notes:</i><br/> <i>Verification of the realization of the internal audit carried out on the newly acquired units will be carried out at the nearest RSPO surveillance audit activity with the internal audit schedule that has been set.</i></p> <p>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |  |
|---|--------------------|--|
| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>   |
|   |                    | <ol style="list-style-type: none"> <li>1. PT. Agrolestari Mandiri – Pekawai Mill: Compliance Audit 07 February 2022</li> <li>2. PT. Kresna Duta Agrindo – Gunung Kombeng Mill: Compliance Audit 21 February 2022</li> <li>3. PT. Harapan Rimba Raya – Sungai Kedang Mill: Compliance Audit 17 May 2022</li> <li>4. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</li> <li>5. PT. Kresna Duta Agrindo – Rantau Panjang Mill: Compliance Audit 06 June 2022</li> <li>6. PT. Sawitakarya Manunggal – Sawita Mill: Compliance Audit 13 June 2022</li> <li>7. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</li> <li>8. PT. Paramitra Internusa Pratama – Belian Mill: Compliance Audit 26 June 2022</li> <li>9. PT. Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 03 October 2022</li> <li>10. PT. Sawit Mas Sejahtera – Sungai Kikim Mill: Compliance Audit 03 October 2022</li> <li>11. PT. Sinar Kencana Inti Perkasa – Kasuari Mill: Compliance Audit 03 October 2022</li> <li>12. PT. Sinar Kencana Inti Perkasa – Demta Bulking: Compliance Audit 06 October 2022</li> <li>13. PT. Aditunggal Mahajaya - Sako Mill: Compliance Audit 14 November 2022</li> <li>14. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</li> <li>15. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</li> <li>16. PT. Agrokarya Prima Lestari – Kuayan Mill: Compliance Audit 05 December 2022</li> <li>17. PT. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 12 December 2022</li> <li>18. PT. SMART - Bukit Kapur Mill: Compliance Audit 12 December 2022</li> </ol> <p><b>1.0</b><br/><i>Auditor Verification:</i></p> <p><b>2.0 Internal Audit report available for uncertified management unit:</b></p> <ol style="list-style-type: none"> <li>1. PT. SMART - Bukit Kapur Mill: Compliance Audit 12 December 2022</li> <li>2. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</li> <li>3. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</li> <li>4. PT. Aditunggal Mahajaya - Sako Mill: Compliance Audit 14 November 2022</li> <li>5. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</li> </ol> |



| 2.1 Un-Certified Units or Holdings |  |   |
|------------------------------------|--|---|
| Section                            | Requirement  | Concerns to Discuss, if any   |
|                                    |  | <p>6. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</p> <p>7. PT. Bangun Nusa Persada – Kenari Mill: Compliance Audit 19 September 2022</p> <p>In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma plantations/KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).</p> <p>Internal audit activities have been carried out, as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggal Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit on 7 November 2022.</li> </ol> |
| 2.1.2                              | No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12 | <p><i>Company Group/Holding Statement:</i></p> <p>Several companies under GAR were planted above November 2005, while the HCV assessment process was conducted in the period 2010 – 2013.</p> <p>GAR and its subsidiaries carried out a Remediation and Compensation (RaCP) procedure beginning with Disclosure and Zero Liability reporting to the RSPO via email on 29 August 2014.</p>   |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |   |
|---|--------------------|---|
| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>  |
|   |                    | <p>From 25 companies, 7 of them are certified units, the remaining 18 companies are uncertified units. The following is an update on the RaCP progress as of 11 January 2022 for uncertified units:</p> <p>a) 4 companies have received Concept Note approval from RSPO dated 27 July 2020, namely:</p> <ol style="list-style-type: none"> <li>1. PT Kencana Graha Permai (Delima Estate) – Kalimantan Barat</li> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>3. PT Sumber Indah Perkasa – Papua</li> <li>4. PT Kresna Duta Agroindo – Kalimantan Timur</li> </ol> <p>The company submitted a new Concept Note in collaboration with a third party (PT Lestari Capital). Concept Note Batch 1 includes companies:</p> <ol style="list-style-type: none"> <li>1. PT Kencana Graha Permai (Delima Estate) – Kalimantan Barat</li> <li>2. PT Sumber Indah Perkasa – Papua</li> <li>3. PT Kresna Duta Agroindo – Kalimantan Timur</li> </ol> <p>The latest progress on the revised Concept Note was submitted on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel.</p> <p>The company also made the Concept Note Project Batu Menangis for PT Agrolestari Sentosa – Kalimantan Tengah, was submitted on 16 December 2021 to RSPO Compensation Panel.</p> <p>b) The LUCA (Land Use Change Analysis) report which is still in the RSPO review process:</p> <ol style="list-style-type: none"> <li>1. PT Kartika Prima Cipta – Kalimantan Barat</li> <li>2. PT Agrolestari Mandiri – Kalimantan Barat</li> </ol> <p>c) The LUCA (Land Use Change Analysis) report is in the process of being revised and will be sent to the RSPO:</p> <ol style="list-style-type: none"> <li>1. PT Cahaya Nusa Gemilang – Kalimantan Barat</li> <li>2. PT Paramitra Internusa Pratama – Kalimantan Barat</li> <li>3. PT Bangun Nusa Mandiri – Kalimantan Barat</li> <li>4. PT Persada Graha Mandiri – Kalimantan Barat</li> <li>5. PT Satya Kisma Usaha (Medan Sari Estate) – Kalimantan Tengah</li> <li>6. PT Binasawit Abadi Pratama – Kalimantan Tengah</li> <li>7. PT Aditunggal Mahajaya – Kalimantan Tengah</li> <li>8. PT Mitrakarya Agroindo – Kalimantan Tengah</li> <li>9. PT Agrokarya Primalestari – Kalimantan Tengah</li> <li>10. PT Buana Adhitama – Kalimantan Tengah</li> <li>11. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan</li> <li>12. PT Sawita Karya Manunggul – Kalimantan Selatan</li> </ol> |

| 2.1 Un-Certified Units or Holdings |             |  |
|------------------------------------|-------------|--|
| Section                            | Requirement | Concerns to Discuss, if any  |
|                                    |             | <p>d) The LUCA (Land Use Change Analysis) report has been approved is PT Satya Kisma Usaha (Batang Gading Estate) – Jambi.</p> <p>The LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN, is PT Sawit Mas Sejahtera – Sumatera Selatan (2 reports).</p> <p>HCV assessments for 17 reports was conducted in the period of 2010 to 2018 by external (consultant) and internal parties. The HCV assessment is carried out by a team assessor with a Team Leader who has been approved by the RSPO. The reference for the HCV assessment using the HCV Toolkit 2008. The peer review is carried out by an independent consultant who has also been approved by the RSPO.</p> <p>Assessment of PT Sawit Mas Sejahtera – Sumatera Selatan has used Integrated HCV-HCS with the consultants who have been licensed in HCVN and HCSA</p> <p>The company continues to follow up on the RaCP process, so that the RSPO timebound for uncertified units can be realized immediately.</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated 04 August 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation regarding the fulfillment of RaCP obligations for the newly acquired company. The timeline that has been prepared for the fulfillment of this RaCP is:</p> <ul style="list-style-type: none"> <li>• Submission of Disclosure and LUCA on semester 1 of 2022</li> <li>• Submission of Concept Notes on Semester 2 of 2022</li> <li>• Approval RaCP Proposal on Semester 1 of 2023</li> </ul> <p>For the RaCP process, smallholders scheme will be adjusted to the 2023 timebound along with the new acquisition company.</p> <p><b>Auditor Verification:</b><br/>Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing</p> |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |  |
|---|--------------------|--|
| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>   |
|   |                    | <p>after Nov 2005 has follow RaCP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Kencana Graha Permai - Kalimantan Barat (Delima Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah (Jalemo Estate, Manuhing Estate, Kajui Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted the Concept Note Project Batu Menangis on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>3. PT Sumber Indah Perkasa – Papua (Mambruk Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>4. PT Kresna Duta Agroindo – Kalimantan Timur (Gunung Kombeng Mill, Rantau Panjang Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel</li> <li>5. PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process.</li> <li>6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process.</li> <li>7. PT Cahaya Nusa Gemilang – Kalimantan Barat (Kenanga Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>8. PT Paramitra Internusa Pratama – Kalimantan Barat (Belian Mill, Belian Estate and Tengkawang Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>9. PT Bangun Nusa Mandiri – Kalimantan Barat (Kenari Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>10. PT Persada Graha Mandiri – Kalimantan Barat (Kapuas Hulu Estate and Sungai Beran Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>11. PT Satya Kisma Usaha – Kalimantan Tengah (Medan Sari Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>12. PT Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> </ol> |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |   |
|---|--------------------|---|
| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>  |
|   |                    | <p>13. PT Aditunggal Mahajaya – Kalimantan Tengah (Sungai Ayawan Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>14. PT Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>15. PT Agrokarya Primalestari – Kalimantan Tengah (Kuayan Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>16. PT Buana Adhitama – Kalimantan Tengah (Sa[iri Estate and Bukit Dua Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>17. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan (Sungai Magalau Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>18. PT Sawita Karya Manunggul – Kalimantan Selatan (Sawita Mill and supply bases_, LUCA report is in the process of being revised and will be sent to the RSPO</p> <p>19. PT Satya Kisma Usaha – Jambi (Batang Gading Estate), the LUCA report has been approved in 12 November 2021.</p> <p>20. PT Sawit Mas Sejahtera – Sumatera Selatan, the LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN.</p> <p>21. The companies were acquired by GAR on 2021 are PT Kruing Lestari Jaya (Sungai Perak Mill and supply bases), PT Harapan Rimba Raya (Sungai Kedang Mill and supply bases), PT Rimbaraya Tamajaya (Sungai Pahu Estate), PT Agrolestari Subur Sejahtera (Bukit Permai Estate), PT Agrolestari Hijau Sentosa (Bukit Lestari Estate), PT Kharisma Riau Sentosa Prima (Kharisma Estate), PT Mitranusa Permata (Sungai Manunggul Estate). The company is still collecting information and documentation regarding the fulfillment of RaCP obligations.</p> <p>22. PT. Agrolestari Sentosa – Kalimanan Tengah (Jalemo Mill and supply bases). The concept note was submitted on 22 September 2022 and is currently being reviewed by the RSPO</p> <p>23. PT. Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and Supply Bases). LUCA was submitted to the RSPO on 18 April 2018, feedback from RSPO on October 14 2021 and is currently still in the process of land cover verification by the company.</p> <p>24. PT. Aditunggal Mahajaya – Kalimantan Tengah (Sako Mill and supply bases). LUCA report PT. Agrokarya Prima Lestari and PT. Aditunggal Mahajaya is still in the review process and is currently preparing its clarification for resubmission (2nd resubmission). As for the status of the LUCA report of PT. Mitrakarya Agroindo with Pass status on 10 June 2022.</p> |

| 2.1 Un-Certified Units or Holdings |   |  |
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| Section                            | Requirement   | Concerns to Discuss, if any  |
|                                    |   | <p>25. PT. Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill dan supply bases), stages in the RaCP process have not been fully completed</p> <p>26. PT. Kruing Lestari Jaya – Kalimantan Timur (Sungai Perak Mill dan supply bases), RaCP disclosure has not been made to the RSPO.</p> <p>27. PT Sumber Indah Perkasa – Lampung (Sungai Buaya Estate, Sungai Merah Estate), HGU has been issued and HCV study has been carried out but is still in the process of HCVRN review.</p>  |
| 2.1.3                              | Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure. | <p><b>Company Group/Holding Statement:</b><br/>GAR and its subsidiaries planted after January 2010. There are companies that had conducted the RSPO New Planting Procedure (NPP) and have gone through a 30-day public consultation process in April 2014. These companies include:</p> <ol style="list-style-type: none"> <li>1. PT Satya Kisma Usaha – Jambi</li> <li>2. PT Kresna Duta Agroindo – Kalimantan Timur</li> <li>3. PT Mitra Karya Agroindo – Kalimantan Tengah</li> <li>4. PT Binasawit Abadipratama – Kalimantan Tengah</li> <li>5. PT Aditunggal Mahajaya – Kalimantan Tengah</li> <li>6. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>7. PT Agrokarya Primalestari – Kalimantan Tengah</li> <li>8. PT Buana Adhitama – Kalimantan Tengah</li> <li>9. PT Agrolestari Mandiri – Kalimantan Barat</li> <li>10. PT Paramitra Internusa Persada – Kalimantan Barat</li> <li>11. PT Persada Graha Mandiri – Kalimantan Barat</li> <li>12. PT Bangun Nusa Mandiri – Kalimantan Barat</li> <li>13. PT Kartika Prima Cipta – Kalimantan Barat</li> <li>14. PT Kencana Graha Permai – Kalimantan Barat</li> <li>15. PT Cahaya Nusagemilang – Kalimantan Barat</li> </ol> <p><b>Auditor Verification:</b><br/>Based on auditor verification, not all uncertified unit conduct new clearing after January 2010 but for all uncertified unit with land clearing after January 2010 has follow NPP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base): there is no new land clearing after January 2010</li> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base): NPP on 26 April 2014</li> <li>3. PT Binasawit Abadi Pratama (Perdana Mill and supply base): NPP on 8 July 2014</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): NPP on 26 April 2014 and PT Buana Adhitama (supply base) conduct NPP on 4 June 2014.</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base): NPP on 26 April 2014</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base): NPP on 3 June 2014, PT Kartika Prima Cipta (supply base) conduct NPP on 8 July 2014 and PT Persada Graha Mandiri (Supply base) conduct NPP on 6 June 2014.</li> </ol> |



| 2.1 Un-Certified Units or Holdings |  |   |
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| Section                            | Requirement  | Concerns to Discuss, if any   |
|                                    |  | <p>7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base): there is new planting after January 2010 in Sungai Kikim Estate and Sungai Saling Estate, the company not conduct NPP. This is become subject of sanction. For PT Buana Sawit Mas (supply base) conduct NPP on 8 July 2014.</p> <p>8. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base): there is no new land clearing after January 2010.</p> <p>9. PT Agro Lestari Sentosa (Jalemo Mill and supply base): NPP on 26 April 2014</p> <p>10. PT Adi Tunggul Mahajaya (Sako Mill) (under construction): NPP on 25 April 2014, PT Agrokarya Prima Lestari (supply base) conduct NPP on 26 April 2014 and PT Mitra Karya Agroindo (supply base) conduct NPP on 26 April 2014.</p> <p>11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010.</p> <p>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014.</p> <p>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014.</p> <p>14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. This is become subject of sanction.</p>                                       |
| 2.1.4                              | Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8 | <p><i>Company Group/Holding Statement:</i><br/>No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV//002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV//001 revision 2 dates April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p> <p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV//001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a “Grower” category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>1. Complaint dated July 11, 2021 to PT SMART Tbk (West Kalimantan Region) regarding the alleged purchase/supply of fresh fruit bunches (FFB) and crude palm oil (CPO) from PT</li> </ol> |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |  |
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| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>   |
|   |                    | <p>Kapuasindo Palm Industri (PT KPI), a subsidiary of the Kencana Group (not members of the RSPO), who have committed a series of violations against workers and indigenous peoples in the district. Last Status RSPO Complaints Panel has issued a decision letter regarding the complaint on 17 January 2022 in which it was decided to terminate the entire complaint. The decision letter has been submitted to both parties, and time is given if anyone wishes to appeal until April 11, 2022. (RSPO Complaint Panel Decision is attached).</p> <p>2. Complaint on 2 March 2020 to GAR (Central Kalimantan Region) from Forest Peoples Program &amp; Elk Hills Research regarding alleged land legality and bribery cases. On the part of GAR itself, GIS-2 analysis for land clearance alerts after November 2014 from discussions with RSPO GIS manager on 21 May 2021 has agreed on the sampling method. GAR's clarification report was sent on September 8, 2021. As for the legal review on anti-bribery policies &amp; practices, the company rejected the ToR for Legal Review on March 26, 2021. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 15, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapuas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO, and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15 December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling</p> |

| 2.1 Un-Certified Units or Holdings |             |  |
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| Section                            | Requirement | Concerns to Discuss, if any  |
|                                    |             | <p>Complaints and Dissatisfaction, Human Rights Policy and SOP for Handling Social Conflicts both internally and externally, in general the FPIC process has been carried out according to procedures, so that there are no land or social conflicts.</p> <p><i>Auditor Verification:</i><br/>Auditor has verified the supporting evidence of above the company statement. There is no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base)</li> <li>2. PT SMART (Bukit Kapur Mill and supply base)</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base).</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</li> <li>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base).</li> <li>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base)</li> <li>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base)</li> <li>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> <li>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base)</li> <li>17. PT Kruing Lestari Jaya (Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA)</li> <li>18. PT Harapan Rimba Raya (Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA).</li> <li>19. PT Rimbaraya Tamajaya (Sungai Pahu Estate and Sungai Pahu KKPA), which will be supply base for Sungai Kedang Mill.</li> <li>20. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill that has been certified</li> <li>21. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill that has been certified</li> <li>22. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill that has been certified</li> </ol> |

| 2.1 Un-Certified Units or Holdings |  |   |
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| Section                            | Requirement  | Concerns to Discuss, if any   |
|                                    |  | <p>23. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <p>Based on the auditor's search through news from the internet, no information on land conflicts was found in the above uncertified management unit. However, on the RSPO website (Complaint Panel) there is information about complaints from various stakeholders against GAR and this has been explained by the company regarding the progress of the settlement as described above.</p> <p><i>Auditor Verification:</i><br/>Auditor has verified the supporting evidence of above the company statement.<br/>Based on information from electronic media on March 1, 2022, there was information that PT. Agro Lestari Sentosa for not building plasma plantations for the community. Based on confirmation with representatives of PT. Agro Lestari, it is known that the plasma area is still in the NPP process and the target is to complete the NPP by the end of the 2023 quarter.</p> <p>In addition, based on electronic media on December 13, 2022, there is information on problems between Koperasi Perkebunan Bataduh Raya and PT. Bangun Nusa Mandiri. Based on confirmation with representatives of PT. Bangun Nusa Mandiri is known that there have been 15 agreements between cooperatives and companies, including PT. BNM is committed to building a plasma of 557.47 Ha and developing an area of 180 Ha for partnerships. Regarding overlapping land, the solution is <i>Vaicias Data</i>, namely the handover of land in PT. BNM with the Head of the Village and Koperasi Perkebunan Bataduh Raya</p> |
| 2.1.5                              | Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2 | <p><i>Company Group/Holding Statement:</i><br/>The company has a procedure for handling employee complaints before becoming into conflicts. The procedure is SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016.</p> <p>Procedures related to employee complaints are regulated in the internal flow of form because employees are included in the category of internal stakeholders. The media of complaint used is an official letter submitted through the worker union or put in the suggestion box provided in strategic locations.</p> <p>During 2021, there were no new complaints regarding employment through the RSPO website, as for the progress of previous complaints, they have closed status.</p> <p><i>Auditor Verification:</i><br/>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>   |

| 2.1 Un-Certified Units or Holdings |  |   |
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| Section                            | Requirement  | Concerns to Discuss, if any   |
|                                    |  | <p>There is no list of employee and stakeholder complaint and grievance.</p> <p><i>Auditor Verification:</i><br/>           There is information from electronic media on November 24, 2021, it is known that there was mediation by the Head of the Central Seruyan Sector Police regarding the termination of employment of one of the employees of PT. Adi Tunggal Mahajaya. As for the demands submitted, namely the issue of compensation for work termination that was not provided by the company and the 2014 CSR agreement, namely related to clean water, local workers, agriculture, fish ponds, health, transportation cooperation agreements and receipt of FFB from the community, as well as CPO transport SPK from the community.<br/>           Based on confirmation with PT. Adi Tunggal Mahajaya, it is known that the employee has the status of a contract employee/PKWT for 1 year and is not renewed because he does not meet the competency requirements. In addition, based on labor regulations after the UUCK was issued, companies are no longer obliged to provide compensation to workers whose contracts have been terminated. The realization of CSR is carried out in stages and this demand is the program of the previous Village Head.</p> <p>In addition, there was an issue in the electronic news on September 30 2022 that there was an employee who had died who had been abandoned by PT. Kruing Lestari Jaya and their rights are not fulfilled. However, there is information from the management of the Ikentim organization that there was no abandonment of the corpse. This is in accordance with confirmation from the management representative of PT. Kruing Lestari Jaya that the company has facilitated the corpse to be delivered and buried in Resak according to the wishes of the family</p> |
| 2.1.6                              | Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 | <p><i>Company Group/Holding Statement:</i><br/>           Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/1/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> <li>1. PT Djuandasawit Lestari (Muara Kandis Estate &amp; Muara Tawas Estate)</li> <li>2. PT Sawit Mas Sejahtera (Sawit Mas Estate)</li> <li>3. PT Bumi Sawit Permai (Bumi Sawit Estate)</li> <li>4. PT Forestralestari Dwikarya (Tanjung Rusa Estate)</li> <li>5. PT Sumber Indah Perkasa (Sungai Buaya Estate, Sungai Merah Estate)</li> </ol>   |

| 2.1 Un-Certified Units or Holdings |             |  |
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| Section                            | Requirement | Concerns to Discuss, if any  |
|                                    |             | <p>6. PT Ivo Mas Tunggal (Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate, Nenggala Estate)</p> <p>7. PT Buana Wiralestari Mas (Kijang Estate, Nagamas Estate, Nagasakti Estate)</p> <p>8. PT Ramajaya Pramukti (Ramarama Estate)</p> <p>9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate)</p> <p>10. PT Agrokarya Prima Lestari (Muara Tawang Estate, Kuayan Estate, Bukit Sentuhai Estate, Tajur Beras Estate, Seranau Estate)</p> <p>11. PT Buana Adhitama (Sapiri Estate)</p> <p>12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate)</p> <p>13. PT Mitra Karya Agroindo (Sungai Nusa Estate)</p> <p>14. PT Aditunggal Mahajaya (Sungai Ayawan Estate)</p> <p>15. PT Satya Kisma Usaha (Medang Sari Estate)</p> <p>16. PT Buana Adhitama (Bukit Dua Estate)</p> <p>17. PT Agrolestari Sentosa (Jalemo Estate)</p> <p>18. PT Binasawit Abadipratama (Perdana Mill)</p> <p>19. PT Agrokarya Prima Lestari (Kuayan Mill)</p> <p>20. PT Mitrakarya Agroindo (Tangar Mill)</p> <p>21. PT Agrolestari Sentosa (Jalemo Mill)</p> <p>22. PT Adi Tunggal Mahajaya (Sako Mill)</p> <p>23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)</p> <p>24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma)</p> <p>Beside that, there are some unit still on process the land certificate (SHM) consist of:</p> <p>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</p> <p>2. PT Ramajaya Pramukti (Ramarama Plasma)</p> <p>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</p> <p>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</p> <p>5. PT Djundasawit Lestari (Pandawa Plasma)</p> <p>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</p> <p>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</p> <p>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</p> <p>9. PT Sawitakarya Manunggul (Sawita Plasma)</p> <p>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</p> <p>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</p> <p>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</p> <p>13. PT Paramitra Internusa Pratama (Belian Plasma)</p> <p>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</p> <p>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</p> <p>16. PT Mitrakarya Agroindo (Sulin Plasma)</p> <p>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</p> <p>18. PT Adi Tunggal Mahajaya (Sako Plasma)</p> |



| 2.1 Un-Certified Units or Holdings |             |   |
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| Section                            | Requirement | Concerns to Discuss, if any   |
|                                    |             | <p>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</p> <p>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</li> </ol> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated August 4, 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation related to compliance with legal documents such as HGU, Environmental Documents and SHM (for plasma).</p> <p><b>Auditor Verification:</b><br/> Legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. Supply base for Kasuari Mill are PT Sinar Kencana Inti Perkasa and PT Sumber Indah Perkasa. The legal non compliance which still on process is EIA revision in PT Sumber Indah Perkasa and Hazardous waste permit in PT Sinar Kencana Inti Perkasa.</li> <li>- PT Binawit Abadi Pratama (Perdana Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. Supply base for Kuayan Mill are PT Agrokarya Prima Lestari and PT Buana Adhitama.</li> </ul> |

| 2.1 Un-Certified Units or Holdings |             |   |
|------------------------------------|-------------|---|
| Section                            | Requirement | Concerns to Discuss, if any   |
|                                    |             | <ul style="list-style-type: none"> <li>- PT Mitrakarya Agroindo (Tangar Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim Mill and supply base), there is a legal non-compliance. Supply base for Sungai Kikim Mill are PT Sawit Mas Sejahtera and PT Bumi Sawit Permai. The legal non compliance which still on process is EIA revision.</li> <li>- PT Agrolestari Sentosa (Jalemo Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill and supply base), there is a legal non-compliance. Supply base for Sako Mill are PT Adi Tunggal Mahajaya, PT Mitra Karya Agroindo and PT Agrokarya Prima Lestari. The legal non compliance which still on process is Land Use Title (HGU).</li> <li>- PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is communities plantation.</li> <li>- PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha)</li> <li>- PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha)</li> <li>- PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha)</li> <li>- PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha)</li> <li>- PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha)</li> <li>- PT Ivomas Tunggal: there is an area still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</li> <li>- PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</li> <li>- PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha)</li> <li>- PT Bumipalma LestariPersada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha)</li> <li>- PT Krusing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process</li> </ul> |

| 2.1 Un-Certified Units or Holdings |             |   |
|------------------------------------|-------------|---|
| Section                            | Requirement | Concerns to Discuss, if any   |
|                                    |             | <p>In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma plantations/KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).</p> <p>Internal audit activities have been carried out, as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit on 7 November 2022.</li> </ol> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.</li> </ol> |

| 2.1 Un-Certified Units or Holdings |             |  |
|------------------------------------|-------------|--|
| Section                            | Requirement | Concerns to Discuss, if any  |
|                                    |             | <p>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).</p> <p>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</p> <p>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</p> <p>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <p>The acquisition company already has legality in the form of HGU, but other legalities such as environmental documents and other permits are being collected and will be completed when an internal audit of the acquisition units is carried out.</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</li> </ol> <p>PT. Agrolestari Sentosa (Jalemo Mill and supply bases), still on process to revise EIA document.</p> <p>There are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> </ol> |

| <b>2.1 Un-Certified Units or Holdings</b> |                    |   |
|---|--------------------|---|
| <b>Section</b>                            | <b>Requirement</b> | <b>Concerns to Discuss, if any</b>  |
|   |                    | 11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)<br>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)<br>13. PT Paramitra Internusa Pratama (Belian Plasma)<br>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)<br>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)<br>16. PT Mitrakarya Agroindo (Sulin Plasma)<br>17. PT Agrokarya Prima Lestari (Sapiri Plasma)<br>18. PT Adi Tunggal Mahajaya (Sako Plasma)<br>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)<br>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)<br><br>Based on auditor verification, there is still progress in obtaining legality documents for the uncertified units so that GAR has included the certification plan for the uncertified units in the timebound plan. |

**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 Onsite ASA 1.3 Assessment**

|   |  |                          |  |
|---|--|--------------------------|--|
| <b>NCR No.</b> :  |  | <b>Issued by</b> :       |  |
| <b>Date Issued</b> :  |  | <b>Time Limit</b> :      |  |
| <b>NC Grade</b> :   |  | <b>Date of Closing</b> : |  |
| <b>Standard Ref. &amp; Requirement</b> :                                    |  |                          |  |
| <b>Evidence observed</b> (filled by auditor)                                |  |                          |  |
| <b>Non-Conformance Description</b> (filled by auditor):                     |  |                          |  |
| <i>There is No-Nonconformity were found during RSPO ASA-1.3 Assessment.</i> |  |                          |  |
| <b>Root Cause Analysis</b> (filled by organization audited):                |  |                          |  |
| <b>Correction</b> (filled by organization audited):                         |  |                          |  |
| <b>Corrective Action</b> (filled by organization audited):                  |  |                          |  |
| <b>Assessor Evaluation and Conclusion</b> (filled by auditor):              |  |                          |  |
| <b>Follow up on next audit</b> (filled by auditor):                         |  |                          |  |
| <b>Verified by</b> :  |  |                          |  |

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA 1.4 Assessment**

|   |  |                          |  |
|---|--|--------------------------|--|
| <b>NCR No.</b> :  |  | <b>Issued by</b> :       |  |
| <b>Date Issued</b> :                                    |  | <b>Time Limit</b> :      |  |
| <b>NC Grade</b> :                                       |  | <b>Date of Closing</b> : |  |
| <b>Standard Ref. &amp; Requirement</b> :                |  |                          |  |
| <b>Evidence observed</b> (filled by auditor)            |  |                          |  |
| <b>Non-Conformance Description</b> (filled by auditor): |  |                          |  |



*There is No-Nonconformity were found during RSPO ASA-1.4 Assessment.*

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

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

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

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

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

**Verified by** :

3.4.3. Opportunity for Improvement

| No | Ref. Std. | Description   |
|----|-----------|---|
| 1  | 2.1.1     | <p><b>The Unit of Certification Complies to relevant regulations.</b></p> <p>Based on the results of document verification and management interviews on ASA-1.4 assessment, it is known that the company already has environmental permits related to a Temporary Hazardous Waste Storage Permit, Land Application Permit, Domestic Waste Permit, and the latest Environmental Approval based on the Addendum Andel (Environmental Assessment) of PT Sumber Indah Perkasa, Tulang Bawang District and Mesuji District 2020 for a study of 27,001.83 with a Palm Oil Mill Capacity of 90 tonnes of FFB/hour. Temporary Hazardous Waste Storage Permit verification results with number SK 660/190.a/V.9/TB/V/2017 on 29 May 2017, and the validity period expires on 29 May 2022.</p> <p>Based on the results of interviews with the Environmental Agency of Tulang Bawang District and management, it was discovered that the company had made an application for an extension of the validity period of the permit, and was recommended to take care of licensing in an integrated manner regarding the technical details of Hazardous Waste to be then integrated into environmental approvals through the Environmental Approval amendment process. The Environmental agency of Tulang Bawang District informed that the Land Application Permit was still valid as long as there were no technical changes based on the letter from the Environmental agency of Tulang Bawang District number 682/IV.9/III/XI/2021 on November 7 2021 concerning Follow-Up Requests for Technical Approval Directions for Fulfillment of Water Quality Standards Waste.</p> <p>The progress of obtaining the permit is indicated through the following correspondence:</p> <ul style="list-style-type: none"> <li>• Application for Integration of PT Sumber Indah Perkasa's Hazardous Waste Storage Permit into PT Sumber Indah Perkasa's Environmental Agreement, number 069/SIP-D&amp;L/V/2022 on 23 May 2022 to Environmental Agency of Lampung Province.</li> <li>• Reply letter from Environmental Agency of Lampung Province number 660/255/V.10/2022 dated 7 June 2022 regarding Directions for Application for Integration of Hazardous Waste Storage into the Environmental Agreement. This letter also directs to the arrangement of Technical Approval for the Disposal of Wastewater to Land Applications.</li> <li>• Reply letter from PT Sumber Indah Perkasa to Environmental Agency of Lampung Province regarding Request Letter for Detailed Discussion of Technical Details of PT Sumber Indah Perkasa's Hazardous and Toxic Waste Storage, number 136/SIP-D&amp;L/XI/2022 on 21 November 2022.</li> <li>• There was no return letter from the Environmental Agency of Lampung Province, so on January 23, 2023, PT SIP returned to send a letter regarding the application for the integration of PT Sumber Indah Perkasa's hazardous waste storage permit into PT Sumber Indah Perkasa's Environmental Agreement.</li> <li>• Communication with the Environmental Agency of Lampung Province via email on 6 February 2023, where it was informed that Land Application Technical Regulations, Domestic Waste Technical Regulations, and Temporary Hazardous Waste Storage Technical Details should be carried out simultaneously and integrated into the Environmental Agreement.</li> </ul> <p><b>The company has the opportunity to ensure that progress related to obtaining an integrated Temporary Hazardous Waste Storage permit can run positively.</b></p> |
| 2  | 7.7.2     | Companies can show proof of delivery of peat inventory (second submission) to the RSPO  |

secretariat via email to [ghg@rspo.org](mailto:ghg@rspo.org) on 5 April 2020 for PT Buana Adhi Tama (BAT) and PT Agro Lestari Mandiri (AMNL) which contain information on peat areas in the Lampung Region (PT Sumber Indah Perkasa) with the following details:

|                                  |                 |
|----------------------------------|-----------------|
| Planted Area (Ha)                | 2.137,59        |
| Other (Infra, Building etc) (Ha) | 81,53           |
| <b>Total Peat Area (Ha)</b>      | <b>2.219,12</b> |

RSPO responded to the second submission of peat inventory via email on 7 April 2020, as follows:

- We noticed that the plantation/estate name was not listed in the peat inventory submitted. We would really appreciate if you could kindly specify the plantation/ estate name in the peat inventory and kindly resubmit to us.
- To add more clarity, we would also appreciate if you could kindly specify the certification status (certified/ uncertified) in the remark's column in the company inventory.

Then, based on the results of a study of semi-detailed soil map documents, information was obtained that measurements had been carried out on the area of PT Sumber Indah Perkasa (SBYE and SMRE) which had peat soil types, which resulted in changes in the area of peat in PT Sumber Indah Perkasa to the following:

|                             |                 |
|-----------------------------|-----------------|
| SMRE (Ha)                   | 1.447,96        |
| SBYE (Ha)                   | 791,08          |
| GABA (Ha)                   | 301,88          |
| <b>Total Peat Area (Ha)</b> | <b>2.540,92</b> |

Based on the results of interviews with management, it was stated that the company would deliver peat inventory again in 2023.

Thus, companies are encouraged to submit back peat inventory reports according to the updated peat area data and complete suggestions/responses from the RSPO according to the email on 7 April 2020.

**3.4.4. Noteworthy Positive Components**

| No | Description   |
|----|---|
| 1  | Commitment to implementing the principles of sustainable oil palm oil.  |
| 2  | Teamwork and competent human resources in their respective fields.  |
| 3  | Digitizing the presentation of audit documents through the application of the GSIS System (GAR Sustainability Information System).    |
| 4  | Has been awarded the Blue Proper by the Ministry of Environment and Forestry of the Republic of Indonesia in 2022.                    |
| 5  | No longer using limited pesticides with the active ingredient Paraquat  |
| 6  | Has obtained ISPO certificate.  |
| 7  | Digitalization of FFB recording through the implementation of the E-Fact system (Electronic Fuel Activity Captured and Traceability). |

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







| Issues from Public   | Auditor Verification   |
|--|--|
| <p><b>Sidang Gunung Tiga Village and Sumber Jaya Village</b></p> <ul style="list-style-type: none"> <li>PT SIP's operational area which is included in the administrative area of Sidoharjo Village is entirely a Scheme Smallholder area whose operational activities are managed by PT SIP and there are no complaints or conflicts regarding the legal boundaries of the land.</li> <li>So far, the existence of the company has had a positive impact on village communities such as employment, realization of CSR assistance, and alignment between village programs and corporate social programs.</li> </ul>   | <p>There are no negative issues that need further verification</p> |
| <p><b>Department of Agriculture of Tulang Bawang District</b></p> <ul style="list-style-type: none"> <li>The company already has permits related to plantations and has realized the development of smallholder areas.</li> <li>The company has routinely sent regular reports on the progress of its plantation business to the Department of Agriculture.</li> <li>So far there have been no complaints regarding disruptions due to operational activities</li> <li>Regarding news in the online media regarding claims from the Buay Mencurung Indigenous People not being a conflict related to HGU and to the knowledge of representatives of the Agriculture Service, Lampung Province has never issued a Decree regarding customary land.</li> </ul> | <p>There are no negative issues that need further verification</p> |
| <p><b>Manpower and Transmigration Agency of Tulang Bawang District</b></p> <ul style="list-style-type: none"> <li>The company has conducted regular employment reporting</li> <li>The wage applied in the company refers to the District Minimum Wage</li> <li>All employees have been registered in the BPJS Employment and Health BPJS programs</li> <li>There were no reports of work accident cases in the last 1 year</li> <li>There were no reports regarding employment issues received by the Office of Manpower and Transmigration</li> <li>The status of employees working in the company has all become permanent employee status for permanent work and contract status for maintenance work</li> </ul>  | <p>There are no negative issues that need further verification</p> |
| <p><b>Environmental Agency of Tulang Bawang District</b></p> <ul style="list-style-type: none"> <li>The company has carried out regular reports regarding the application of environmental permits such as RKL - RPL reports every semester</li> <li>There is no change from the environmental permit that is owned</li> <li>The company has a permit for storing hazardous and toxic waste (LB3)</li> <li>There has never been a report on environmental pollution from the company's operational impact that was reported to the Environmental Service</li> </ul>  | <p>There are no negative issues that need further verification</p> |

| Issues from Public  | Auditor Verification   |
|---|--|
| <p><b>Land Agency of Tulang Bawang District</b></p> <ul style="list-style-type: none"> <li>• There are no issues related to land disputes</li> <li>• All areas controlled by the company have been clean and clear.</li> <li>• There have been no complaints from the community or any parties regarding the land issue owned by the company</li> </ul>   | <p>There are no negative issues that need further verification</p> |
| <p><b>Technic Contractor (Triyono)</b></p> <ul style="list-style-type: none"> <li>• The contractor has collaborated with PT SIP since 2016 in repairing machines at the Mill (Sungai Buaya Mill and Sungai Merah Mill).</li> <li>• Workers employed by contractors are casual workers who work if there is a project, and PT SIP also evaluates compliance with laws and regulations as contained in the Cooperation Agreement. So far there have been no complaints regarding payment or cooperation that has been established.</li> </ul>   | <p>There are no negative issues that need further verification</p> |
| <p><b>Labor Union (SPSI PT SIP – Sungai Buaya Estate, Sungai Merah Estate, Sungai Buaya Mill and Sungai Merah Mill)</b></p> <ul style="list-style-type: none"> <li>• The scope of the Labor Union covers the entire PT SIP (Sungai Buaya Mill and Sungai Merah Mill).</li> <li>• The company provides support for the existence of the Labor Union, such as free time from the Labor Union management if there are activities related to the Labor Union organization.</li> <li>• Labor Union members are all permanent workers at PT SIP, and Labor Union membership is voluntary and without coercion. So far there have been no complaints related to employment from workers, both new complaints and unresolved complaints.</li> </ul> | <p>There are no negative issues that need further verification</p> |
| <p><b>Land Office</b></p> <ul style="list-style-type: none"> <li>• Currently, the company does not have a <i>HGU</i> (Land Title) that is in the process of being extended, nor are there arrangements for a new <i>HGU</i> (Land Title).</li> <li>• Regarding the news in the online media regarding complaints from the Buay Mencurung Indigenous People, they have been resolved by the police.</li> <li>• So that currently there are no conflicts related to company area boundaries. The company has routinely submitted periodic mandatory reports regarding the utilization of the <i>HGU</i> (Land Title) area.</li> </ul>   | <p>There are no negative issues that need further verification</p> |
| <p><b>Labor Union (SPSI Gedung Aji Lama Plasma)</b></p>   | <p>There are no negative issues that need further verification</p> |



| Issues from Public   | Auditor Verification   |
|--|--|
| <ul style="list-style-type: none"> <li>• The scope of the Labor Union includes all workers in the Gedung Aji Lama Smallholder.</li> <li>• The company provides support for the existence of the Labor Union, such as free time from the Labor Union management if there are activities related to the Labor Union organization.</li> <li>• Labor Union members are all workers at the Gedung Aji Lama Smallholder (Permanent Workers and Contract Workers), and Labor Union membership is voluntary and without coercion.</li> <li>• So far there have been no complaints related to employment from workers, both new complaints and unresolved complaints.</li> </ul>  |  |
| <p><b>Gender Committee of PT Sumber Indah Perkasa (SMM, SMRE, and GABA)</b></p> <ul style="list-style-type: none"> <li>• The gender committee has never received any complaints or complaints related to acts of harassment, violence, gender discrimination, or complaints related to domestic violence.</li> <li>• The purpose of establishing a gender committee is to serve as a means for employee complaints regarding gender issues. The existence of a gender committee has been socialized to workers.</li> <li>• The company monitors menstruation days and pregnancy checks to ensure that no workers who are pregnant or breastfeeding work with chemicals.</li> <li>• The routine activity of the Gender Committee is to carry out Posyandu and immunization activities facilitated by the Company in collaboration with the local Health Facilities. Simultaneously with the Posyandu activities, the Gender Committee conducts socialization related to the protection of women's work rights and a complaint mechanism if there are cases of sexual harassment, worker discrimination, domestic violence against workers, especially women workers.</li> <li>• the gender committee routinely holds regular meetings between members once in 3 months, to discuss socialization programs and posyandu activities, as well as updates on whether or not there have been complaints of cases of sexual harassment or discrimination in the last 3 months.</li> </ul> <p>There is not known identification of the needs of young mothers, for mothers who have just given birth or are still breastfeeding children under five.</p> | <p>Auditor Verification:</p> <p>The company has identified the needs of young mothers through direct consultations and conducted questionnaire surveys for pregnant and lactating women. Documentary evidence and the results of identifying the needs of young mothers have been shown to the Auditor team.</p> |
| <p><b>Krida Sejahtera Cooperative</b></p> <ul style="list-style-type: none"> <li>- The existence of the RSPO has a positive impact on Cooperative and the community</li> <li>- The price of FFB is determined by the company based on the price issued by the Plantation Office</li> <li>- The cooperative has agreed to a joint cooperation agreement with the company</li> <li>- There is no negative conflict between cooperative management and the company</li> </ul>   | <p>In general, there are no negative issues that need further clarification</p>  |

| <b>Issues from Public</b>  | <b>Auditor Verification</b> |
|--|-----------------------------|
| - The company and the cooperative have established a good cooperative relationship |                             |

|   |   |   |  |
|---|---|---|--|
| 4.0   | <b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>  |   |  |
| 4.1   | <b>Formal Sign-off of Assessment Findings</b>   |   |  |
|   | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p><b>PT Sumber Indah Perkasa</b><br/> <b>Head of Sustainability Management System and</b><br/> <b>Certification Operations Sustainability</b></p>  <p><b><u>Yahya Mustakim</u></b><br/>           Tuesday, 28 April 2023</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari<br/>           Lead Auditor</p>  <p><b><u>Hasiholan Sihombing</u></b><br/>           Tuesday, 28 April 2023</p> </td> </tr> </table> | <p><b>PT Sumber Indah Perkasa</b><br/> <b>Head of Sustainability Management System and</b><br/> <b>Certification Operations Sustainability</b></p>  <p><b><u>Yahya Mustakim</u></b><br/>           Tuesday, 28 April 2023</p> | <p>Mutuagung Lestari<br/>           Lead Auditor</p>  <p><b><u>Hasiholan Sihombing</u></b><br/>           Tuesday, 28 April 2023</p> |
| <p><b>PT Sumber Indah Perkasa</b><br/> <b>Head of Sustainability Management System and</b><br/> <b>Certification Operations Sustainability</b></p>  <p><b><u>Yahya Mustakim</u></b><br/>           Tuesday, 28 April 2023</p> | <p>Mutuagung Lestari<br/>           Lead Auditor</p>  <p><b><u>Hasiholan Sihombing</u></b><br/>           Tuesday, 28 April 2023</p>  |   |  |

**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  | Technic Contractor (Triyono)  | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 28 March 2023      | ✓        |    |
| 2  | Worker Cooperatif (Koperasi Simpan Pinjam SMRM)   | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 28 March 2023      | ✓        |    |
| 3  | Labor Union (SPSI PT SIP – Sungai Buaya Estate, Sungai Merah Estate, Sungai Buaya Mill and Sungai Merah Mill)   | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 28 March 2023      | ✓        |    |
| 4  | Land Office   | Tulang Bawang District, Lampung Province, Indonesia | -            | By Phone              | 29 March 2023      | ✓        |    |
| 5  | Agricultural Agency   | Tulang Bawang District, Lampung Province, Indonesia | -            | By Phone              | 29 March 2023      | ✓        |    |
| 6  | Environmental Agency  | Tulang Bawang District, Lampung Province, Indonesia | -            | By Phone              | 29 March 2023      | ✓        |    |
| 7  | Manpower and Transmigration Agency  | Tulang Bawang District, Lampung Province, Indonesia | -            | By Phone              | 29 March 2023      | ✓        |    |
| 8  | FFB Supplier (PT Prima Alumga)  | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 30 March 2023      | ✓        |    |
| 9  | Department of Agriculture   | Tulang Bawang District, Lampung Province, Indonesia | -            | By Phone              | 30 March 2023      | ✓        |    |
| 10 | Sidoarjo Village  | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 28 March 2023      | ✓        |    |
| 11 | Sumber Jaya Village   | Mesuji District, Lampung Province, Indonesia        | -            | By Phone              | 28 March 2023      | ✓        |    |
| 12 | Committee Gender of SMRM, SMRE and GABA   | Tulang Bawang District, Lampung Province, Indonesia | -            | Direct Inerview       | 28 – 29 March 2023 | ✓        |    |
| 13 | Sungai Merah Estate <ul style="list-style-type: none"> <li>• 1 Head of Warehouse Worker</li> <li>• 1 Warehouse worker</li> <li>• 1 Workshop Worker</li> <li>• 8 Harvest Workers</li> <li>• 4 loose-cutting</li> </ul> |   | -            | Direct Interview      | 30 March 2023      | ✓        |    |

|    |   |   |  |                  |               |   |   |
|----|---|---|--|------------------|---------------|---|---|
|    | workers<br>• Etc  |   |  |                  |               |   |   |
| 14 | KKPA Gedung Aji Baru:<br>• 1 Head of Warehouses<br>• 6 spray workers<br>• 3 harvest workers<br>• Etc  |   | -  | Direct Interview | 31 Maret 2023 | ✓ |   |
| 15 | Sungai Merah Mill :<br>• 1 WWTP operator<br>• 3 Grading Workers<br>• 1 Press Operator<br>• 1 Engine Room Operator<br>• 1 Boiler Operator<br>• 1 WTP worker<br>• 3 Security<br>• 1 Operator weighbridge<br>• 1 Operator warehouse<br>• 2 Operator WTP<br>• 3 Security<br>• 2 Worker warehouse<br>• 1 workerp WTP |   | -  | Direct Interview | 30 March 2023 | ✓ |   |
| 16 | Sawit Watch   | Bogor City, Jawa Barat Province, Indonesia            | <a href="mailto:info@sawitwath.or.id">info@sawitwath.or.id</a>       | Via Email        | 20 March 2023 | - | ✓ |
| 17 | WWF   | Jakarta Selatan City, DKI Jakarta Province, Indonesia | <a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a> | Via Email        | 20 March 2023 | - | ✓ |
| 18 | Walhi   | Jakarta Selatan City, DKI Jakarta Province, Indonesia | <a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>     | Via Email        | 20 March 2023 | - | ✓ |
| 19 | AMAN  | Jakarta Selatan City, DKI Jakarta Province, Indonesia | <a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>       | Via Email        | 20 March 2023 | - | ✓ |

**Appendix 2. Assessment Program**

| DATE                           | 27, 30, 31 March & 01, 03, 04 April 2023   |  |
|--------------------------------|--|--|
| PLANNED TIME (WIB)             | PROCESSES / CLAUSES TO BE AUDITED  | AUDITOR  |
| <b>Monday, 27 March 2023</b>   |  |  |
| 09.30 – 10.20                  | <b>Jakarta → Bandar Lampung (ID 6716)</b>  | <b>All Auditor</b>   |
| 11.00 – 14.00                  | <b>From the airport to the audit location</b>  | <b>All Auditor</b>   |
| 15.00 – 17.00                  | <b>Opening Meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>  | <b>All Auditor, Management Representative PT SIP</b>               |
| <b>Thursday, 30 March 2023</b> |  |  |
| 07.00 – 08.00                  | <b>From the mess to the Sungai Merah Estate</b>  | <b>All Auditor</b>   |
| 08.00 – 12.00                  | <b>Field Observation to Sungai Merah Estate</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul> | <b>RAB &amp; HAS</b><br><br><b>SEP &amp; NAI</b><br><br><b>HEN</b> |
| 12.00 – 14.00                  | <b>Break</b>   | <b>All Auditor</b>   |
| 14.00 – 16.30                  | <b>Field observation to Sungai Merah Mill</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>   | <b>NAI</b><br><br><b>SEP</b><br><br><b>RAB &amp; HEN</b>           |
| 16.30 – 17.00                  | Submission of audit progress   | <b>All Auditor</b>   |
| <b>Friday, 31 March 2023</b>   |  |  |
| 08.00 – 12.00                  | <b>Field Observation to KKPA Gedung Aji Baru</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control</li> </ul>   | <b>RAB</b><br><br><b>SEP &amp; NAI</b>                             |



| DATE                                  | 27, 30, 31 March & 01, 03, 04 April 2023  |  |
|---------------------------------------|---|--|
| PLANNED TIME (WIB)                    | PROCESSES / CLAUSES TO BE AUDITED   | AUDITOR  |
|                                       | Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).  | <b>HEN &amp; HAS</b>                                 |
| 12.00 – 14.00                         | <b>Break</b>  | <b>All Auditor</b>                                   |
| 14.00 – 16.30                         | Document Verification   | <b>All Auditor</b>                                   |
| 16.30 – 17.00                         | Submission of audit progress  | <b>All Auditor</b>                                   |
| <b>Saturday, 1 April 2023</b>         |   |  |
| 08.00 – 12.00                         | Document Verification   | <b>All Auditor</b>                                   |
| 12.00 – 17.00                         | <b>Break</b>  | <b>All Auditor</b>                                   |
| <b>Sunday, 2 April 2023 – DAY OFF</b> |   |  |
| <b>Monday, 3 April 2023</b>           |   |  |
| 08.00 – 12.00                         | Document Verification   | <b>All Auditor</b>                                   |
| 12.00 – 14.00                         | <b>Break</b>  | <b>All Auditor</b>                                   |
| 14.00 – 16.30                         | Document Verification   | <b>All Auditor</b>                                   |
| 16.30 – 17.00                         | Submission of audit progress  | <b>All Auditor</b>                                   |
| 19.00 – 20.00                         | Internal discussion by auditor team preparing for Closing Meeting   | <b>All Auditor</b>                                   |
| <b>Tuesday, 4 April 2023</b>          |   |  |
| 07.30 – 09.00                         | <b>CLOSING MEETING</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> </ul> | <b>All Auditor, Management Representative PT SIP</b> |
| 09.00 – 12.00                         | From the audit location to the airport  | <b>All Auditor</b>                                   |
| 14.00 – 15.00                         | <b>Bandar Lampung – Jakarta (GA-75)</b>   | <b>All Auditor</b>                                   |