

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Recertification

Name of Management : **Blang Simpo Palm Oil Mill – PT Perkasa Subur Sakti Subsidiary of Sime Darby Plantation Berhad**

Plantation Name : PT Padang Palma Permai: Blang Simpo-01 Estate, Blang Simpo-02 Estate and Tamiang Estate
PT Perkebunan Sri Kuala: Batang Ara Estate

Location : Village of Tualang Pateng, Sub District of Peureulak Timur, District of Aceh Timur, Province of Aceh, Indonesia

Certificate Code : **MUTU-RSPO/026**

Date of Initial Registration : 03 May 2013

Date of Last Issue : 26 April 2023 Date of License Issue : 02 June 2023

Date of Certificate Expiry : 02 May 2028 Date of License Expiry : 02 May 2024

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|
| RC-2 | 27 February – 04 March 2023 | Leonada (Lead Auditor Witnessing) Moh Arif Yusni (Lead Auditor Witnessed), Rindu Galih Rezza R, Benli Manurung and Alfiany Sukmawati | Harso Yuli Antena | Octo HPN Nainggolan |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| RC-2 | 26 April 2023 |

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Figure 1. Location Map of Blang Simpo Estate and Blang Simpo POM

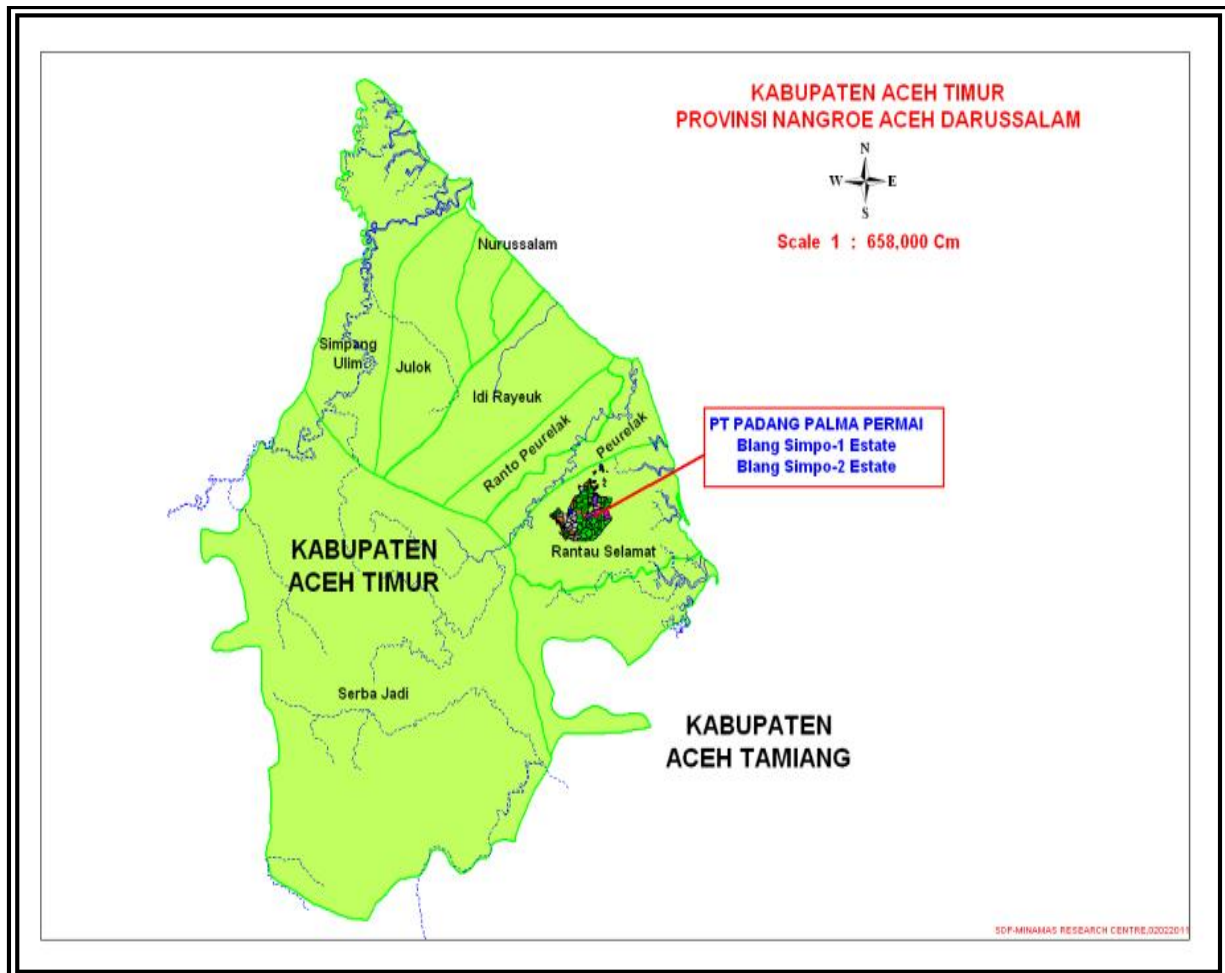


Figure 2. Location Map of Batang Ara Estate and Tamiang Estate

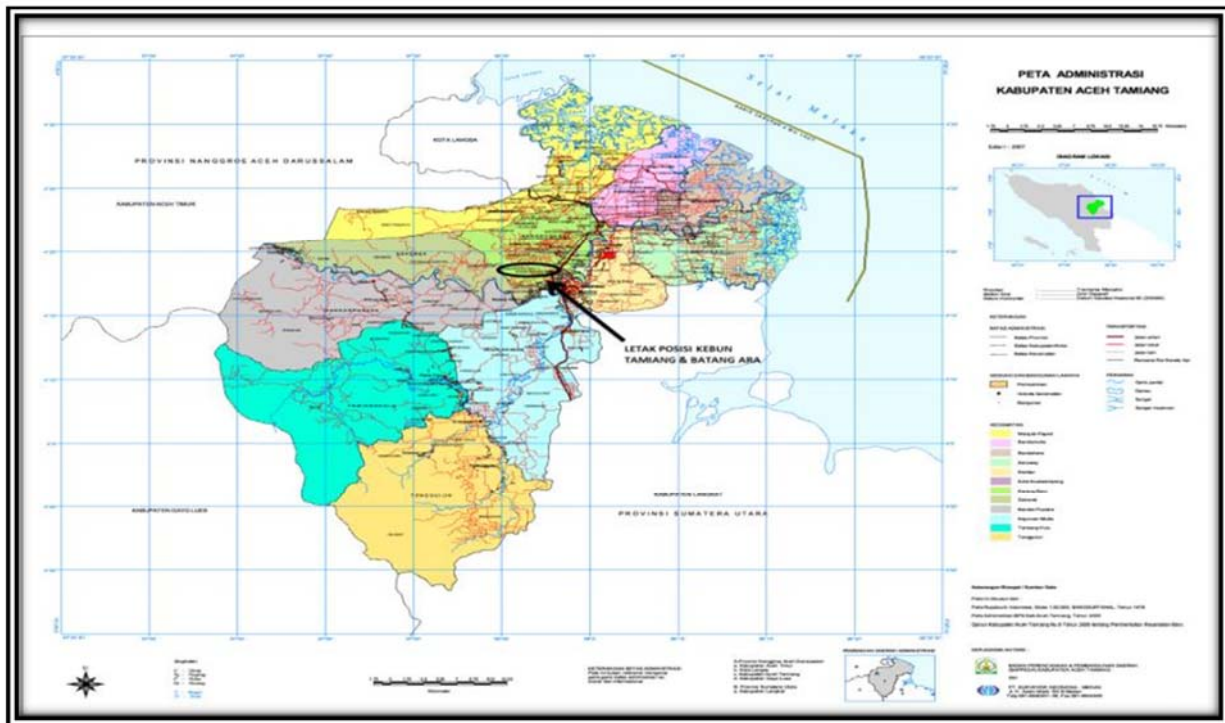


Figure 3. Operational Map of Blang Simpo Factory dan Blang Simpo Estate

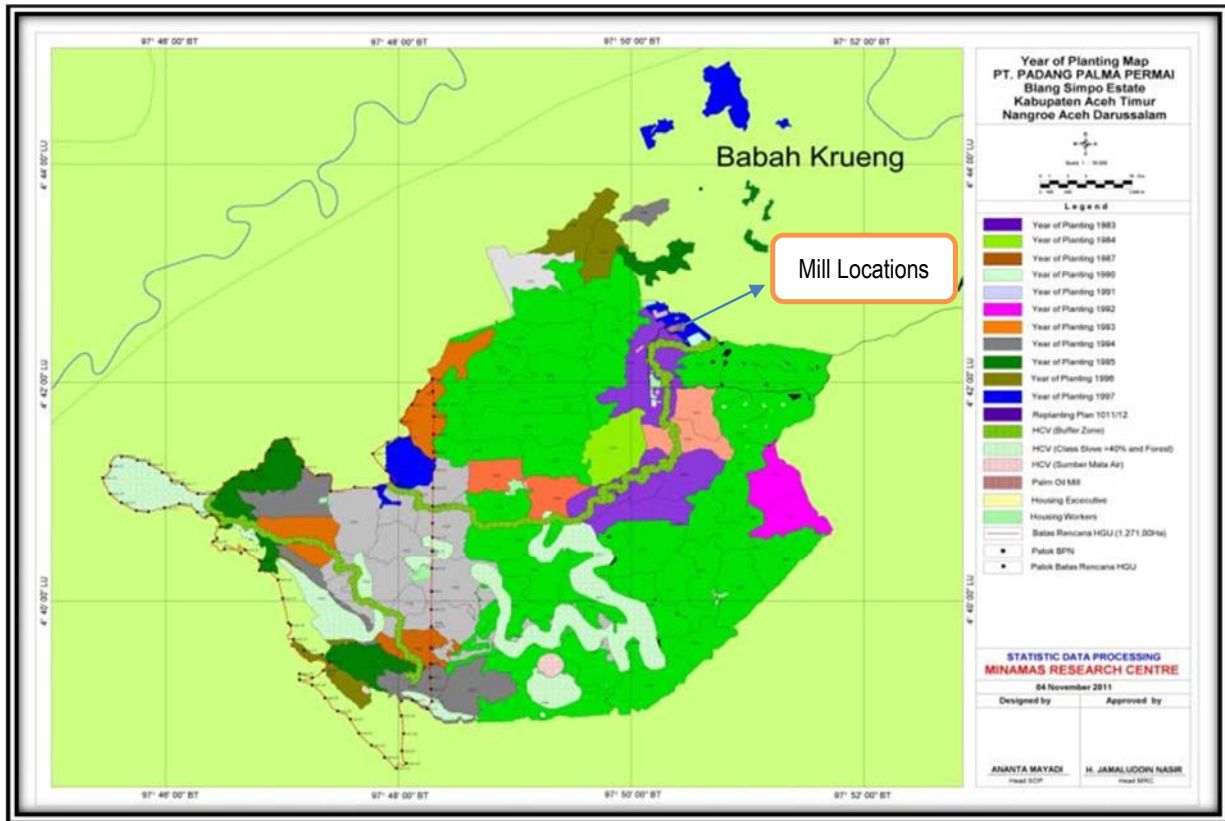
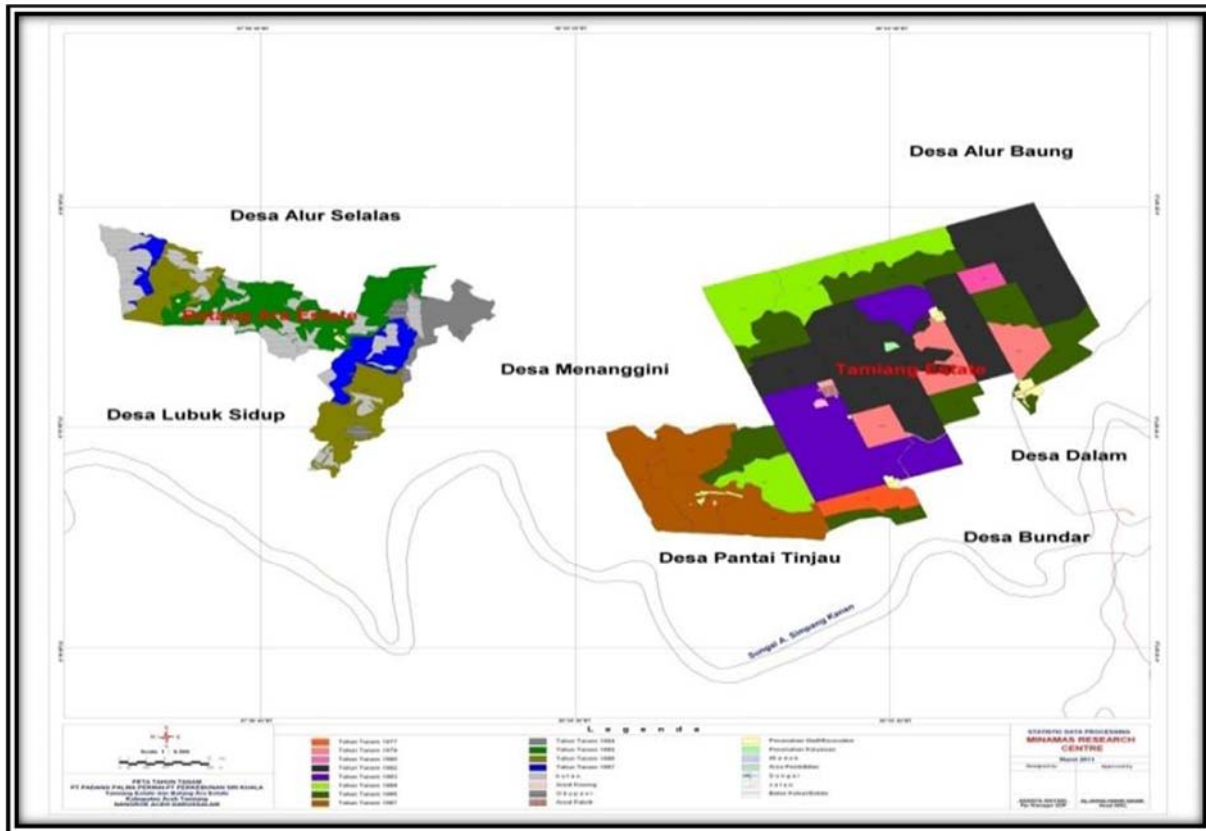


Figure 4. Operational Map of Batang Ara Estate dan Tamiang Estate



Abbreviations Used

| | | |
|-----------|---|------------------------------------------------------------------------|
| AMDAL | : | <i>Analisa Dampak Lingkungan</i> (Environment Document) |
| APD / PPE | : | Personal Protection Equipment (<i>Alat Pelindung Diri</i>) |
| ARM | : | Agriculture Reference Manual |
| ASA | : | Annual Surveillance Assessment |
| ASEAN | : | Association of South East Asian Nations |
| B3 | : | Hazardous and Toxic Materials (<i>Bahan Berbahaya dan Beracun</i>) |
| BAE | : | Batang Ara Estate |
| BHS | : | Best Harvesting System |
| BMP | : | Best Management Practice |
| BMS | : | Best Manuring System |
| BOD | : | Biological Oxygen Demand |
| BPJS | : | <i>Badan Penyelenggara Jaminan Sosial</i> (Social Administrator) |
| BSE | : | Blang Simpo Estate |
| BSE-1 | : | Blang Simpo Estate 1 |
| BSE-2 | : | Blang Simpo Estate 2 |
| BSF | : | Blang Simpo Factory |
| BSS | : | Best Spraying System |
| CEO | : | Chief Engineering Officer |
| CLA | : | Collective Labour Agreement |
| CPO | : | Crude Palm Oil |
| EFB | : | Empty Fruit Bunch |
| EWS | : | Early Warning System |
| FFB | : | Fresh Fruit Bunch |
| GCAD | : | Group Corporate Audit Department |
| H-1 | : | Menstrual Leave |
| H-2 | : | Maternity Leave |
| HCV | : | High Conservation Value (<i>Nilai Konservasi Tinggi</i>) |
| HGU | : | Land Use Right/Title (<i>Hak Guna Usaha</i>) |
| HIRADC | : | Hazard Identification Risk Assessment and Determining Control |
| ILOK | : | Location Permit (<i>Izin Lokasi</i>) |
| IPM | : | Integrated Pest Management |
| IUP | : | Plantation Operation License (<i>Izin Usaha Perkebunan</i>) |
| OHS | : | Occupational Health and safety |
| KER | : | Kernel Extraction Rate |
| LB3 | : | Hazardous Waste (<i>Limbah Bahan Beracun dan Berbahaya</i>) |
| LC | : | Land Clearing |
| LCC | : | Legium Cover Crop |
| LHK | : | <i>Lingkungan Hidup dan Kehutanan</i> |
| LRRP | : | Long Range Replanting Program |
| LSU | : | Leaf Sampling Unit |
| MMCM | : | Monthly Management Committee Meeting |
| MRC | : | Minamas Research Centre |
| MSDS | : | Material Safety Data Sheet |
| OER | : | Oil Extraction Rate |
| OHS | : | Occupational Health and safety |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee) |
| PIC | : | Person In Charge |
| PK | : | Palm Kernel |
| PKB | : | <i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement) |

| | | |
|-----------|---|-------------------------------------------------------------------------|
| PKWT | : | <i>Perjanjian Kerja Waktu Tertentu</i> (Temporary Work Agreement) |
| PMU | : | Performance Management Unit |
| POM | : | <i>Pabrik Kelapa Sawit</i> / Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| PPh | : | <i>Pajak Penghasilan</i> (Income Tax) |
| PPP | : | Padang Palma Permai |
| PSD | : | Plantation Services Department |
| PSK | : | Perusahaan Srikuala |
| PSQM | : | Plantation Sustainability and Quality Management |
| PSS | : | Perkasa Subur Sakti |
| PUK | : | <i>Pelaksana Unit Kerja</i> (PIC) |
| RC | : | Recertification audit |
| RKL | : | <i>Rencana Kelola Lingkungan</i> (environment management plan) |
| RPL | : | <i>Rencana Pengelolaan Lingkungan</i> (environment monitoring plan) |
| RSPO | : | Roundtable on Sustainable Palm Oil |
| SCCS | : | Supply Chain Certification Systems |
| SKU | : | <i>Syarat Kerja Umum</i> (Permanent Worker) |
| SOP | : | Standard Operating Procedure |
| SPK | : | Work Agreement |
| SSU | : | Soil Sampling Unit |
| TBS / FFB | : | <i>Tandan Buah Segar</i> (Fresh Fruit Bunches) |
| TME | : | Tamiang Estate |
| UPDPKS | : | <i>Ulat Pemakan Daun Kelapa Sawit</i> |
| WWTP | : | Waste Water Treatment Plant |
| WLTK | : | <i>Wajib Laporkan Tenaga Kerja</i> (Compulsory Company Manpower Report) |

| | | | |
|-------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1.0 | SCOPE of the CERTIFICATION ASSESSMENT | | |
| | | | |
| 1.1 | Assessment Standard Used | <ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020) | |
| | | | |
| 1.2 | Organization Information | | |
| 1.2.1 | Organization name listed in the certificate | PT Perkasa Subur Sakti, subsidiary of Sime Darby Plantation Berhad | |
| 1.2.2 | Contact person | Alagendran Maniam | |
| 1.2.3 | Organization address and site address | RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street Petaling Jaya, Malaysia 47301 Liaison Office: The Plaza Office Tower, 36 th Floor Jl. MH Thamrin Kav. 28-30, Jakarta 10350 | |
| 1.2.4 | Telephone | +62-21-29926000 | |
| 1.2.5 | Fax | +62-21-29922686 | |
| 1.2.6 | E-mail | alagendran.maniam@simedarbyplantation.com | |
| 1.2.7 | Web page address | www.simedarbyplantation.com | |
| 1.2.8 | Management Representative who completed the application for certification | Alagendran Maniam (Head of Sustainability) | |
| 1.2.9 | Registered as RSPO member | 07 September 2004 (1-0008-04-000-00) | |
| | | | |
| 1.3 | Type of Assessment | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Blang Simpo Mill, Blang Simpo-01 Estate, Blang Simpo-02 Estate, Tamiang Estate, Batang Ara Estate. | |
| 1.3.2 | Type of certificate | Single | |
| | | | |
| 1.4 | Locations of Mill and Plantation | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | LatitudeLongitude |
| | Blang Simpo | Village of Tualang Pateng, Subdistrict of Peureulak Timur, Regency of Aceh Timur, Province of Aceh, Indonesia | N 04° 42' 30"E 97° 50' 26" |
| | | | |
| 1.4.2 | Location of Certification Scope of Supply Base | | |
| | Name of Supply Base | Location | Coordinate |
| | | | LatitudeLongitude |
| | Blang Simpo 01 Estate (PT Padang Palma Permai) | Seuneubok Lapang Village, Peureulak Timur Sub District, Aceh Timur District, Aceh Province, Indonesia. | N 04° 41' 49"E 97° 50' 14" |

| | | | | | | |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|-------------|---------------|---------------|
| | Blang Simpo 02 Estate (PT Padang Palma Permai) | Seuneubok Lapang Village, Peureulak Timur Sub District, Aceh Timur District, Aceh Province, Indonesia. | | | N 04° 41' 06" | E 97° 49' 03" |
| | Tamiang Estate (PT Padang Palma Permai) | Kebun Tanah Terban Village, Karang Baru Sub District, Aceh Tamiang District, Aceh Province, Indonesia. | | | N 04° 18' 24" | E 98° 01' 37" |
| | Batang Ara Estate (PT Perkebunan Sri Kuala) | Alur Selasas Village, Karang Baru Sub District, Aceh Tamiang District, Aceh Province, Indonesia. | | | N 04° 17' 24" | E 98° 00' 48" |
| | | | | | | |
| 1.5 | Description of Area Statement | | | | | |
| 1.5.1 | Tenure | | | | | |
| | • State | | | 7,623.42 Ha | | |
| | • Community | | | - Ha | | |
| | * Formerly the certification area covering 8,777.22 Ha, however, during this assessment there are reductions of the certifications area became 7,623.42 Ha due to reductions of Land Title when extension and Trans Sumatra Highway Projects. | | | | | |
| 1.5.2 | Area Statement | | | | | |
| | | BSE-01 (Ha) | BSE-02 (Ha) | TME (Ha) | BAE (Ha) | Total (Ha) |
| | • Total area | 2,461.95 | 2,677.83 | 1377.77 | 1,105.87 | 7,623.42 |
| | • Mature area | 2,035.58 | 2,360.54 | 1,217.08 | 308.52 | 5,921.72 |
| | • Mill | 5.92 | - | 5.58 | - | 11.50 |
| | • Emplacement | 14.35 | 17.81 | 18.28 | 5.3 | 55.74 |
| | • Infrastructure (road) | 145.41 | 129.8 | 87.26 | 47.22 | 409.69 |
| | • Occupation | | 43.73 | - | 11.54 | 55.27 |
| | • HCV | 134.66 | 56.02 | 17.05 | 727.22 | 934.95 |
| | • Enclave (Jalur Pipa Pertamina) | 41.1 | - | - | - | 41.10 |
| | • Nursery | 13.00 | - | - | - | 13.00 |
| | • Other's area (Public facilities) | 71.93 | 69.93 | 32.52 | 6.07 | 180.45 |
| | *Mill in Tamiang Estate currently no longer operational | | | | | |
| | | | | | | |
| 1.6 | Planting Year and Cycles | | | | | |
| 1.6.1 | Age profile of planting year | | | | | |
| | Planting Year | Hectarage (Ha) | | | | |
| | | BSE-01 | BSE-02 | TME | BAE | Total |
| | 1990 | 265.36 | 104.74 | - | - | 370.10 |
| | 1991 | 65.61 | 526.98 | - | - | 592.59 |
| | 1993 | - | 190.28 | - | - | 190.28 |
| | 1994 | 108.27 | 171.14 | - | - | 279.41 |
| | 1995 | 36.64 | - | - | - | 36.64 |
| | 1997 | 16.76 | 56.65 | - | - | 73.41 |
| | 2011 | - | - | 122.60 | - | 122.60 |

| | | | | | | | |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------------|-------------------------------|----------------------------|-------------------|
| | 2012 | 144.87 | - | - | - | 144.87 | |
| | 2013 | 204.82 | 156.84 | 297.82 | - | 659.48 | |
| | 2014 | 205.59 | 230.74 | 141.88 | - | 578.21 | |
| | 2015 | 327.91 | 172.98 | 200.43 | 195.85 | 897.17 | |
| | 2016 | 169.54 | 247.07 | 106.55 | 112.67 | 635.83 | |
| | 2017 | 152.50 | 275.95 | 172.42 | - | 600.87 | |
| | 2018 | 198.77 | 227.18 | 175.38 | - | 601.33 | |
| | 2019 | 138.94 | - | - | - | 138.94 | |
| | TOTAL | 2,035.58 | 2,360.55 | 1,217.08 | 308.52 | 5,921.73 | |
| 1.6.2 | New Planting area after January 2010 | | - Ha | | | | |
| 1.6.3 | Planting Cycle | | 2 nd Cycle | | | | |
| | | | | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Output (tonnes) | Extraction (%) |
| | Blang Simpo | 30 | 93,816.70 | 20,764.40 | 22.13 | 3,767.28 | 4.02 |
| *Production data source from February 2022 – January 2023 | | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Production Area (Ha) | FFB (tonnes/year) | Yield (tonnes/h a/year) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |
| | Blang Simpo Estate 1 | 2,461.95 | 2,035.58 | 31,699.66 | 15.57 | 31,699.66 | 100 |
| | Blang Simpo Estate 2 | 2,677.83 | 2,360.55 | 26,260.52 | 11.12 | 26,260.52 | 100 |
| | Tamiang Estate | 1,377.77 | 1,217.08 | 28,010.14 | 23.01 | 28,010.14 | 100 |
| | Batang Ara Estate | 1,128.90 | 308.52 | 6,389.49 | 20.71 | 6,389.49 | 100 |
| | TOTAL | 7,623.42 | 5,921.73 | 92,359.81 | 15.60 | 92,359.81 | 100 |
| *Production data source from February 2022 – January 2023 | | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of sources/Organisation (RSPO certified / non-certified) | Type of Organisation | | Number of Smallhold ers | Production Area (Ha) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | |
| | Cooperative Production Pentagon Plasma | | Associated Smallholder | 313 | 134 | 1,601.37 | |
| | TOTAL | | | | | 1,601.37 | |
| *Production data source from February 2022 – January 2023 | | | | | | | |
| 1.7.4 | Product categories | | | FFB, CPO, PK | | | |
| | | | | | | | |
| 1.8 | Tonnage of Product | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | | Last Year Projected | | Last Year Actual Certified | |

| | | | | | | | | |
|--------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|----------------------------|-----------------------|----|
| | | Certified Volume (MT) | Volume (February 2022 – January 2023) (MT) | | | | | |
| | FFB Processed | 97,200 | 92,359.81 | | | | | |
| | CPO Production | 21,500 | 20,412.09 | | | | | |
| | Palm Kernel (PK) Production | 3,900 | 3,703.00 | | | | | |
| | | | | | | | | |
| 1.8.2 | Product selling | | | | | | | |
| | Type of selling product | Actual selling product for last year (February 2022 – January 2023) (MT) | | | | | | |
| | CSPO sold as RSPO certified product | 0 | | | | | | |
| | CSPK sold as RSPO certified product | 0 | | | | | | |
| | CSPO sold under another scheme | 0 | | | | | | |
| | CSPK sold under another scheme | 0 | | | | | | |
| | CSPO sold as conventional | 18,490.40 | | | | | | |
| | CSPK sold as conventional | 3,069.74 | | | | | | |
| | | | | | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | | |
| | Name of Estates | Production Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | | |
| | Blang Simpo Estate 1 | 2,461.95 | 2,035.58 | 35,000.00 | 17.19 | | | |
| | Blang Simpo Estate 2 | 2,677.83 | 2,360.55 | 28,000.00 | 11.86 | | | |
| | Tamiang Estate | 1,377.77 | 1,217.08 | 30,000.00 | 24.65 | | | |
| | Batang Ara Estate | 1,128.90 | 308.52 | 7,000.00 | 22.69 | | | |
| | TOTAL | 7,623.42 | 5,921.73 | 100,000.00 | 16.89 | | | |
| | <i>*Production data source from February 2022 – January 2023</i> | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | Palm Kernel | Supply Chain Module | | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) | |
| | Blang Simpo | 30 | 100,000.00 | 22,500.00 | 22.50 | 4,500.00 | 4.50 | MB |
| | <i>*Projected CSPO and CSPK production for 12 months (03 May 2022 to 02 May 2023)</i> | | | | | | | |
| 1.9 | Other Certifications | | | | | | | |
| | ISPO | | <ul style="list-style-type: none">ISPO Certificate PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala with number MUTU-ISPO / 126 number valid from July 27, 2018 – July 26, 2023.ISPO certificate for PT Perkasa Subur Sakti with number MUTU-ISPO / 134 from December 5, 2018 - December 4, 2023.ISPO certificate for PT Padang Palma Permai with MUTU-ISPO / 137 number from December 5, 2018 - December 4, 2023. | | | | | |
| 1.10 | Time Bound Plan | | | | | | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | | | | | | |
| | Management Unit | | Estate (Supply Base) | Time Bound Plan | Location | Status | | |
| | Mill | Time bound | | | | | | |
| | INDONESIA | | | | | | | |

| | | | | | | |
|----|-----------------------------------------------|------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| 1 | Sekunyir. PT. Indotruba Tengah | 2010 | Sekunyir Seruyan | 2010 2010 | Seruyan and West Kotawaringin District – Central Kalimantan | Certified Certified |
| 2 | Manggala. PT. Tunggal Mitra Plantations | 2010 | Manggala 1 Manggala 2 Manggala 3 | 2010 2010 2010 | Rokan Hilir District – Riau | Certified Certified Certified |
| 3 | Bukit Ajong PT. Sime Indo Agro | 2010 | West West (HGU on process) East East (HGU on process) East Plasma West Plasma Sei Mawang | 2010 2019 2010 2023 2010 2010 2023 | Sanggau District –West Kalimantan | Certified - Certified - Certified Certified - |
| 4 | Teluk Siak. PT Aneka Inti Persada | 2011 | Teluk Siak Pinang Sebatang Aneka Persada | 2011 2011 2011 | Siak District – Riau | Certified Certified Certified |
| 5 | Sungai Pinang. PT. Bina Sains Cemerlang | 2012 | Sungai Pinang Sungai Pinang (HGU on process) Bukit Pinang Bukit Pinang (HGU on process) | 2012 2023 2012 2023 | Musi Rawas District – South Sumatera | Certified - Certified - |
| 6 | Pemantang. PT. Teguh Sempurna | 2011 | Pemantang Kawan Batu Hatan Tiring Batang Garing | 2011 2011 2011 2011 | Seruyan and East Kotawaringin District – Central Kalimantan | Certified Certified Certified Certified |
| 7 | Alur Dumai. PT Lahan Tani Sakti | 2011 | Alur Dumai | 2011 | Rokan Hilir District – Riau | Certified |
| 8 | Teluk Bakau. PT. Bhumireksa Nusasejati | 2011 | Teluk Bakau Nusa Perkasa Nusa Lestari | 2011 2011 2011 | Indra Giri Hilir District – Riau | Certified Certified Certified |
| 9 | Mandah PT. Bhumireksa Nusasejati | 2014 | Mandah | 2011 | Indra Giri Hilir District – Riau | Certified |
| 10 | Angsana. PT Ladangrumpun Suburabadi | 2011 | Rotan Semelur Angsana Gunung Sari Pantai Bonati KKPA-1 PT.SHE KKPA-4 PT.SHE | 2011 2011 2011 2011 2013 2013 | Tanah Bumbu District – South Kalimantan | Certified Certified Certified Certified Certified |
| 11 | Mustika. PT Sajang Heulang | 2013 | Mustika KKPA-2 PT.SHE KKPA-3 PT.SHE KKPA-5 PT.SHE SAP 1 | 2013 2013 2013 2013 2023 | Tanah Bumbu District – South Kalimantan | Certified Certified Certified Certified - |
| 12 | Gunung Aru. PT Bersama Sejahtera Sakti | 2011 | Gunung Aru Gunung Kemas Laut Timur Pantai Timur KKPA BSS | 2011 2011 2011 2011 2023 | Kotabaru District – South Kalimantan | Certified Certified Certified Certified - |
| 13 | Bebunga. | 2011 | Bebunga | 2011 | Kotabaru District – South | Certified |

| | | | | | | |
|----|------------------------------------------------|------|---------------------------------|------|-------------------------------------------------------------|-----------|
| | PT. Langgeng Muaramakmur | | Bakau | 2011 | Kalimantan | Certified |
| | | | Sungai Cengal | 2011 | | Certified |
| 14 | Sukamandang PT Kridatama Lancar | 2011 | Sukamandang | 2011 | Seruyan and East Kotawaringin District – Central Kalimantan | Certified |
| | | | Sapiri | 2011 | | Certified |
| | | | Barasdanum | 2011 | | Certified |
| | | | Kuala Kuayan | 2011 | | Certified |
| 15 | Pondok Labu. PT Paripurna Swakarsa | 2012 | Binturung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Pondok Labu | 2012 | | Certified |
| | | | Rampa | 2012 | | Certified |
| | | | Sesulung | 2012 | | Certified |
| 16 | Rantau. PT Laguna Mandiri | 2012 | Rantau | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Matalok | 2012 | | Certified |
| | | | KKPA Sungai Cengal (1,382 SH) | 2014 | | Certified |
| | | | Selabak (PT SAA) | 2012 | | Certified |
| | | | Randi (PT SAA) | 2012 | | Certified |
| | | | Sangkoh (PT SAA) | 2012 | | Certified |
| | | | Lanting (PT LMR) | 2012 | | Certified |
| 17 | Betung. PT Laguna Mandiri | 2014 | Betung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Sekayu | 2012 | | Certified |
| 18 | Ungkaya. PT Tamaco Graha Krida | 2012 | Ungkaya | 2012 | Morowali District – Sulawesi Tengah | Certified |
| | | | Plasma TGK | 2023 | | - |
| 19 | Ladang Panjang. PT Bahari Gembira Ria | 2012 | Ladang Panjang | 2012 | Muaro Jambi District - Jambi | Certified |
| | | | Ladang Panjang (HGU on process) | 2023 | | - |
| | | | Plasma BGR | 2023 | | - |
| 20 | Rantau Panjang. PT Guthrie Pecconina Indonesia | 2012 | Rantau Panjang | 2012 | Musi Banyuasin District – South Sumatera | Certified |
| | | | Rantau Panjang (HGU on process) | 2023 | | - |
| | | | Bumi Ayu | 2012 | | Certified |
| | | | Karang Ringin | 2012 | | Certified |
| | | | Napal | 2012 | | Certified |
| | | | Napal (HGU on process) | 2023 | | - |
| | | | Mangun Jaya | 2012 | | Certified |
| | | | Mangun Jaya (HGU on process) | 2023 | | - |
| | | | Sungai Jernih | 2023 | | - |
| | | | GPI KKPA | 2023 | | - |
| 21 | Blang Simpo. PT Perkasa Subur Sakti | 2013 | Tamiang (PT PPP) | 2013 | Aceh Tamiang and East Aceh District – Aceh | Certified |
| | | | Batang Ara (PT PSK) | 2013 | | Certified |
| | | | Blang Simpo-01 | 2013 | | Certified |
| | | | Blang Simpo-02 | 2013 | | Certified |
| 22 | Lembiru. PT Sandika Nata Palma | 2014 | Lembiru | 2014 | Ketapang District – West Kalimantan | Certified |
| | | | Awatan | 2014 | | Certified |
| | | | Karya Palma | 2023 | | - |
| | | | KKPA SNP | 2023 | | - |
| | | | Pelanjau (PT BAL) | 2019 | | Certified |
| | | | Sungai Putih (PT BAL) | 2023 | | - |
| | | | Baturus (PT BAL) | 2023 | | - |
| | | | KKPA BAL | 2023 | | - |

| MALAYSIA | | | | | | |
|----------|-----------------------|------|------------------------------------------|------|------------------------|-----------|
| 1 | Sg Dingin SOU 1 | 2010 | Bukit Hijau | 2010 | Kerangan, Kedah | Certified |
| | | | Padang Buluh | 2010 | | Certified |
| | | | Bukit Selangor | 2010 | | Certified |
| | | | Sg Dingin | 2010 | | Certified |
| | | | Jentayu | 2010 | | Certified |
| | | | Anak Kuli | 2010 | | Certified |
| | | | Somme | 2010 | | Certified |
| 2 | Chersonese SOU 2 | 2011 | Chersonese | 2011 | Kuala Kurau, Perak | Certified |
| | | | Holyrood | 2011 | | Certified |
| | | | Kalumpang | 2011 | | Certified |
| | | | Tali Ayer | 2011 | | Certified |
| 3 | Elphil SOU 3 | 2011 | Kinta Kellas | 2011 | Sg Siput, Perak | Certified |
| | | | Elphil | 2011 | | Certified |
| | | | Kamuning | 2011 | | Certified |
| 4 | Flemington SOU 4 | 2011 | Flemington | 2011 | Teluk Intan, Perak | Certified |
| | | | Bagan Datoh | 2011 | | Certified |
| | | | Sabak Bernam | 2011 | | Certified |
| | | | Sg Samak | 2011 | | Certified |
| 5 | Seri Intan SOU 5 | 2011 | Seri Intan (Main Division) | 2011 | Teluk Intan, Perak | Certified |
| | | | Sabrang | 2011 | | Certified |
| | | | Sg Wangi | 2011 | | Certified |
| | | | Sogomana (Main Division) | 2011 | | Certified |
| 6 | Selaba SOU 5 | 2011 | Seri Intan (Selaba Division) | 2011 | Teluk Intan, Perak | Certified |
| | | | Sogomana (Cashwood & Sg Beruas Division) | 2011 | | Certified |
| | | | Bikam | 2011 | | Certified |
| | | | Clumy | 2011 | | Certified |
| 7 | Tennamaram SOU 6 | 2011 | Tennamaram | 2011 | Bestari Jaya, Selangor | Certified |
| | | | Sungei Buloh | 2011 | | Certified |
| | | | Bkt Talang | 2011 | | Certified |
| 8 | Bkt Kerayong SOU 7 | 2011 | Bkt Kerayong | 2011 | Kapar, Selangor | Certified |
| | | | Bkt Cherakah | 2011 | | Certified |
| | | | Bkt Rajah | 2011 | | Certified |
| | | | Bkt Lagong | 2011 | | Certified |
| | | | Elmina | 2011 | | Certified |
| 9 | East SOU 8 | 2010 | East | 2010 | Carey Island, Selangor | Certified |
| | | | Dusun Durian | 2010 | | Certified |
| | | | Sepang | 2010 | | Certified |
| 10 | West - SOU 9 | 2010 | West | 2010 | Carey Island, Selangor | Certified |
| 11 | Bukit Putri - SOU 10 | 2011 | Bukit Putri | 2011 | Raub, Pahang | Certified |
| 12 | Kerdau SOU 11 | 2011 | Kerdau | 2011 | Temerloh, Pahang | Certified |
| | | | Jentar | 2011 | | Certified |
| | | | Mentakab | 2011 | | Certified |
| | | | Sg Mai | 2011 | | Certified |
| | | | Chenor | 2011 | | Certified |
| 13 | Jabor - SOU 12 | 2011 | Jabor | 2011 | Kemaman, Trengganu | Certified |
| 14 | Labu SOU 13 | 2011 | Labu | 2011 | Nilai, Negeri Sembilan | Certified |
| | | | New Labu | 2011 | | Certified |

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|----|---------------------------|------|------------------|------|-------------------------------|-----------|
| | | | Bradwall | 2011 | | Certified |
| 15 | Tanah Merah SOU 14 | 2010 | Tanah Merah | 2010 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sua Betong | 2010 | | Certified |
| | | | Bukit Pelandok | 2010 | | Certified |
| | | | | | | Certified |
| 16 | Sua Betong SOU 15 | 2014 | Salak | 2014 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sengkang | 2014 | | Certified |
| | | | Siliau | 2014 | | Certified |
| | | | PD Lukut | 2014 | | Certified |
| | | | Sungai Baru | 2014 | | Certified |
| | | | Tampin Linggi | 2014 | | Certified |
| | | | | | | Certified |
| 17 | Kok Foh SOU 16 | 2011 | Bukit Pilah | 2011 | Bahau, Negeri Sembilan | Certified |
| | | | Kok Foh | 2011 | | Certified |
| | | | Muar River | 2011 | | Certified |
| | | | St. Helier | 2011 | | Certified |
| | | | Pertang | 2011 | | Certified |
| | | | Sg Gemas | 2011 | | Certified |
| | | | Sg Sebalang | 2011 | | Certified |
| | | | Sg Senarut | 2011 | | Certified |
| 18 | Kempas SOU 17 | 2010 | Kempas | 2010 | Jasin, Melaka | Certified |
| | | | Kemuning | 2010 | | Certified |
| | | | Tangkah | 2010 | | Certified |
| | | | | | | Certified |
| 19 | Diamond Jubilee SOU 18 | 2011 | Bukit Asahan | 2011 | Jasin, Melaka | Certified |
| | | | Diamond Jubilee | 2011 | | Certified |
| | | | Serkam | 2011 | | Certified |
| 20 | Pagoh SOU 19 | 2014 | Pagoh | 2014 | Muar, Johor | Certified |
| | | | Lanadron | 2014 | | Certified |
| | | | Pengkalan Bukit | 2014 | | Certified |
| | | | Welch | 2014 | | Certified |
| | | | | | | Certified |
| 21 | Chaah SOU 20 | 2010 | North Labis | 2010 | Chaah, Johor | Certified |
| | | | Cha'ah | 2010 | | Certified |
| | | | Sg Simpang Kiri | 2010 | | Certified |
| 22 | Gunung Mas SOU 21 | 2010 | Gunung Mas | 2010 | Kluang, Johor | Certified |
| | | | Kempas Klebang | 2010 | | Certified |
| | | | Bukit Paloh | 2010 | | Certified |
| | | | Yong Peng | 2010 | | Certified |
| 23 | Bukit Benut SOU 22 | 2011 | Bukit Benut | 2011 | Kluang, Johor | Certified |
| | | | CEP Niyor | 2011 | | Certified |
| | | | Lambak / Elaeis | 2011 | | Certified |
| 24 | Ulu Remis SOU 23 | 2011 | Pekan | 2011 | Layang-layang, Johor | Certified |
| | | | Sembrong | 2011 | | Certified |
| | | | Tun Dr. Ismail | 2011 | | Certified |
| | | | Ulu Remis | 2011 | | Certified |
| | | | Bukit Badak | 2011 | | Certified |
| | | | Cenas | 2011 | | Certified |
| 25 | Hadapan SOU 24 | 2011 | CEP Rengam | 2011 | Layang-layang, Johor | Certified |
| | | | Kulai | 2011 | | Certified |
| | | | Layang | 2011 | | Certified |
| | | | Seri Pulai | 2011 | | Certified |
| 26 | Sandakan Bay SOU 26 | 2008 | Tun Tan Siew Sin | 2008 | Sandakan, Sabah | Certified |
| | | | Tunku | 2008 | | Certified |
| | | | Tigowis | 2008 | | Certified |
| | | | Sentosa | 2008 | | Certified |

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|---------------------------------------------|-------------------------|------|--------------------------------|------|---------------------------------------|-----------|
| | | | Saguliud | 2008 | | Certified |
| 27 | Melalap SOU 27 | 2011 | Melalap | 2011 | Tenom, Sabah | Certified |
| | | | Sapong | 2011 | | Certified |
| 28 | Binuang SOU 28 | 2009 | Tingkeyu | 2009 | Kunak, Sabah | Certified |
| | | | Sungang | 2009 | | Certified |
| | | | Jelata Bumi | 2009 | | Certified |
| | | | Binuang | 2009 | | Certified |
| 29 | Giram SOU 29 | 2009 | Mostyn | 2009 | Kunak, Sabah | Certified |
| | | | Giram | 2009 | | Certified |
| 30 | Merotai SOU 30 | 2009 | Imam | 2009 | Tawau, Sabah | Certified |
| | | | Merotai | 2009 | | Certified |
| | | | Table | 2009 | | Certified |
| | | | Tiger | 2009 | | Certified |
| 31 | Lavang SOU 31 | 2011 | Belian | 2011 | Bintulu, Serawak | Certified |
| | | | Kelida | 2011 | | Certified |
| | | | Lavang | 2011 | | Certified |
| | | | Lavang (SE) | 2011 | | Certified |
| | | | Rasan | 2011 | | Certified |
| | | | Chartquest | 2011 | | Certified |
| | | | Dulang | 2011 | | Certified |
| | | | Peroh | 2011 | | Certified |
| | | | Pekaka | 2011 | | Certified |
| | | | Ruai | 2011 | | Certified |
| 32 | Rajawali SOU 32 | 2011 | Rajawali | 2011 | Bintulu, Serawak | Certified |
| | | | Samudera | 2011 | | Certified |
| | | | Semarak | 2011 | | Certified |
| | | | Bayu | 2011 | | Certified |
| 33 | Derawan SOU 33 | 2011 | Takau | 2011 | Bintulu, Serawak | Certified |
| | | | Damai | 2011 | | Certified |
| | | | Derawan | 2011 | | Certified |
| | | | Sahua | 2011 | | Certified |
| P & G (New Britain Palm Oil) | | | | | | |
| 1 | Poliamba | 2012 | Kara | 2012 | Kevieng, New Ireland Province, P&G | Certified |
| | | | West Coast | 2012 | | Certified |
| | | | Nalik | 2012 | | Certified |
| | | | Noatsi | 2012 | | Certified |
| | | | Madak | 2012 | | Certified |
| | | | North (Smallholders) | 2012 | | Certified |
| | | | South (Smallholders) | 2012 | | Certified |
| | | | West (Smallholders) | 2012 | | Certified |
| 2 | Tetere | 2011 | Tetere | 2011 | Gudaicanal, Slomon Island | Certified |
| | | | Ngalimbiu | 2011 | | Certified |
| | | | Mbalisuna | 2011 | | Certified |
| | | | West Zone (Smallholders) | 2011 | | Certified |
| | | | Central Zone (Smallholders) | 2011 | | Certified |
| | | | MBA East (Smallholders) | 2011 | | Certified |
| | | | MBA West (Smallholders) | 2011 | | Certified |
| 3 | Sangara, Sambiripa & | 2013 | Sangara | 2013 | Higaturu, Popondetta, Oro, P&G | Certified |
| | | | Sumberipa | 2013 | | Certified |

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|---------------------------------|----------------------------------------------------|--------------------------------------|---------------------------|----------------------|------------------|-----------|---------------------|------|
| | Mamba | | Ambogo | 2013 | | Certified | | |
| | | | Embi | 2013 | | Certified | | |
| | | | Mamba | 2013 | | Certified | | |
| | | | Sorovi (smallholders) | 2013 | | Certified | | |
| | | | Igora (smallholders) | 2013 | | Certified | | |
| | | | Saiho (smallholders) | 2013 | | Certified | | |
| | | | | Aeka (smallholders) | | 2013 | Certified | |
| | | | | Ilimo (smallholders) | | 2013 | Certified | |
| 4 | Gusap | 2010 | Dumpu | 2010 | Madang, P&G | Certified | | |
| | | | Surinam | 2010 | | Certified | | |
| | | | Jephcott | 2010 | | Certified | | |
| | | | Gusap | 2010 | | Certified | | |
| | | | Paddox | 2010 | | Certified | | |
| | | | Ngaru | 2010 | | Certified | | |
| | | | Madang VOP (smallholders) | 2010 | | Certified | | |
| | | | Morobe VOP (smallholders) | 2010 | | Certified | | |
| 5 | Hagita | 2013 | Giligili | 2013 | Milne Bay, P&G | Certified | | |
| | | | Hagita | 2013 | | Certified | | |
| | | | Waigani | 2013 | | Certified | | |
| | | | Sagarai | 2013 | | Certified | | |
| | | | Padipadi | 2013 | | Certified | | |
| | | | Mariawatte | 2013 | | Certified | | |
| | | | East Gurney | 2013 | | Certified | | |
| | | | West Gurney | 2013 | | Certified | | |
| | | | East Sagarai | 2013 | | Certified | | |
| | | | West Sagarai | 2013 | | Certified | | |
| 6 | Mosa Kumbango Kapiura Namumdo Waraston | 2008 | Bebere | 2008 | West New Britain | Certified | | |
| | | | Kumbango | 2008 | | Certified | | |
| | | | Togulo | 2008 | | Certified | | |
| | | | Dami | 2008 | | Certified | | |
| | | | Waisisi | 2008 | | Certified | | |
| | | | Kautu | 2008 | | Certified | | |
| | | | Karaus | 2008 | | Certified | | |
| | | | Moroa | 2008 | | Certified | | |
| | | | Bilomi | 2008 | | Certified | | |
| | | | Loata | 2008 | | Certified | | |
| | | | Haella | 2008 | | Certified | | |
| | | | Garu | 2008 | | Certified | | |
| | | | Daliavu | 2008 | | Certified | | |
| | | | Sapuri | 2008 | | Certified | | |
| | | | Malilimi | 2008 | | Certified | | |
| | | | Rigula | 2008 | | Certified | | |
| | | | Nomundo | 2008 | | Certified | | |
| | | | 7 | | | | Navarai / Karato ME | 2008 |
| | | Volupai . Lotomgam / Natupi / Goruru | | | 2008 | | Certified | |
| | | Lolokoru | | | 2008 | | Certified | |
| Silovoti | 2008 | Certified | | | | | | |
| LSS Hoskin (1,877 Smallholders) | 2008 | Certified | | | | | | |

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| | | | VOP East (1,815 Smallholders) | 2008 | | Certified |
| | | | VOP Central (1,958 Smallholders) | 2008 | | Certified |
| | | | VOP West (1,277 Smallholders) Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders) | 2008 | | Certified |
| | | | LSS Kapiura (847 Smallholders) | 2008 | | Certified |
| | | | VOP Kapiura (551 Smallholders) | 2008 | | Certified |
| | <p>TBP on June 2022.</p> <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 10 in P&G. There is change of time bound plan, with detail:</p> <ol style="list-style-type: none"> 1. Uncertified area in PT Sime Indo Agro: postpone become 2023 due to HGU process 2. Uncertified area in PT Bina Sains Cemerlang: postpone become 2023 due to HGU process 3. Uncertified area in PT Bahari Gembira Ria: postpone become 2023 due to HGU process 4. Uncertified area in PT Budidaya Agro Lestari: postpone become 2023 due to HGU process 5. For Liberia operations: As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI). https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation | | | | | |
| 1.10.2 | Progress of Associated Smallholders and Outrowers for Certifiable Standard | | | | | |
| | <p>The company did not have associated with Independent Smallholder & Growers while the associated smallholder cooperation is with the KKPA Pentagon Production. Based on verifications regarding previous OFI, the CH there is no obligations to ensure the KKPA in the TBP due to the management controlled not totally managed by company, i.e financial control, workers use, as well as decision making on behalf of KKPA.</p> | | | | | |

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| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| RC-2 | <p>1. Leonada (Lead Auditor Witnessing). Bachelor of agriculture for plant breeding and seed technology programme study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, lead auditor ISO 9001; 2008, ISO 14001; 2005, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, health and safety management system (SMK3) auditor.</p> <p>2. Moh. Arif Yusni (Lead Auditor Witnessed). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor course in 2014, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO and ISPO Lead auditor refresher course in 2021 etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, TBP, Partial certification, environment aspect, waste management, GHG and conservation.</p> <p>3. Benli Manurung (Auditor). Bachelor of Agriculture Majoring in Soil Science. He has more than 4 years of experience as a plantation operations staff in a private oil palm plantation company in Indonesia. The trainings he has attended include: ISPO, RSPO, Lead auditor of ISO 9001: 2015; ISO 14001; 2015, IHT Health & Safety Aspect and Best Management Practice. Has participated in several audit activities since 2016 in the field of Best Management Practice, Health & Safety Aspect and Worker Welfare. During the audit, he verified Best Management Practice and OHS Aspect.</p> <p>4. Rindu Galih Rezza Rachmansyah (Auditor) Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP & NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During the audit, he verified worker welfare, SCCS and social aspect.</p> <p>5. Alfiany Sukmawati (Auditor Trainee). Indonesian Citizen. Bachelor of Public Health, major in Environmental Health, University of Indonesia. Has experience working in as HSE specialist for 5 years. Has attended training in AMDAL A & B, ISO 14001 auditor training, OSHAS, ISPO by LPP, Lead Auditor ISO 9001:2015, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 45001, and Awareness ISO 19011. Has participated in several simulations of audit activities related to the certification system for sustainable palm oil plantations with environmental aspects. During the audit, she verified environment aspect, waste management, GHG and conservation aspect under supervised by Lead Auditor</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p> |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| RC-2 | <p>Number of auditors: 3 auditors, 1 Witnesser and 1 auditor trainee</p> <p>Number of days for RC-2 onsite audit: 5 days</p> <p>Number of working days for RC-2 audit: 15 working days</p> |
| 2.2.2 | Assessment Process |

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| RC-2 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkasa Subur Sakti to the requirements of</p> <ul style="list-style-type: none"> • RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 • RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020. <p>The scope of certification of PT Perkasa Subur Sakti consist of one mill (Blang Simpo Mill) and four estates namely:</p> <ul style="list-style-type: none"> • PT Padang Palma Permai: Blang Simpo-01 Estate, Blang Simpo-02 Estate and Tamiang Estate • PT Perkebunan Sri Kuala: Batang Ara Estate <p>Formerly the certification area covering 8,777.22 Ha, however, during this assessment there are reductions of the certifications area became 7,623.42 Ha due to reductions of Land Title when extension and Trans Sumatra Highway Projects.</p> <p>The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results Recertification by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA 2.1. Improvement of findings from previous assessment findings were observed by auditors at this Onsite assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of this reports.</p> <p>The opening meeting was held on 27 February 2023. As for the participants who attended the opening meeting included the Estate and Mill Managers, Support Team and other staff from certifications units. Closing meeting was held 04 March 2023 attended by the same participants as the opening meeting. Management unit accept all recommendations in accordance with auditor recommendations.</p> <p>During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. Before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.</p> <p>Public Stakeholder Notification was made on MUTU Website and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is</p> |
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| | <p>included as Appendix III.</p> <p>Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel.</p> <p>All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).</p> <p>The assessment program please find Appendix 2.</p> |
| 2.2.3 | Locations of Assessment |
| RC-2 | <p>The sampling method used by the Auditor team is based on the area that represents each operating area, consideration of issues arising from the results of document review, and stakeholder consultations that are fundamental and crucial.</p> <p>The locations visited in full are presented as follows:</p> <p><u>Blang Simpo POM</u></p> <ul style="list-style-type: none"> • Water Treatment Plant. Observations and interviews on clean water treatment, OHS and environmental aspects. • Waste Water Treatment Plant. Observation about condition and interview with WWTP operator about his job description and its management. • Temporary Hazardous Waste Storage. Observation for OHS, waste disposal, and environmental aspects. • Chemical Storage. Observation and interview with worker related to chemical management, OHS, and environmental aspect. • Fuel and Oil Storage. Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect • Spare part and PPE Storage. Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect. • Grading Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. • Loading Ramp Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. • Sterilizer Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. • Press Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. • Hosting Crane Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. • Boiler and Engine Room Station. The auditor only conducts field observations and cannot conduct interviews with • Hydrant Simulation. Observation related emergency response, readiness of firefighting equipment. • Thresher Station. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. <p><u>Blang Simpo Estate 1</u></p> <ul style="list-style-type: none"> • HGU Pole No. 13, 14 & 15 at Block C11 Division 3. Observations related to the legality boundaries of the company's operational land. • Conservation Area, Buffer Zone for Water Flow at Block C11 Division 3. Observations related to conservation area management. • Security Post di Division 3. Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms. • Upkeep Activity (Road Maintenance) at Block B06 Division 2 (Done by workers spraying because of the rain). Observations and interviews related to work procedures, employment systems, OSH, environmental aspects |

and grievance mechanisms.

- **Upkeep Activity (Road Maintenance) at Block B11 Division 2 (Done by workers manurers because of the rain).** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Housing Complex at Division 2.** Observations and interviews with housing residents related to worker welfare facilities and domestic waste management.
- **Daycare at Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Block Spraying System (BSS) House at Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Block Manuring System (BMS) House at Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Land Application Block A007.** Observation related implementation of procedure, and potential of pollution.
- **Monitoring Well of Land Application.** Observation related implementation of procedure, and potential of pollution.
- **Harvesting Worker, Block 02 Div. I.** Observations and interviews with workers related to the work system, employment aspects, health checks, and safe work practices.
- **Oil storage.** Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **Agrochemical storage.** Observation about storage condition, agrochemical stock, OHS implementation and work procedure.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and OHS implementation.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and OHS implementation.
- **Fuel and Diesel Tank.** Observation for material handling and OHS.
- **Workshop.** Observations related to the management and implementation of health safety, and social worker.
- **Empty Bunch Application in Block A2 Div. I.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Barn Owl Box, Block A2 Div. I** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.

Blang Simpo Estate 2

- **Landfill Block F03 Division 3.** Observation related management of domestic waste.
- **Boundaries Poles No 44, 45 and 46** Observation related legal aspect as well as potential land disputes
- **Land Fill,** Observation related domestic waste management
- **HCV Area (Bukit Merah),** Observation to HCV area management and monitoring
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel Tank.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Rinse House.** Observation and interview with worker related to worker facility, OHS, and environmental aspect.
- **Chemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Firefighting Equipment Storage.** Observation and interview with worker related to hazardous waste management, OHS, and environmental aspects
- **Emplacement Division I.** Observation and interview related facilities, waste management, and environmental aspect.
- **Workshop.** Observation and interview with worker related procedure, OHS, and environmental aspect.
- **Clinic.** Observation and interview related health services, hazardous waste management, OHS, and environmental aspects

- **Sprayer Worker.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Pruning Worker.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Harvester Worker.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Upkeep Worker.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.

Tamiang Estate

- **Boundaries Poles No 11, 12, 13 and 14** Observation related legal aspect as well as potential land disputes
- **Slope Area.** Observation related soil managements and conservations
- **HCV Area Buffer Zone Block C05,** Observation to HCV area management and monitoring
- **Workshop.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Fuel Tank.** Observations related to environmental management, hazardous material handling and OHS.
- **Housing Complex at Division 2.** Observations and interviews with housing residents related to worker welfare facilities and domestic waste management.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel Tank.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Rinse House.**
- **Chemical Storage.** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Rinse House.** Observation and interview with worker related to worker facility, OHS, and environmental aspect.
- **Loose Fruit Picker Worker.** (Working as the fertilizer and pesticide applicators in daily), Blok A006. Observation and interviews with foreman and worker, worker welfare OHS, and employment.
- **Barn Owl Box, Block A004** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **Harvesting Worker, Block A006.** Observations and interviews with workers related to the work system, employment aspects, health checks, and safe work practices.
- **Beneficial Plant in Main Road Block A003.** Observations related to integrated pest control for nettle caterpillar (*UPDKS*) control by planting host plants from natural enemies of these pests.
- **Spraying Worker A003.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.

Batang Ara Estate

- **Boundaries Poles No 17, 18, 19 and 20,** Observation related legal aspect as well as potential land disputes
- **HCV Area 727 Ha,** Observation to HCV area management and monitoring
- **Slope Area.** Observation related soil managements and conservations
- **Housing Complex.** Observations and interviews with housing residents related to worker welfare facilities and domestic waste management.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel Tank.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.

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| | <ul style="list-style-type: none"> • Rinse House. Observation and interview with worker related to worker facility, OHS, and environmental aspect. • Chemical Storage. Observation and interview with worker related to chemical management, OHS, and environmental aspect. • Housing Complex. Observation related worker facility and environmental aspects • Harvesting Worker, Block C002. Observations and interviews with workers related to the work system, employment aspects, health checks, and safe work practices. • Spraying Worker C004. Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect. • Beneficial Plant in Main Road Block C004. Observations related to integrated pest control for nettle caterpillar (<i>UPDKS</i>) control by planting host plants from natural enemies of these pests. • Empty Bunch Application in Block C004. Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management. |
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| RC-2 | <p>Consultation of stakeholders for PT Padang Palma Permai, PT Perkebunan Sri Kuala and PT Perkasa Subur Sakti was held by:</p> <ul style="list-style-type: none"> • Public Announcement on RSPO Website and PT MAL Website on 26 January 2023 • Public consultation meeting with government of Aceh Tamiang District conducted by visits and interview on 28 February 2023 • Public consultation meeting with government of Aceh Timur District conducted by visits and interview on 28 February 2023 • Public consultation meeting with local stakeholder conducted by visiting and interview on 28 February 2023 and 1 March 2023 • Public consultation meeting with internal stakeholder on 28 February 2023 and 28 February 2023 and 1 March 2023 • Consultation with NGO (WWF, WALHI, Sawit Watch, AMAN) via email on 21 February 2023 <p>Numbers of input from stakeholders were clarified by PT Padang Palma Permai, PT Perkebunan Sri Kuala and PT Perkasa Subur Sakti.</p> |
| 2.3.2 | Stakeholder contacted |
| | Please find appendix 1 |
| 2.4 | Determining Next Assessment |
| | The next visit (ASA 2.1) will be conducted eight (8) months to twelve (12) months since of the date of certificate issued. |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Blang Simpo POM – PT Perkasa Subur Sakti, Subsidiary of Sime Darby Plantation Berhad operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were nil (0) Nonconformity were assigned against RSPO Indicator and five (5) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Blang Simpo POM – PT Perkasa Subur Sakti, Subsidiary of Sime Darby Plantation Berhad complied with the requirements of **Principles and Criteria for the Production of Sustainable Palm Oil 2018 The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20th April 2020 and RSPO Certification System for Principles and Criteria, 12 November 2020.**

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Continued*.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY | | |
| 1.1 | The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| 1.1.1 | <p>The unit of certification has a list of information/documents that can be accessed by stakeholders such as government agencies, external audits and NGOs. As well as having a clear mechanism to regulate public access to these documents, including;</p> <ul style="list-style-type: none"> • Social and Environmental Documents: Environmental impact analysis documents, HCV identification reports, SIA identification reports, community empowerment program reports, procedures for handling social conflict, continuous improvement program documents, complaints and dissatisfaction reports. • Legality Documents: Evidence of ownership of land rights, Human Rights policy documents, RSPO and ISPO audit report documents. • Employment Documents: Work health and safety implementation plan documents, number of employees and list of basic wages as well as <i>BPJS</i> payment receipts, <i>NPWP</i> and tax data, and Occupational Health and Safety Advisory Committee Reports. | |
| 1.1.2 | <p>Based on document verification, all public documents (explained in 1.1.1) are accessible to relevant stakeholders by submitting an official letter of request for information. All information is provided in Bahasa.</p> <p>For example are;</p> <ul style="list-style-type: none"> • Reporting of Employment Report for PT Padang Palma Permai (Tamiang Estate) in 2022 via online on 05 August 2022 and must be reporting back on 05 August 2023. • Reporting of Employment Report for PT Padang Palma Permai (Blang Simpo 1 Estate) in 2022 via online on 28 September 2022 and must be reporting back on 28 September 2023. • Reporting of Employment Report for PT Padang Palma Permai (Blang Simpo 2 Estate) in 2022 via online on 06 November 2022 and must be reporting back on 06 November 2023. • Reporting of Employment Report for PT Perkasa Subur Sakti (Blang Simpo Factory) in 2022 via online on 11 October 2022 and must be reporting back on 11 October 2023. | |

- Reporting of Employment Report for PT Perkebunan Sri Kuala (Batang Ara Estate) in 2022 via online on 05 August 2022 and must be reporting back on 05 August 2023.

Based on interviews with representatives of Manpower and Transmigration Agency of Aceh Tamiang Regency, it is known that the unit of certification always send the report to the stakeholder periodically.

1.1.3

From the results of the document review on the recording of incoming and outgoing mail logs from Unit of Certification in 2022, for BSF, BSE 1, and BSE 2 there were no requests for information from stakeholders. However, there are some notes regarding funds requests, routine reporting to related institutions, and invitations. Whereas, in BAE and TME units there is requests for information from Attorney General's Office of Aceh Tamiang with letter number B-370/L.1.15.3/Dek.1/01/2022 dated January 25, 2022. Respon to requests for information was given directly to the agency were provided in an adequate and timely manner, on January 26, 2022. (i.e. no later than 10 days after the letter is received).

1.1.4

Procedure of Handling Information No. KKM/07/PPP-PSK-PPP/VI/16 revision 02 dated 1 April 2016 explained that the unit of certification has appointed person who are responsible, publicly accessible documents, the flow of handling information requests, and the maximum time limit of responding to the information request.

The respond of information requests with maximum time of 10 days since mail received. Based on verification document and interview with external stakeholders, management responds the information request no longer than 3 working days. Record of the socialization regarding the procedure for example is on December 31, 2022, to 80 participants consisting of workers, contractors, and surrounding communities. Based on interviews with representatives of Kebun Tanah Terban and Batang Ara Village and Environmental Agency of Aceh Timur and Aceh Tamiang District, it is known that stakeholders know about the mechanism for delivering information.

1.1.5

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

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| Status: Comply |
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1.2

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

1.2.1

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

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

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

This policy covers all operational activities of certification unit, including the prohibition of corruption, bribery and fraud in

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

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

1.2.2

The certification unit has a several methods to monitor compliance and the implementation of overall ethical business policies and practices, such as internal audit and field monitoring. Every contractor has received a socialization regarding the policy of the code of ethics given at the time of signing the works agreement and the contractor has a Vendor Integrity Pledge, in which it is committed to comply with all applicable codes of ethics in the company. For examples, the internal audit that has been conducted in 09-14 January 2023 that has been reviewed by the Top Management and there is no Non-Conformity related to ethical conduct in business operation or transaction. For the contractor it has been conducted in separated activity, the examples is contractor evaluation (for compliance related to regulation) in 23 February 2023 for all contractor and it has been completed comply by the contractor.

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

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

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

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| Status: Comply |
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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

Blang Simpo certification unit is under the company PT Perkasa Subur Sakti Subsidiary of Sime Darby Plantation bhd in compliance with the compliance, the company has complied with all relevant laws and regulations, namely by having the following documents:

Compliance with Legality Regulation:

Legal aspect

- HGU as described in 4.4.1
- Plantation Business Permit as described below:
 1. PT Padang Palma Permai

- Decree from Ministry of Agriculture No. HK.350/203/Bun.5/III/2001 dated 16 March 2001, for area covering 6,558 Ha and mill with capacity 25 MT / Hours
- Decree from Governor of Aceh Province No No. 525/BP2T/2524/2015 dated 30 November 2015 for area 1,239 ha
- 2. PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala
 - Decree from Ministry of Agriculture HK.350/188/Bun.5/III/2001 dated 16 March 2001, for area covering 1,1121 Ha
- 3. PT Perkasa Subur Sakti
 - Decree from Ministry of Agriculture HK.350/E5.906/10.96 dated 25 October 1996, for with mill capacity 30 MT/Hours
- Plantation Business Assessment: The company already has the results of the plantation class assessment which was last carried out in 2018. The certificate of assessment is issued by the Department of Agriculture and Plantation of the Aceh Government. Based on this assessment, PT PSS is included in class III, PT PPP is included in class II, and PT PSS is included in class II. Regarding the class of plantations whose validity period ends in 2021, the next assessment process can be shown as indicated in the Letter of the Government of Aceh's Agriculture and Plantation Office regarding the submission of the status of the plantation business assessment of PT PPP, PT PSS, and PSK No. 525/113/VI dated January 18, 2022, which states that the questionnaire is still in the process of being assessed. Issuance will be submitted after the assessment process by the assessment team is complete.

Compliance with Manpower Regulation

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

- Reporting of Employment Report for PT Padang Palma Permai (Tamiang Estate) in 2022 via online on 05 August 2022 and must be reporting back on 05 August 2023.
- Reporting of Employment Report for PT Padang Palma Permai (Blang Simpo 1 Estate) in 2022 via online on 28 September 2022 and must be reporting back on 28 September 2023.
- Reporting of Employment Report for PT Padang Palma Permai (Blang Simpo 2 Estate) in 2022 via online on 06 November 2022 and must be reporting back on 06 November 2023.
- Reporting of Employment Report for PT Perkasa Subur Sakti (Blang Simpo Factory) in 2022 via online on 11 October 2022 and must be reporting back on 11 October 2023.
- Reporting of Employment Report for PT Perkebunan Sri Kuala (Batang Ara Estate) in 2022 via online on 05 August 2022 and must be reporting back on 05 August 2023.
- The implementation of the minimum wage in 2023 is in accordance with the Aceh Provincial Minimum Wage Decree that has been established by the Governor of Aceh on 24 November 2022.
- The implementation of the minimum wage in 2023 is in accordance with the Aceh Tamiang Regency Minimum Wage Decree that has been established by the Governor of Aceh on 07 December 2022.
- Payment of overtime wages to workers in accordance with Government Regulation No. 35 of 2021.
- Implementation of the wage, structure and scale of wages for all levels of workers in accordance with Government Regulation No. 36 of 2021.

Compliance with Social and Environment Regulation:

Unit of certification has complied with all relevant laws and regulations by having the following documents:

- Hazardous Waste Temporary Storage Permits located in 4 locations (Blang Simpo Factory, Blang Simpo 2 Estate, Tamiang estate, Batang Ara Estate)
- Environmental Permits with a total of 4 documents.
- POME Disposal Permit for Land Application activities
- PT PSS Domestic Waste Disposal Permit
- PT PSS: UKL UPL Report Quarterly IV with Number 012/BSF/II/2023 which was reported on 24 January 2023.
- PT PPP: RKL RPL Report Semester II of 2022 which was reported on 23 February 2023.
- PT PSK: UKL UPL Report Semester II of 2022 which was reported on 04 January 2023.

Based on the results of verification of environmental management and monitoring documents, all management and

monitoring parameters requested in the environmental document matrix have been implemented. However, the unit of certification has not yet evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes trend evaluation, critical level evaluation, and compliance evaluation.

Therefore, certification units are encouraged to evaluate the results of environmental management and monitoring as required by applicable regulations.

2.1.2

The certificate holder has a documented system to ensure legal compliance listed in the Regulation Evaluation Mechanism Procedure (SPO/022/III/2021 on 04 March 2021). The procedures include explaining that regulations can be obtained and updated by contacting government and non-government agencies to ensure that the latest regulations apply, including international, national, and local and actively visit related websites. company have shown list of updated regulation related to the field of worker welfare aspect are:

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

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted in February 2023. To ensure compliance with the certification unit and third-party laws in the certification unit, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last internal audit for RSPO and SCCS was conducted on 09 – 14 January 2023.

In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, and etc, its described-on indicator 2.2.2

2.1.3

Mechanism of boundary pole maintenance is listed in the Work Instructions of Boundaries Pole (HGU) Maintenances (No. Ist/SOU 18/I). On the procedure described the maintenance carried out by each unit and monitoring carried twice a year.

The company has a procedure for maintaining and monitoring HGU boundary markers in which the procedure states the frequency of observation and maintenance is every 6 months and the part in charge is PSD. Based on the monitoring of boundary pole, which was last carried out in December 2022, information on the number of boundary pole was obtained as follows:

- Tamiang Estate: 51 poles
- Batang Ara Estate: 21 poles
- Blang Simpo 1 Estate: 80 poles
- Blang Simpo 2 Estate: 45 poles

During audit the unit of certification presented document of boundaries monitoring where the last activity conducted in December 2022 and based on monitoring all boundaries are available and the conditions was good. Based on observation to in poles sample (Poles No 13,14 and 15 in Blang Simpo 1 Estate; 44, 45 and 46 Blang Simpo 2 Estate; Poles No 17, 18, 19 and 20 Batang Ara Estate and 11, 12, 13 and 14 in Tamiang Estate) it was known that Boundaries poles were satisfactory maintained and easy to identify. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by Land Agency.

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| Status: Comply |
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2.2

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

2.2.1

In monitoring the use of third parties (contractors, FFB suppliers, transporters and others) for plantation and mill activities, the certification unit has well documented the list of third parties, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 21 third parties (Contractor, Transporters for CPO/PK, Health Laboratory, Hazardous Waste Transport, Testing Company, and any others), 11 local Suppliers (material, food, and others) and 1 FFB Suppliers (Cooperative Production Pentagon) that has been cooperate with certification unit. These contractors collaborate in the activities of transportation for FFB, CPO and PK.

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

- Letter of Agreement No. 012/Angkut TBS/PPP-TME/X/2022 dated 01 October 2022 with UP Dian Armansyah for the FFB Transportation, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.
- Letter of Agreement No. 088/BSE/SPK-LKL/VI/2022 dated 21 June 2022 with CV Andalas Jaya Megah for the FFB Transportation, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.
- Letter of Agreement No. 002/Pengangkutan CPO PK/PSS-BM/II/2022 dated 30 September 2022 with CV Bina Mandiri for the CPO and PK Transportation, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.

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

2.2.2

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

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

- Evidence of fulfillment of third-party legality (CV Bina Mandiri, UP Dian Armansyah and CV Andalas Jaya Megah) such as Deed of Establishment (*Akta Pendirian*), NIB (Business Identification Number), NPWP (Taxpayer Identification Number) and others.
- List of third-party workers, for example CV Andalas Jaya Megah has 63 workers, UP Dian Armansyah has 21 workers and CV Bina Mandiri has 12 workers. None of these workers are under 18 years of age. In addition, it can also be shown that there is a work agreement between a third party and the workers during the project period.
- Proof of *BPJS* card ownership for third-party workers (CV Bina Mandiri, UP Dian Armansyah and CV Andalas Jaya Megah) and proof of payment of the last contribution for ongoing projects (last payment made for contributions in January 2023). Therefore, it can be ensured that all *BPJS* owned by workers from third parties are still valid at the time the audit activity takes place.
- List of wages for third-party workers in January 2023, where the total wage for that month is in accordance with the government's 2023 minimum wage.

In addition, the certification unit can show evidence in the form of monitoring the legal compliance of third parties that work with them every year using List of laws and regulations owned by the company updated monitoring for contractor was

carried out on 23 February 2023. Unit certification shows third party legal compliance monitoring for CV Bina Mandiri, UP Dian Armansyah and CV Andalas Jaya Megah where the monitoring has listed a law register that must be fulfilled by a third party.

Of all the regulations mentioned above, CV Bina Mandiri, UP Dian Armansyah and CV Andalas Jaya Megah have complied with all of these regulations which were evaluated on 23 February 2023. Based on the explanation and evidence shown, it can be concluded that certification unit has proven that all contracts have their own clauses regarding the fulfilment of applicable legal obligations and are shown by the relevant third party.

2.2.3

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

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

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

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| Status: Comply |
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2.3

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

2.3.1

Based on documents verifications the FFB that accepted by Blang Simpo Factory originally from estate under scope of certifications (Blang Simpo 1 Estate; Blang Simpo 2 Estate; Batang Ara Estate and Tamiang Estate) and Associated Smallholders of PT PPP (Pentagon Cooperative) that managed by the unit of certifications and its not including of scope of audit. Blang Simpo Factory didn't accept FFB from Outgrowers, independent smallholders, collection centres, agents or other intermediaries and etc.

2.3.2

As describe on indicator 2.3.1 there is no middleman, indirect suppliers or agents which delivered FFB to Blang Simpo Factory.

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| Status: Comply |
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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

Based on basic info verification and interviews with management representatives it is known that the certification unit shows a long-term planning document that is described in a 5 (five) year plan, which is listed in each certification unit Projections Periods 2023– 2027 document. The document contains crop estimates, CPO production, cost projections, and infrastructure development. For example, there is replanting plan in PT Padang Palam Permai periods 2024 covering an area of 467 Ha, the projected FFB production 2024 is 100,133 tons, etc.

3.1.2

The company has a long-term plan that includes describing a replanting program for the next 5 years. There are no plans for replanting at PT Perkebunan Sri Kuala for the next 5 years, while at PT Padang Palma Permai replanting is planned to begin in 2024 for an area of 467 Ha.

3.1.3

The company has routinely conducted Management Reviews for all certification units, for example the 2022 Management Review for Blang Simpo Factory which was held on January 17, 2023, discussing internal findings, customer feedback, process performance and product conformity, status of preventive and corrective actions and follow-up of reviews management. In addition, the company also conducts RSPO and ISPO internal audits regularly, for example the Blang Simpo Factory internal audit report which was carried out on 09-14 January 2023 with 4 non-compliances which were all followed up on 16 February 2023.

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| | Status: Comply | |
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3.2

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

3.2.1

The company has conducted regular management review meetings, internal audit RSPO and ISPO. In addition, companies can also show evidence of continuous improvement such as BM and OHS aspects as follows:

BMP

- The company uses pheromone traps to control Oryctes pests
- Applying EFB and POM liquid waste as oil palm nutrient recycling
- Do not use pesticides with the active ingredient Paraquat
- Using fertilizer according to the dosage recommended by the Agronomist

OHS

- Have an emergency response organization in accordance with the Decree of the Aceh Province Manpower and Population Mobility Office number 560/KEP/57/2021 dated 07 January 2021 concerning Approval of the Blang Simpo Factory Emergency Response Team.
- Have the Decree of the Head of the Aceh Population Labor and Mobility Office No 560/KEP.38/P2K3/2021 dated January 7, 2021 concerning Ratification of the Occupational Safety and Health Advisory Committee (P2K3) for PT Perkasa Subur Sakti - Blang Simpo Factory.
- Have the Decree of the Minister of Manpower of the Republic of Indonesia number 5/4146/AS.01.03/IV/2022 dated 13 April 2022 concerning the Appointment of OHS expert secretary to PT Perkasa Subur Sakti.

3.2.2

The company shows the RSPO metric template version 2.1 which contains, among others, information on RSPO members, area, factory and plantation reports for the period January – December 2022 which are in accordance with supporting documents for filling out the RSPO metric template.

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| | Status: Comply | |
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3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company has SOPs that regulate oil palm planting activities from the land clearing stage to harvesting. The SOP is contained in the "Reference Manual for Palm Oil Agronomy" No. Policy: 110/EST-ARM/13 which was approved by the Head of Plantation Upstream Indonesia on September 16, 2013, and has been effective since October 1, 2013. This SOP is a revision of the previous SOP (Policy No.: 110/EST-ARM/08) and consists of 18 Sections, namely:

1. Plant material
2. Breeding technique
3. Replanting

4. Land preparation/clearing
5. Plant density
6. Age of harvesting
7. Field maintenance
8. Fertilization
9. Canopy management
10. Management of water management in coastal areas and planting on peatlands
11. Ablation
12. Maturity standard
13. Crop spinning
14. Loose quotes
15. Plant protection
16. Weed control
17. Manufacture of legume cover crops, and
18. Rainfall recording

In additions, company also have been Head Plantation Operations Memorandum No. POD-UM-154/VII/2010 which was legalized Head plantation Operations on July 26, 2010, consists of SOPs:

1. Technical Guidelines for Palm Oil Mills Volume I, Minamas Plantation, No. Policy 110/POD-FAC/07
2. Technical Guidelines for Palm Oil Mills Volume II, Minamas Plantation, No. Policy 120/POD-FAC/07
3. Administrative Procedures for Palm Oil Mill Operations, Minamas Plantation, No. Policy 130/POD-FAC/07.

3.3.2; 3.3.3

The company has routinely conducted Management Reviews for all certification units to check consistency the implementation of procedure, for example the 2022 Management Review for Blang Simpo Factory which was held on January 17, 2023, discussing internal findings, customer feedback, process performance and product conformity, status of preventive and corrective actions and follow-up of reviews management. In addition, the company also conducts RSPO and ISPO internal audits regularly, for example the Blang Simpo Factory internal audit report which was carried out on 09-14 January 2023 with 4 non-compliances which were all followed up on 16 February 2023.

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| Status: Comply |
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3.4

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

3.4.1

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage, and the post-operation stage. Some of the documents held by the certification unit include:

Environmental Impact Assessment (EIA)

PT PPP

- Environmental Evaluation Study document / SEL (according to the Decree of the Minister of Agriculture Number RC. 220/797/B/V/1993, 13 May 1993). Location I in Tamiang 1,456.14 Ha & in Batang Ara 403.00 Ha. Location II in Blang Simpo 4,238.00 Ha. The total area is 6,087.14 Ha with an installed mill capacity of 20 tons of FFB / hour. The company has an environmental management plan as stated in the ANDAL and RKL-RPL Addendum Documents in 1993 in accordance with the Decree of the Minister of Agriculture Number RC. 220/797/B/V/1993, 13 May 1993).The Environmental Evaluation Document covering an area of 6,232.23 ha is located in Tualang Pateng Village, Peureulak Timur District, East Aceh Regency according to the Decree of the Head of the Environment Service Office of East Aceh Regency Number 660/37/DELH/2018 dated October 25, 2018.
- Recommendations for Environmental Management (DPLH) documents for oil palm replanting covering an area of 1,451.99 ha by the Head of the Aceh Tamiang Regency Environmental Service located in Tanah Terban Village,

Karang Baru District, Aceh Tamiang Regency, Aceh Province with Number 660/18/2019 on January 3, 2019.

PT PSS

Environmental Management Document / DPLH (according to the Decree of the Minister of the Environment Number B-5054/Dep.I/LH/7/2010, 06 July 2010). Recommendation on DPLH (based on Environmental Agency of East Aceh Regency Number 062/DPLH/660/2011, 24 Jan 2011 for PT Perkasa Subur Sakti with activity location in Peureulak District, East Aceh Regency. Processing capacity of 30 tons/FFB per hour.

PT PSK

Environmental Management Document / DPLH (according to the Decree of the Environmental and Hygiene Office of Aceh Tamiang Regency No. 660/ 1346, 24 September 2014). The scope of the document is an oil palm plantation with an area of + 1,128.9 Ha.

The HCV assessment conducted in 2010 with the scope of PT PPP, PT PSK conducted by Pollito in January 2010. From the results of the study, it is known that the identified HCV area is 295.57 Ha. In 2019 the company conducted an internal assessment and made a determination of a new HCV area where several areas that were originally included in the planted area were designated as HCV area that is managed and monitored now for the whole unit is 934.95 Ha.

Social Impact Assessment (SIA)

There are no new planting activities or operations in the certification unit, the scope of certification is still the same as the previous assessment.

The company conducted an SIA study conducted in March 2010 by Pollito Consultants. The scope of the Social Impact Assessment includes PT Padang Palma Permai (Tamiang Estate, Blang Simpo-1 Estate, Blang Simpo-2 Estate) and PT Perkebunan Sri Kuala (Batang Ara Estate).

In addition, in February 2012 a Rapid Assessment of the Effects of Replanting on the Social Environment of PT Padang Palma Permai was carried out (Blang Simpo 1 Estate, Blang Simpo 2 Estate and Tamiang Estate), carried out by Aksenta Consultants. The study outlines the stages of replanting and an indication of the impact of each replanting impact of each stage that can affect environmental and social conditions, both on the estates environment around the replanting area. The aim is to identify environmental and social impacts, activities that are sources of impacts, components and or potentially affected parties, choices for mitigating environmental and social impacts.

The assessment has involved consultation with affected parties, this is evidenced by recorded evidence in the form of a list of participants (Focus Group Discussion) attending the discussion to collect data and information attended by the affected parties, including community representatives, community leaders and village government.

3.4.2**Environmental Impact Assessment (EIA)**

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented. Based on the results of the evaluation, it is known that all parameters are still appropriate by the related Quality Standards, and there is no indication of contamination.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the unit of certification. The certification unit makes RKL-RPL reports based on attachment of Environmental Permit where the matrix is a compilation of all previously owned.

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

- PT PSS: UKL UPL Report Quarterly IV with Number 012/BSF/II/2023 which was reported on 24 January 2023.
- PT PPP: RKL RPL Report Semester II of 2022 which was reported on 23 February 2023.
- PT PSK: UKL UPL Report Semester II of 2022 which was reported on 04 January 2023.

Based on the results of verification of environmental management and monitoring documents, all management and

monitoring parameters requested in the environmental document matrix have been implemented. However, the unit of certification has not yet evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes trend evaluation, critical level evaluation, and compliance evaluation.

The unit of certification has conducted annual monitoring and evaluation also for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. Regarding reporting related to Protected Areas and High Conservation Values, it has been carried out every semester for example for semester 2 of 2022 and was reported to the Banda Aceh BKSDA on January 18, 2023.

Social Impact Assessment (SIA)

The results of document reviews and interviews with management and stakeholders (internal and external) found that the company has managed issues that could have a social impact which were carried out partially by the relevant departments, for example Social management of the community is managed by the PSD Department, Employment Management is managed by the Ministry HRM, Management of OHS and Environmental aspects are managed by the SQM Department, Plantation Operational Management and Security are managed by the Field Operations Section. By partially managing it by the relevant departments, the management of social and environmental impacts has not been carried out in an integrated manner and is contained in the Social Impact Management Report, for example on several existing social issues, including:

- Issues related to employment regarding the use of main field works carried out by local contractors.
- Issues regarding security breaches / theft
- Problems regarding the existence of community livestock
- Issues related to dissatisfaction with CSR and job opportunities for the surrounding community.
- The social dynamics of the community due to the company's location in the city
- Issues regarding HGU extension.
- Issues regarding employment such as housing, health facilities, PPE, working hours and additional food.

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

3.4.3

Environmental Impact Assessment

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

From field observation by video found that environmental management in accordance with the RKL-RPL by installing signboard for conservation areas, marking in the form of stakes, and red paint marks for spray-boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilizer workers, they also stated that they were aware of the prohibition on applying chemicals to the buffer zone marked in red. In addition, they do not apply chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

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

Social Impact Assessment (SIA)

Regarding the social management and monitoring plan owned by the company, it has conducted a review which is conducted every two years. Based on the results of a review of the 2022 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner involving relevant stakeholders. Based on the results of the document

review, companies are encouraged to;

- Conduct a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors, including conflict victims and for internal stakeholders by paying attention to the representation of wider workers such as local workers, migrants, women, workers including contract workers.
- Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise.

Based on explanation above, it become an **opportunity for improvement**.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2022-2023 written in Bahasa. In general, these procedures describe:

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

In addition to being publicly listed in Collective Labor Agreement, the certification unit has other procedures in the form of Policies, SOP, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Collective Labor Agreement and Company Procedure/Policy in 26 July 2022 which was attended by all workers on muster morning. For example, some procedures that are owned by the company include:

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

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

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

3.5.2

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

- Employment Acceptance Document for workers with the initials MHS (harvester) starting with the Employment Application Letter to apply for a job as a Harvester worker at PT Padang Palma Permai. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 009/PT.PPP-BSE-1/PKWT-Eks/XII/2022 dated 15 December 2022 for Harvesting workers.

- Employment Acceptance Document for workers with the initials SHM (harvester) starting with the Employment Application Letter to apply for a job as a Compound worker at PT Padang Palma Permai. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 011/PT.PPP-BSE-1/PKWT-Eks/XII/2022 dated 15 December 2022 for Harvesting workers.
- The certification unit has a worker promotion from a contract worker to a permanent worker. For example, a Plantation Admin (BNY) who has received a performance appraisal in 2022 with a "Good" result so that he is declared eligible to get a promotion a contract worker to a permanent worker (Grade H) in accordance with Decree No. 002/BSE1/I/2023 dated 01 January 2023 which Valid from 01 January 2023.

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

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

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| Status: Comply |
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3.6

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

3.6.1

The company has carried out risk identification for all of its business units in PPP, PSS and PSK, for example the Environmental Impact Analysis and OHS Risk Assessment for PPP which were prepared by OHS Experts and approved by EM on April 18, 2022 with work activities/processes consisting of 39 activities such as land clearing, nursery, planting, harvesting and transporting, fertilizing, spraying, storage, filling stations, hazardous waste warehouses, polyclinics, electrical installations, generators, lawn mowers, infrastructure (heavy equipment, road maintenance), infrastructure (civil), Estate offices, workshops, mechanized harvesting, housing, fire monitoring patrols, environmental monitoring.

Based on field observation, hazard identification risk assessment and control (HIRAC) documents has been implemented adequately and appropriate in Estate and Mill. For examples: operator uses ear muff, harvester uses helmet, etc.

3.6.2

Based on document review as well as field observations in warehouses and harvesting activities, known that the company has completed OHS instructions such as banners for gathering points, evacuation routes, and OHS warnings in order to controlling risks and potential hazards for all employees, for example, warning about PPE mandatory areas at each station according to the identification of risks and potential hazards.

In additions, the company carries out activities to monitor the effectiveness of the OSH plan such as:

- Regular monthly OHS meetings for each unit in the context of the effectiveness of the OSH plan that has been prepared in the beginning of the year.
- MCU.
- Hold a First Aid Kit Simulation for each management unit.
- Inspection of the 1000 KW turbine on August 15, 2022, by PT Jastek Indo Utama with a record of good turbine conditions
- Boiler inspection with a pressure of 21kg/cm³ on August 15, 2022, by PT Jastek Indo Utama with a record of good boiler conditions

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| Status: Comply |
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3.7
All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.
3.7.1

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

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

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

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

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

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

3.7.2

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

- OHS socialization to all residents (wives and children of workers) regarding sources of danger around housing areas, schools and others on 26 July 2022.
- Socialization of Company Policy to all employees on 26 July 2022.
- Spraying Technique and OHS training for all pesticide operators (sprayers) on 23 December 2022.
- Socialization of Hazardous Material/Waste Management and Housekeeping for all warehouse officers on 23 December 2022.
- Manuring and OHS Engineering Training for all upkeep (manurers) workers on 04 May 2022.
- Fire Emergency Response Simulation carried out by the Fire Emergency Response Team and attended by all workers on 19 January 2023.
- Socialization of Company Policy and OHS to all local contractors who work with the company on 03 October 2022.
- Socialization of Company Policy and OHS to all employees on 18 May 2022.
- Socialization of Company Policy and HCV to the community around the company on 22 June 2022.
- Information Socialization of the results of the identification of the needs of new mothers (new mothers) which was carried out to ensure that the needs of new mothers and their children can be easily guaranteed/accessed to all female workers and workers' wives (including new mothers and prospective new mothers) on 25 October 2022.

Based on field observations and interviews with workers (harvesters, sprayers and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties

and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of each work. Meanwhile, the results of interviews with representatives of contractors, contractor workers and the surrounding community (Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang Village) revealed that they had received routine socialization related to company policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the company's operational area.

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

3.7.3

Training Program 2023 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2023 conducted on 12 January 2023. The training subjected to SOP of Supply Chain and Traceability of Palm products. Training attended by relevant personnel including mill assistant, laboratory, Senior Assistant, weighbridge clerk, production clerk and etc

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

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

Blang Simpo Factory implemented SCCS Module Mass Balance due to processed FFB from certified and uncertified sources.

3.8.3

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

| | Last Year Projected Certified Volume (MT) | Actual production in February 2022 – January 2023 | Estimation for the next 12 months |
|----------------|----------------------------------------------|---------------------------------------------------------|--------------------------------------|
| FFB Processed | 97,200 | 92,359.81 | 100,000.00 |
| CPO Production | 21,500 | 20,412.09 | 22,500.00 |
| PK Production | 3,900 | 3,703.00 | 4,500.00 |

3.8.4

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

| Member Information | |
|--------------------|----------------------|
| Member Name | Blang Simpo, PT. PSS |
| Member ID | RSPO_PO1000000706 |
| Member Country | Indonesia |
| Member Category | Oil mill |
| Core Product | Palm Oil |

| License Information | |
|---------------------|----------------------|
| License ID | CB133043 |
| Issued By | PT Mutuagung Lestari |
| Issued On | 05/09/22 |
| Start Date | 05/03/22 |
| End Date | 05/02/23 |
| License Status | Active |

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license period it was known there is no product sold as RSPO certified. All certified products sold as non-certified/conventional as described in indicator 3.8.8 and 3.8.16. The company has been removed or allocated to credit product certified products sold as conventional.

3.8.5

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

3.8.6

Internal Audit procedures are ruled in on RSPO Supply Chain Certification Manual (SCCS-td/RSPO/PSQM/02 Revision 3, 01 December 2020) which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

Internal audit of RSPO supply chain conducted simultaneously with P&C audit on 09 – 14 January 2023. All of supply chain standard and rules on market communication and claim has been assessed. Based on internal audit it was known there is nonconformity against SCCS Clausal Indicator 3.816 about removing certified products that sold as conventional. During Recertifications the non-conformity has been follow up by the unit of certifications.

Management Review of RSPO SCCS implementation conducted on 17 January 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement.

3.8.7

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

| Month | FFB (MT) | | |
|--------|----------------|---------------|-----------|
| | RSPO Certified | Non-Certified | Total |
| Feb-22 | 4,864.77 | 70.98 | 4,935.75 |
| Mar-22 | 7,533.12 | 126.29 | 7,659.41 |
| Apr-22 | 8,838.03 | 142.76 | 8,980.79 |
| May-22 | 7,299.43 | 122.95 | 7,422.38 |
| Jun-22 | 9,499.58 | 181.63 | 9,681.21 |
| Jul-22 | 9,455.85 | 145.92 | 9,601.77 |
| Aug-22 | 10,499.97 | 148.45 | 10,648.42 |

| | | | |
|--------------|------------------|-----------------|------------------|
| Sep-22 | 11,389.01 | 165.96 | 11,554.97 |
| Oct-22 | 9,064.49 | 145.44 | 9,209.93 |
| Nov-22 | 5,717.59 | 158.72 | 5,876.31 |
| Dec-22 | 3,081.79 | 85.46 | 3,167.25 |
| Jan-23 | 5,116.18 | 106.81 | 5,222.99 |
| Total | 92,359.81 | 1,601.37 | 93,961.18 |

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment and not exceed from projections. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table,

| | Last Year Projected Certified Volume (MT) | Actual production in February 2022 – January 2023 | Estimation for the next 12 months |
|----------------|------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|
| FFB Processed | 97,200 | 92,359.81 | 100,000.00 |
| CPO Production | 21,500 | 20,412.09 | 22,500.00 |
| PK Production | 3,900 | 3,703.00 | 4,500.00 |

3.8.8

During the starting date of the license until the audit, there is no sales of RSPO certified product (CSPO and CSPK). However, there were selling of CSPO and CSPK as conventional during this period, and has been removed from certified stock.

3.8.9; 3.8.10 & 3.8.11

The Mill has imposed provisions that must be applied by contractors as contained in the work agreements or Supply Chain Procedure (SCCS-Std/RSPO/PSQM/02, Revision 3, 01 December 2020), clausal 4.4 (Outsourcing activity) which described when the certifying organization outsources activities to independent third parties (eg subcontractors for storage, transportation or other outsourcing activities), the certifying organization must ensure that the third parties comply with the RSPO SCCS requirements.

Blang Simpo Factory doesn't outsource refining and crushing activity. The company uses third party contractors for CPO and PK transportation activities. For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are one contractors CPO and PK namely CV Bina Mandiri.

Since last assessment it was known there is no new contractors and there is no certified product sold as claimed RSPO certified product. The contractors and certified holder also have an agreement related to transparency of contractor operational mechanism, so the certification bodies can audit the contractors.

3.8.12

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

Crude Palm Oil

| Period | CPO production (MT) | | Total | Cert CPO Dispatch (MT) | | | Total |
|----------------------|---------------------|----------|----------|------------------------|--------------|----------|----------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | |
| opening stock | 271.48 | | | | | | |
| Feb-22 | 1,080.18 | 15.76 | 1,095.94 | 0 | 0 | 1,186.24 | 1,186.24 |
| Mar-22 | 1,710.40 | 28.67 | 1739.076 | 0 | 0 | 997.39 | 997.39 |

| | | | | | | | |
|-------------------------------------------------------|------------------|---------------|------------------|----------|----------|------------------|------------------|
| Apr-22 | 2,022.70 | 32.67 | 2055.375 | 0 | 0 | 2,448.55 | 2,448.55 |
| May-22 | 1,593.24 | 26.84 | 1620.078 | 0 | 0 | 478.31 | 478.31 |
| Jun-22 | 2,139.14 | 40.90 | 2180.04 | 0 | 0 | 929.04 | 929.04 |
| Jul-22 | 2,106.55 | 32.51 | 2139.06 | 0 | 0 | 1,440.02 | 1,440.02 |
| Aug-22 | 2,397.42 | 33.90 | 2431.313 | 0 | 0 | 2,855.91 | 2,855.91 |
| Sep-22 | 2,435.55 | 35.49 | 2471.044 | 0 | 0 | 2,628.32 | 2,628.32 |
| Oct-22 | 2,009.92 | 32.25 | 2042.172 | 0 | 0 | 2,911.51 | 2,911.51 |
| Nov-22 | 1,173.42 | 32.57 | 1205.994 | 0 | 0 | 1,247.69 | 1,247.69 |
| Dec-22 | 633.78 | 17.58 | 651.351 | 0 | 0 | 881.15 | 881.15 |
| Feb-23 | 1,109.79 | 23.17 | 1,132.96 | 0 | 0 | 486.27 | 486.27 |
| Sub Total February 2022 – January 2023 | 20,412.09 | 352.30 | 20,764.40 | 0 | 0 | 18,490.40 | 18,490.40 |
| Grand Total | 20,683.57 | | | | | | |

Palm Kernel

| Period | CSPK production (MT) | | Total | Cert CSPK Dispatch (MT) | | | Total |
|-------------------------------------------------------|----------------------|--------------|-----------------|-------------------------|--------------|-----------------|-----------------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | |
| opening stock | 414.21 | | | | | | |
| Feb-22 | 189.80 | 2.77 | 192.57 | 0 | 0 | 194.39 | 194.39 |
| Mar-22 | 311.59 | 5.22 | 316.81 | 0 | 0 | 196.10 | 196.10 |
| Apr-22 | 357.86 | 5.78 | 363.64 | 0 | 0 | 414.99 | 414.99 |
| May-22 | 279.85 | 4.71 | 284.57 | 0 | 0 | 206.84 | 206.84 |
| Jun-22 | 377.78 | 7.22 | 385.00 | 0 | 0 | 356.41 | 356.41 |
| Jul-22 | 380.45 | 5.87 | 386.32 | 0 | 0 | 133.70 | 133.70 |
| Aug-22 | 422.42 | 5.97 | 428.39 | 0 | 0 | 318.76 | 318.76 |
| Sep-22 | 444.91 | 6.48 | 451.39 | 0 | 0 | 394.98 | 394.98 |
| Oct-22 | 378.68 | 6.08 | 384.75 | 0 | 0 | 354.99 | 354.99 |
| Nov-22 | 230.69 | 6.40 | 237.10 | 0 | 0 | 420.73 | 420.73 |
| Dec-22 | 130.14 | 3.61 | 133.75 | 0 | 0 | 77.85 | 77.85 |
| Feb-23 | 198.84 | 4.15 | 203.00 | 0 | 0 | 0 | 0 |
| Sub Total February 2022 – January 2023 | 3,703.00 | 64.28 | 3,767.28 | 0 | 0 | 3,069.74 | 3,069.74 |
| Grand Total | 3,770.83 | 48.11 | 4,645.39 | 2,118.99 | | 2,650.11 | 4,769.10 |

3.8.13; 3.8.14

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

3.8.15

Blang Simpo Factory implemented SCCS Module Mass Balance due to processed FFB from certified and uncertified sources.

3.8.16

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since February 2022 – January 2023 it was known there is no sales of RSPO certified product (CSPO and CSPK). However, there were selling of CSPO and CSPK as conventional during this period, and has been removed from certified stock or allocated to credit as described below:

| Stock Transaction ID | Date | Product | Transaction Type | Volume (MT) |
|----------------------|------------|---------|-----------------------------|-------------|
| ST-TR-11a88670-bcc9 | 07-02-2023 | CSPO | Remove From Certified Stock | 11,450 |
| ST-TR-19c1d3de-7b83 | 07-02-2023 | CSPK | Remove From Certified Stock | 2,264.26 |
| ST-TR-43e56ba4-05ad | 10-01-2023 | CSPO | Credit Allocation | 50 |
| ST-TR-cfc294bb-ef8b | 10-01-2023 | CSPO | Credit Allocation | 10,000 |

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1

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

4.1.1

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

Based on the results of interviews with unions, estate and mill workers, it is known that all workers (all levels) have received routine socialization regarding this policy every year. This can be ensured by a sufficiently good explanation/understanding of the workers regarding human rights respect based on the company policies and there is issue related to this since 2022 until now.

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

4.1.2

Based on interview with stakeholder such as communities surrounding the company (representative of Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village), labor union, and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

Status: Comply

4.2

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

4.2.1

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

- SOP for Handling Public Complaints (SPO/6.3/PKM) with document number SOP/005/BSC/2016 No. revision 01/Rev/RSPO/P&C/PPK dated November 1, 2016. This procedure explains that public complaints can be submitted by telephone at the contact number provided in each unit.
- SOP for Handling Employee Complaints (SPO/6.5/PKK) with document number SOP/006BSC/2012 No. revision 01/Rev/RSPO/6.5/PKK dated November 1, 2012. The procedure explains that public complaints can be submitted by telephone at the contact number provided by the assistant at each emplacement location.
- SOP for Handling Stakeholder Complaints No. 001 revision 0 dated 31 October 2020. The procedure aims to ensure that the stakeholder complaint handling system (internal and external) can be understood by stakeholders including those who are illiterate. In the procedure it is explained that the company provides illustrated information regarding the submission of complaints.

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

All of the above procedures were made by the certification unit as a reference for carrying out communication activities, resolving complaints and conflicts that occurred during certification unit carrying out its operational activities. Although the procedure was made by the certification unit, parties who are relevant stakeholders such as the surrounding village communities have also been given socialization regarding this matter and since 2022 until January 2023 there have been no problems in the procedure. This is in accordance with the results of interviews with Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang Village, which stated that the existing communication, complaint and conflict resolution procedures were deemed not burdensome to the village and its community. However, certification unit can show the documentation of socialization of Procedure to surrounding village in last year has been doing in 22 June 2022.

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

4.2.2

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

However, the results of interviews with representatives of surrounding communities (Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang Village), the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators.

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

4.2.3

Based on the results of a review of the external complaint register book document for the 2022 period until January 2023, it is known that during this period there were complaints or grievance submitted by stakeholders to the company. This is in accordance with the results of interviews from the surrounding community (Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang Village) which stated that during 2022 these stakeholders have submitted complaints or grievance to the company and has been well responded well by the company so far. For example, for the complaints/grievance is:

- Complaints on 08 December 2022 from the community around Blang Simpo Estate (SLH) related to roads around the plantation which were in a damaged condition and the company responded directly to repairs. On 19 December 2022, the company repaired the condition of the damaged roads around Blang Simpo Estate and resolved the complaint.
- Complaints on 23 December 2022 from the community around Blang Simpo Estate (EDS) related to repairs to the company's front/entrance ditch and have been responded to directly by the company for repairs. On 29 December 2022, the company made repairs to the front/entry ditch at Blang Simpo Estate and resolved the complaint.

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

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

- Workers' complaints (LPB) on 05 January 2023 regarding the leaky roof of their house and were immediately responded to by the company on the same date for the repair process to be carried out. On 10 January 2023 the company has made repairs to the reported damage and this complaint has been resolved properly.
- Workers' complaints (STK) on 14 November 2022 regarding the ownership of a Manulife Insurance Card which they have not received since they first started working and were immediately responded to by the company on the same date to process the card issuance. On 03 December 2022 the company has given the card to the workers after receiving it from the insurance.

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

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

4.2.4

In Indonesia, giving freedom to the reporting party to obtain legal and technical assistance from an independent party is allowed and there is no regulation/procedure in certification unit that forbids it. An example is the resolution of the problem described above in which the company provides options/options to the heirs to obtain legal assistance from other independent parties.

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

Results of interviews with Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang Village which stated that when their residents had disputes or land claims to the company in previous years, the community was given

the freedom to ask for legal and technical assistance from independent parties such as lawyers. and other parties to manage this matter. This proves that the certification unit in general has carried out its procedures to give the reporting party the freedom to obtain legal and technical assistance from a third party in the event of a dispute.

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

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| Status: Comply |
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4.3

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

4.3.1

The unit of certification can present CSR program for period 2022/2023. The programs categorized eight (8) aspects as follows:

- Religious aspect
- Educations aspect
- Sports aspects
- Infrastructure aspects
- Disaster aspects
- Social for elderly aspects
- Work opportunity aspects
- Government aspects

Result of interview with local communities surrounding the company (Village of Batang Ara, Tanah Terban, Pantai Tinjau, Tualang Pateng and Seunebung Lapang), it was known the program developed based on identifications or social assessment routine in line with community development meeting (*musrembang*) where the results used as consideration to develop CSR programs.

During audit the unit of certifications can presented the realization of CSR Programs for period of 2022 in example:

- Financial assistance for the Maulid Nabi, Isra Miraj on 24 November 2022
- Education assistance in the form of scholarships for children of outstanding employees
- Assistance of flooding victims on 06 November 2022

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| Status: Comply |
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4.4

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

4.4.1

The unit of certifications are long established company with starting operational in 1959 for PT Padang Palma Permai, 1986 for PT Perkebunan Sri Kuala and 1994 for PT Perkasa Subur Sakti. In 2002 Sime Darby Sdn Bhd has taken over from previous owner and managed the area. Based on documents verifications it was known the total area of certifications are in line with legal documents that owned covering **7,623.42 Ha** as divided in the several documents as follows:

1. PT Perkebunan Sri Kuala
 - Decree of the Head of BPN No. 86/HGU/BPN/99 30 September 1999 concerning the granting of HGU a.n. PT Sri Kuala on a land area of **727.90 ha**. HGU Certificate No. 132 of 2002 dated August 12, 2002. HGU valid until August 2037.
 - Decree of the Head of BPN No. 13/HGU/BPN/93 dated May 31, 1993, regarding the granting of HGU a.n. PT Sri Kuala on a land area of 401 ha and then revised became **378 Ha** due to 23 Ha excluded for Trans Sumatra Highway. HGU Certificate No. 02 of 1993. HGU valid until December 31, 2024.
2. PT Padang Palma Permai
 - Decree of the Head of BPN No. 72/HGU/BPN/2011 dated August 26, 2011, regarding the granting of an extension of the period of PT PPP's HGU for a land area of **2,993.2319 ha**. HGU Certificate No. 149 of 2011 dated October

17, 2011. HGU is valid until December 30, 2034.

- Decree of the Minister of Home Affairs No. 64/HGU/KEM-ATR/BPN/X/2022 dated 04 October 2022 regarding the granting of extension of PT PPP's HGU over a land area of **± 943.42 ha**. Then, issued HGU Certificate No. 02 on 11 October 2022. HGU valid until 01 January 2047
- Decree of the Head of BPN No. 95/HGU/KEM-ATR/BPN/2018 dated 19 October 2018 regarding the granting of HGU PT PPP on a land area of **1,203.1 ha**. Then, HGU Certificate No. 02 was issued on 12 December 2018 HGU valid until December 11, 2053.
- Decree of the Head of BPN No. 14/HGU/BPN/2000 dated March 24, 2000, regarding the granting of an extension of the term of the HGU for a land area of 1,451.99 ha and then revised became **1,377.77 Ha** due to 74.2 Ha excluded for National Road / Ringroad project. HGU Certificate No. 131 of 2002 dated July 31, 2002. HGU valid until May 10, 2027.

Moreover, for Mill, the area is in the permit area or PT Padang Palma Permai (Blang Simpo Estate 1) in accordance land lease agreement between PT Perusahaan Perkebunan dan Pertanian (former name of PT Padang Palma Permai) and PT Perkasa Subur Sakti which explains that leased land area + 32 Ha with validity period until 31 December 2022. Currently, the process of renewal of the extension and the draft of the agreement is available and waiting for approval (OFI).

4.4.2; 4.4.4; 4.4.5; 4.4.6

There were no land expansion and new developments carried out by the unit of certifications since previous assessment. Based on field observation, interview with managements and community leaders company (representative of Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village) obtained information if the unit of certifications are long established company which starting operational prior the period of 2000. Based on interview with community as explained above obtained information's land compensation has been done prior the plantation developed, however based on interview with managements the land compensations documents were no longer available due to the company office burned down during the conflict. Furthermore, based on interview with community it was known there is no issue regarding land ownership or conflict between community.

4.4.3

The company can show a map showing legal rights in the form of a HGU boundary map with a scale of 1: 50,000 contained in the HGU certificate issued by the Land Office. Based on public consultation with village representatives from Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village, obtained information's, it is recognized that they know the legal boundaries owned by the companies

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| Status: Comply | |
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4.5

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

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

Based on document review of areal statement, interview with management, and field observation, it is known that there is no new planting activity after 1 January 2010. The planting year after 2010 is classified as second cycle.

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| Status: Comply | |
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4.6

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

4.6.1, 4.6.2, 4.6.3, 4.6.4

There is no change from previous assessments related procedure of acquisition of occupied land (343/PSD-OKUP/11). The Procedure explained the stages of land acquisition which include the principle of land acquisition; research, verification, and inventory data stages; the stage of submitting funds for payment of compensation/land acquisition; payment document verification stage; and document storage.

There were no land expansion and new developments carried out by the unit of certifications since previous assessment. Based on field observation, interview with managements and community leaders company (representative of Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village) obtained information if the unit of certifications are long established company which starting operational prior the period of 2000 and there is no new land compensations. Based on interview with community as explained above obtained information's land compensation has been done prior the plantation developed, however based on interview with managements the land compensations documents were no longer available due to the company office burned down during the conflict. Furthermore, based on interview with community it was known there is no issue regarding land ownership or conflict between community.

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| Status: Comply |
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4.7

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

4.7.1; 4.7.2; 4.7.3

Until this assessment was carried out, there were no additional operational areas of the company. Land acquisition is through take over so that the company does not experience the GRTT stage and the compensation phase. The company has also developed an Occupational Land Acquisition Procedure (No. 343/PSD-OKUP/10), which is through a negotiation stage between the company and the party claiming the land.

There were no land expansion and new developments carried out by the unit of certifications since previous assessment. Based on field observation, interview with managements and community leaders company (representative of Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village) obtained information if the unit of certifications are long established company which starting operational prior the period of 2000 and there is no new land compensations. Based on interview with community as explained above obtained information's land compensation has been done prior the plantation developed, however based on interview with managements the land compensations documents were no longer available due to the company office burned down during the conflict. Furthermore, based on interview with community it was known there is no issue regarding land ownership or conflict between community.

Based on interview with communities of village representatives from Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village there was no such written agreement that allows previous landowners to have opportunities of benefit from plantation development. However, the company has several policies, as well as SIA management and monitoring plan that has some purposes to improve livelihoods quality of surrounding communities, includes the development of scheme smallholders, acceptance of local workers and contractors if needed, economic development program, and any other CSR programs.

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| Status: Comply |
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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

Based on field observation, interview with managements and community leaders' company (representative of Village of Batang Ara, Kebun Tanah Terban, Pantai Tinjau, Tualang Pateng Village, Seneubok Lapang Village) obtained information if the unit of certifications are long established company which starting operational prior the period of 2000 and since previous assessment there is no land dispute between company and communities. However, Although the unit of certifications has gained land rights legally, there are community settlement or occupation in the company area. The company has had the Area Statement map that described various land use in permit Areas, including area width. Based on documents verifications there are 55.27 Ha occupation area in the certification area in Blang Simpo 2 Estate and Batang Ara Estate. That's areas managed by the community are palm oil, and community settlement.

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| Status: Comply |
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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

The unit of certification has shown a document of FFB pricing determined by the company based on Agriculture and Plantation Service of Aceh Province, for example on January 2023 for FFB prices in the 3-year planting year is calculated at 1,660 rupiahs per kilogram. The unit of certification also shows an example of payment for the January 2023 which is paid directly to the supplier's account according and this is according to the price that has been set.

The price of FFB can be accessed by supplier, where the price is posted using the WhatsApp and telephone from the PIC.

The company does not accept outside FFB other than PT PPP plasma.

5.1.2; 5.1.6

FFB pricing for suppliers follows the price set by the government. Based on interviews with the KKPA PT PPP, it is known that they have received an explanation regarding the determination of the FFB price and also known the price is fair and there has never been a late payment. It can be proved by payment receipt for FFB KKPA PPP on January 31, 2023, for the January 2023 period with Number 001/Pentagon Production Cooperative/PSS-TBS/II/2023.

Based on the explanation from management representatives, it is known that the FFB price set by the government is informed to outside FFB suppliers through results of the FFB pricing team meeting for the Aceh Province by planters.

5.1.3

Unit of certification has determined a fair price where the price is adjusted to the price of Plantation Agency, the price agreement has been included in the MoU (Point 4 - Pricing) for the Sale and Purchase of FFB between PT Padang Palma Permai and the Pentagon Production Cooperative Number 001/TBS/PPP-Pentagon/IV/2021 on April 24, 2021, and is valid for 25 years from the date it was signed.

5.1.4; 5.1.8

Until the recertification audit held, there was no cooperation in the sale and purchase of FFB between unit of certification and Independent Smallholders. The Plasma currently in PT PPP is plasma with the KKPA with full manage system.

Specifically for the agreement made with the Pentagon's KKPA, the Chairman of the Cooperative said that the cooperative was given the freedom to determine the parties to assist in accordance with the cooperative's needs, including if there are women are involved.

5.1.5

The contract made is in accordance with applicable regulations, recorded at a notary and transparently regulates all the necessary clauses starting from financing, payment systems, management systems and other matters, and has a validity period, there are:

- Deed No. 24 dated May 30 2016 by Notary Idahariati, S.H. on development of community plantation represented by the Pentagon Production Cooperative. The term of the agreement is for 25 years.
- Letter of Agreement No. 001/TBS/PPP-Pentagon/IV/2021 dated 24 April 2021 between PT PPP and the Pentagon Production Cooperative regarding the FFB sale and purchase agreement for an oil palm plantation development project with a partnership pattern in Cek Mbon Village, Peureulak District, East Aceh Regency, Aceh Province. This agreement is effective as of June 1, 2021 and signed by 3 (three) cooperative management, the proxy of the board of directors of PT PPP, the Head of Cek Mbon Village, the Head of Peureulak Sub-district, the Head of the Office of Cooperatives, Small and Medium Enterprises, Industry and Trade of the East Aceh Regency, the Head of the Regency Plantation and Livestock Service. East Aceh and the Regent of East Aceh. The Pentagon Production Cooperative has received approval and validation based on the Decree of the state minister for Cooperatives and Small and

Medium Enterprises No. 636/BH/1.7/IV/2013 dated 24 April 2013.

5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by UPTD Metrologi Aceh Timur Regency and CV Multi Presisi, there are:

- Certificate of Test Results No. 510.3/06/2022 Brand: Every Weight Tronix E1205 which was carried out on 13 May 2022, valid until 19 April 2023.
- Certificate of Test Results No. 510.3/007/2022 Brand: Metler Toledo IND560 which was carried out on 13 May 2022, valid until 19 April 2023.

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

5.1.9

Unit of Certification has an SOP for Communication and Consultation with Stakeholders No. PI/01/01/PPP-PSK-PSS/2019 on January 1, 2019. In the SOP as a technical guidance in receiving various complaints raised by stakeholders or another party and way to process of completion. Public complaints can also be submitted at the annual meeting by filling out the complaint form provided by the company and then stated in the Minutes of the Annual Meeting.

Based on the results of interviews with KKPA PT PPP, they already know the mechanism for submitting complaints to the company. So far, the company has carried out good cooperation related to partnership management cooperation, and this is felt to have a very positive impact on the cooperative and its members. Based on document review of complaint book in 2022, there is no complaint from external stakeholder, including FFB suppliers.

Status: Comply

5.2

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

5.2.1;5.2.2;5.2.3;5.2.4;5.2.5

Until the recertification audit held, another supplier outside the scope of certification is the Pentagon cooperative which is a full managed KKPA from PT PPP. There was no cooperation in the sale and purchase of FFB between the company and Independent Smallholders, or other 3rd party suppliers (including smallholder surround the company).

The plasma currently in PT PPP is KKPA (Pentagon Cooperative) with full manage system. It was planned to be included in the RSPO timebound plan and will also be included in the scope of certification. The general description of the RSPO, both its objectives and benefits, has been known by the cooperative members in accordance with the submissions made by the management unit on February 08, 2023.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

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

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

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

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

These explanations can conclude that the certification unit has policy and treated all workers equally (based on skill, quality and eligibility) without discrimination based on gender, ethnicity, religion, health conditions or others and has carried out all recruitment activities in accordance with applicable policies and procedures. owned without any act of discrimination.

6.1.2

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

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

6.1.3

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2022-2023 (Estate and Mill) written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.

- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

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

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

6.1.4

A pregnancy test for workers is carried out every month just to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in the Tamiang, Blang Simpo 1 and 2 Estate in upkeep activities stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit.

6.1.5

Certification unit have gender committee and are still active until today in the certification unit which is chaired by the chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. In the company there are two gender committees which have been divided by district, namely Aceh Tamiang (BAE and TME) and Aceh Timur (BSE 1, BSE 2 and BSF). The management of these two committees was last approved in January 2023 which was approved by the Area Controller who also acts as the supervisor of the gender committee. Currently each committee is led by a woman who has the position of Head of Administration (KTU/KASI) supported by the sections/representatives under each. Each of these leaders has the authority and ability to ensure that every worker (especially women) can increase awareness, identify and address issues of concern, as well as opportunities and improvements for women.

The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 26 July 2022 which was attended by all workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with upkeep workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (*posyandu*), women recitation weekly and others. Currently the certification unit is more focused on gender bias and equality for women because the most vulnerable parties in plantation operational activities are women, but this does not mean that the company does not focus on other genders. This is evidenced by the absence of any issues or incidents related to this from 2022 until now (January 2023).

6.1.6

Equal payment of wages has been made by certification unit properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, security (MAD & DKE), boiler operator (HMD & ILH), and harvester (MHS & SHM), who get wages in December 2022 and January 2023 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in an accordance with statements from workers who were interviewed with types of work as security, boiler operators, harvester and upkeep workers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

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

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

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| Status: Comply |
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6.2

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

6.2.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2022-2023 and others manpower procedures written in Bahasa. This Collective Labor Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The certification unit can show that the Collective Labor Agreement have been approved by related Agency such as:

- PT Padang Palma Permai has a Collective Labor Agreement (CLA) for the 2022-2023 period between the company with the *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) and the *Pengurus Unit Kerja Federasi Serikat pekerja Metal Indonesia* (PUK FSPMI) PT Padang Palma Permai. The Collective Labor Agreement for the 2022-2023 period has been ratified by the Head of Manpower and Population Mobility Agency Aceh Province in accordance with Decree No. 560/11/2022 on 12 January 2022. In this decree, the validity period of this Collective Labor Agreement is from 01 January 2022 to 31 December 2023.
- PT Perkasa Subur Sakti has a Collective Labor Agreement (CLA) for the 2022-2023 period between the company with the *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Perkasa Subur Sakti. The Collective Labor Agreement for the 2022-2023 period has been ratified by the Head of Industrial, Manpower and Transmigration Agency of Aceh Timur Regency in accordance with Decree No. 560/56/2022 on 14 January 2022. In this decree, the validity period of this Collective Labor Agreement is from 01 January 2022 to 31 December 2023.
- PT Perkebunan Sri Kuala has a Collective Labor Agreement (CLA) for the 2022-2023 period between the company with the *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Perkebunan Sri Kuala. The Collective Labor Agreement for the 2022-2023 period has been ratified by the Head of Manpower and Transmigration Agency of Aceh Tamiang Regency in accordance with Decree No. 06 TAHUN 2022 on 17 January 2022. In this decree, the validity period of this Collective Labor Agreement is from 01 January 2022 to 31 December 2023.

The Collective Labor Agreement has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 26 July 2022 which was attended by all workers on muster morning. The

results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and labor union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. In addition, the payslip also contains some information that is well understood by workers, such as basic wages, fixed benefits, overtime, premiums, wage deductions (fines, taxes, and others). Workers' wages in 2023 have been accordance with the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the December 2022 and January 2023 wage document for harvester, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2023. For example, security (MAD & DKE), boiler operator (HMD & ILH), and harvester (MHS & SHM) have a different based on wage scale structure 2023.

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

6.2.2

The certification unit has Collective Labor Agreement are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. The ratification of the Collective Labor Agreement has been explained in indicator 6.2.1. Explanations related to the contents of the Collective Labor Agreement include:

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

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

- Governor of Aceh Decree No. 560/1539/2022 dated 24 November 2022 concerning Minimum Wage of Aceh Province in 2023. The Appendix states that the Minimum Wage for Aceh Province is IDR 3,413,666 and will take effect from 01 January 2023.
- Governor of Aceh Decree No. 560/1576/2022 dated 07 December 2022 concerning Minimum Wage of Aceh Tamiang Regency in 2023. The Appendix states that the Minimum Wage for Aceh Tamiang Regency is IDR 3,456,603 and will take effect from 01 January 2023.
- Inter Office Mail No. 001/HRM-i5.1/SUSU//2023 dated 02 January 2023 issued by the Head of Human Resources Management (HRM) regarding the 2022 SKU Employee Pay Structure and Scale for Aceh Timur Regency. This document refers to the Decree of the Governor of Aceh No. 560/1539/2022 and the determination of the implementation of wages in 2023 are described as follows:
 - ❖ As of 01 January 2023, the lowest SKU wage setting is IDR 3,413,666/month and this lowest SKU is a permanent worker who has just been hired as a permanent worker with a working period of less than one year.
 - ❖ The structure and wage scale for SKU workers in 2023 are described in 8 Grades and groups A-H with the lowest scale, namely SKU Grade H of IDR 3,413,666/month, while the highest wages are for SKU Grade A8 workers.
- Inter Office Mail No. 002/HRM-i5.1/SUSU//2023 dated 02 January 2023 issued by the Head of Human Resources Management (HRM) regarding the 2022 SKU Employee Pay Structure and Scale for Aceh Tamiang Regency. This document refers to the Decree of the Governor of Aceh No. 560/1576/2022 and the determination of the implementation of wages in 2023 are described as follows:
 - ❖ As of 01 January 2023, the lowest SKU wage setting is IDR 3,456,603 /month and this lowest SKU is a permanent

worker who has just been hired as a permanent worker with a working period of less than one year.

- ❖ The structure and wage scale for SKU workers in 2023 are described in 8 Grades and groups A-H with the lowest scale, namely SKU Grade H of IDR 3,456,603 /month, while the highest wages are for SKU Grade A8 workers.
- The Collective Labor Agreement for the 2022 – 2023 period, article V concerning Wages explains that permanent daily workers and monthly workers are given wages and natural rice supply allowances every month with a calculation of 15 kg for male/female workers, 9 kg for wives/husbands who do not work and for each child (maximum 3 person) is 7.5 kg.

Company still have contract worker (PKWT) that have been worked in unit BSE, BSE 2 and BSF (Aceh Timur Regency). Currently there are still 53 workers with contract worker (PKWT) status who work in permanent jobs (harvesters), but this has been allowed by the Industrial, Manpower and Transmigration Agency of Aceh Timur Regency. The results of interviews with the agency show that the agency still allows this because the agency sees the level of social issues and work needs from the surrounding community, which is quite high in their area, so this is permissible. The proof is that every existing contract worker (PKWT) work agreement is still ratified by the relevant agency even though it is known that this violates the applicable regulations. The completed explanation can be seen in indicator 6.2.7.

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

The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and labor union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2023 have been accordance with the minimum wage set by the government and there are no late payments every month, working hours is 40 hour a week with 6 days working in a week and for the overtime has been paid in accordance with applicable regulations.

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

6.2.3

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

- December 2022 and January 2023 salary slips for, security (MAD & DKE), boiler operator (HMD & ILH), and harvester (MHS & SHM) have a different based on wage scale structure 2022 and all wages above the minimum wage.
- Overtime payment in December 2022 and January 2023 that has been accordance with applicable laws for security (MAD & DKE) and boiler operator (HMD & ILH).
- List of women workers that has been given maternity leave and pregnant workers in January until December 2022.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Proof of granting annual leave to driver (SKR) on 14 February 2023 for 1 days starting from 14 January 2023. The application letter has been known by HR Group and approved by the Mill Manager.
- Proof of granting annual leave to bookkeeper (AUS) on 07 January 2023 for 2 days starting from 12-13 January 2023. The application letter has been known by HR Group and approved by the Estate Manager.

- Etc.

A review of the December 2022 and January 2023 wage document for harvesters, sprayers, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2023. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

6.2.4

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

- Permanent and semi-permanent.
- Places of worship such as mosques, and prayer rooms.
- Transport for school children, emergency transportation (ambulance) and so on.
- Sports fields such as tennis, volleyball, football and others.
- Provision of clean water.
- Provision of electricity.
- Availability of First Aid Post units in each unit.
- Availability of Daycare in each unit.
- The availability of educational facilities such as Elementary Schools (SD) and Junior High Schools (SMP) located at Blang Simpo 2 Estate (PT Padang Palma Permai which is in the same group as the company) with a distance of about 30 minutes

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

Opportunity For Improvement (OFI)

The company already has a list of welfare facilities for workers such as housing, public facilities, sports facilities and so on. One of these facilities is housing for workers in the form of houses of type G1 and G2 (permanent and semi-permanent) in each unit. For the Blang Simpo 1 and Blang Simpo 2 Estate units, they already have houses in good condition, ranging from permanent to semi-permanent houses. As for the housing conditions in the Tamiang Estate unit, they vary from the condition of the houses that are still decent and need repair (especially the old houses that are outside the Central Housing Complex / CHC area). This was conveyed by the workers based on the results of interviews during the audit activities, in which the workers stated that the workers' housing outside the CHC needed to be looked at again by the company's condition and hoped that further action would be taken in this regard. Apart from that, the results of observations and interviews with the occupants of the housing show that currently there are houses that need further repairs and the actual repairs have been carried out since 2022.

Based on the results of a review of documents identifying the housing conditions of Tamiang Estate in January 2023, there are currently a total of 225 housing units (permanent and semi-permanent) and 100 units that require further repairs. The repairs varied, ranging from roof repairs, bathrooms, walls and so on. However, the company can also show the realization of the improvements that have been made since 2022, in which 64 houses have been repaired and 61 new houses have been built. There is also a house repair program planned to be completed in 2023 (January-December) of 100 units.

The company has the opportunity to ensure that the worker's housing improvement program in 2023 can be fully realized so that all workers get proper housing facilities.

6.2.5

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

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

6.2.6

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

The certification unit has the determination of assessment prevailing wage and all kind of benefits for Living Wage simulation in 2022 has been included in the calculation of main wage, worker status, housing facility, education, electricity, water sources, healthcare and others. All calculations made have been based on local prices and are still in the reasonable stage of the calculation. The results of these calculations are known that the standard of Living Wage currently given / simulated by the certification unit is above the stipulation of the minimum wage with scale of minimum.

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

6.2.7

The company currently still has employees with contract worker (PKWT) with a total of 65 workers (out of a total of 726 workers). Every contract worker (PKWT) who works at the company (especially in estate) currently still works in a permanent job (there are still have 53 harvester) and there are also workers who work in non-permanent jobs in mill such as gardening, compounding and cleaning service/office boys (still have 12 workers). For the recording and registration of contract worker (PKWT) to the Industrial, Manpower and Transmigration Agency of Aceh Timur Regency, this has been done by adding an endorsement section to each work agreement made, as explained in the work agreement above. So that it can be ensured that every contract worker (PKWT) work agreement in the company has been recorded and registered with the relevant agency.

Currently there are still 53 workers with contract worker (PKWT) status who work in permanent jobs (harvesters), but this has been allowed by the Industrial, Manpower and Transmigration Agency of Aceh Timur Regency. The results of interviews with the agency show that the agency still allows this because the agency sees the level of social issues and work needs from the surrounding community, which is quite high in their area, so this is permissible. The proof is that every existing contract worker (PKWT) work agreement is still ratified by the relevant agency even though it is known that this violates the applicable regulations.

All workers with contract worker (PKWT) status already have their respective work agreements with the company with the same legal force. All rights and obligations of workers and companies are clearly spelled out in each work agreement. Based on the results of interviews with representatives of labor unions and workers, it is known that none of the workers with contract worker (PKWT) status work at permanent jobs in Aceh Tamiang Regency (TME and BAE) and all their rights have been granted in accordance with applicable regulations, starting from the provision of wages, overtime, holidays and allotted leave if they have worked more than one year. The contract workers (PKWT) only in the company managed area in Aceh Timur Regency (BSE 1, BSE 2 and BSF) where all rights have been granted in accordance with applicable regulations.

Based on the explanation above, it can be concluded that the company still has workers with contract worker (PKWT) status who are employed for jobs that are not permanent, permanent (with special provisions and approval from the agency in Aceh Timur Regency) and all their rights have been granted by the company in accordance with applicable laws and regulations.

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| Status: Comply | |
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6.3

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

6.3.1

Certification unit has a Sime Darby Plantation Code of Business Conduct (COBC) which has been effective since April 2022 for Sime Darby Plantation and all of its subsidiaries. Point 5.7 on Human Rights in the section "Respecting Freedom of Association" explains that the company is committed to respecting workers' rights to join and form organizations of their choice and to bargain collectively. In addition, certification unit has a Collective Labor Agreement which states that workers have the right to establish labor unions and become members / leaders of labor unions in accordance with applicable regulations. The information on freedom of association listed in the Collective Labor Agreement was carried out regularly and the last socialization was held on 26 July 2022.

As proof that the policy has been implemented properly, the certification unit has four (4) active labor union to date. Every labor union has been registered to Manpower & Transmigration Agency of Aceh Tamiang Regency and Industrial, Plantation and Animal Husbandry, such as:

- Proof of Reporting No. 560/362/SP/2021 dated 15 October 2021 from the Manpower and Transmigration of Aceh Tamiang Regency for Changes in *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Padang Palma Permai (Tamiang Estate) and PT Perkebunan Sri Kuala (Batang Ara Estate).
- Proof of Reporting No. 560/592/2019 dated 15 March 2019 from the Industrial, Manpower and Transmigration of Aceh Timur Regency for the Changes in *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Padang Palma Permai (Blang Simpo 2 Estate).
- Proof of Reporting No. 560/879/2018 dated 11 May 2018 from the Industrial, Manpower and Transmigration of Aceh Timur Regency for the Changes in *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Padang Palma Permai (Blang Simpo 1 Estate).
- Proof of Reporting No. 560/66/2017 dated 03 March 2017 from the Industrial, Manpower and Transmigration of Aceh Timur Regency for the Changes in *Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia* (PUK FSPPP-SPSI) PT Perkasa Subur Sakti (Blang Simpo Factory).

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

Based on the explanation above, it can be concluded that the unit of certification has published a statement recognizing freedom of association and the right to collectively bargain.

6.3.2

The certification unit has a list of workers who have joined the labor union and the last update was carried out in January 2023 for Mill and Estate. In addition to properly documenting the list of members, the certification unit also has records of meetings between labor union and Management Representatives as well as with internal union. The following are examples of records of meetings conducted by labor union in 2022, namely:

- Bipartite meeting on 24 January 2022 between the unions and company management which discussed the procurement of union offices, extra-fooding, overtime and others. Where do you get the result that for unions that don't have offices, they can temporarily borrow a room to organize before getting a separate office, extra-fooding is provided for workers who work after 23.00 hours, and other provisions.
- Bipartite meeting on 15 July 2022 between the union and company management to discuss replacing working days off during Eid Adha 1443 Hijriah. Where it is agreed that the determination of this matter has been agreed upon and approved by the parties.
- Bipartite meeting on 07 September 2022 between the union and company management to discuss permits for room use and proposals to procure labor union office facilities. Where the results have been approved for the procurement

and will be realized in 2023 (it is no longer possible to include it in the 2022 budget).

- Bipartite meeting on 09 September 2022 between the union and company management discussed workers who did not join a union to continue to obtain their rights according to the CBA. As a result, the company stated that everything contained in the Collective Labor Agreement applies to all company workers, including workers who are not members of a labor union.

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

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

6.3.3

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

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

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| Status: Comply |
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6.4

Children are not employed or exploited.

6.4.1

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

Based on the results of the review of the cooperation agreement document with the contractor for examples is UP Dian Armansyah and CV Andalas Jaya Megah, it is known that in the agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

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

6.4.2

The results of the verification of employee list in January 2023 revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor.

Based on field visits and interviews with workers (labor union representative, harvester, pesticide operator, upkeep and

mill operators) in plantation and mill, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 22 years when entering work.

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

6.4.3

Based on the results of field visits and interviews with estate and mill workers, it is known that currently the unit of certification is not using young workers (Field Work Practice – *Praktek Kerja Lapangan / PKL*) at the time of the audit activities. Apart from that, the list of workers for the January 2023 period did not find this. Because of this, this indicator is not applicable.

6.4.4

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

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

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

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| Status: Comply |
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6.5

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

6.5.1, 6.5.2 & 6.5.3

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

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

- Assessment for New Mothers, on 25 October 2022 in the certification unit conducted by medical personnel (midwives and nurses)
- Minutes of the Action Plan Meeting on the Needs of New Mothers After Childbirth at certification unit, which among other things explain the following:
 - ❖ Give permission to mothers who breastfeed while working with an adjusted time.

- ❖ Make a place for breastfeeding in the Daycare ("*Ruangan ASI*") for female employees and make attendance for every mother who breastfeeds as monitoring by management.
- ❖ Analyse the needs of mothers and babies such as daily needs (milk, diapers, baby clothes and other equipment) and their availability in the company's operational environment or in their surroundings (there is workers cooperative with easy and close access).

Based on interviews with female workers and gender committee, the policy had disseminated to workers through socialization with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights. Based on the field visit to the housing complex show that to accommodate the needs of new mothers in breastfeeding, breastfeeding corners have been provided in the office area and child care area. The availability of daily needs for mothers and their babies is also very easy to access, namely in shops around the company. There are workers cooperative and shop about 15-30 minutes away from workers' housing that provide these needs for workers in Aceh Timur Regency, whereas for workers who work in Aceh Tamiang Regency it only takes 5-10 minutes to access everything.

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

6.5.4

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

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

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6.6

No forms of forced or trafficked labour are used.

6.6.1

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

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

- There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract.
- The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to

work and the company gave all their rights as fully resigned workers without any shortcomings.

- There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation, and the company also does not prohibit this.

Based on employee data in January 2023 and interview with workers (mill and estate), most of the workers came from local communities, such as Aceh, Malay, Javanese and another ethnicity. They have the recruitment process in the certification unit and is in accordance with applicable employee acceptance procedures. Based on the results of interviews with workers in plantation and mill, it is known that currently there are no migrant workers, retention of identity, payment recruitment fees, contract substitution, involuntary overtime, lack of freedom of workers to resign, penalty for termination, debt bondage, and withholding bondage. This is because the certification unit has carried out its operations in accordance with applicable regulations.

There are no significant obstacles related to employment or violations of Collective Labor Agreement. For example, for the harvesters works daily based in 6 days a week and 40 working hours a week. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list on December 2022 and January 2023, the harvesters have earned in accordance with the minimum wage.

6.6.2

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

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

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| Status: Comply |
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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 organizational structure for all of its business units, for example the OHS organizational structure for PT. PPP according to the Decree of the Head of the Aceh Manpower and Population Mobility Office No 560/KEP.38/P2K3/2021 dated 7 January 2021 concerning Ratification of the OHS committee for PT Perkasa Subur Sakti - Blang Simpo Factory with Mr. Teuku Marrizal as the OHS secretary. The Decree of the Minister of Manpower of the Republic of Indonesia number 5/4146/AS.01.03/IV/2022 dated 13 April 2022 regarding the appointment of Mr. Teuku Marrizal as an OHS Expert at PT Perkasa Subur Sakti and the general OHS card of Mr. Teuku Marrizal with Reg No. 22786/PK3/AJ/ is available. 31/2022/P2 dated 13 April 2022 which is valid until 13 April 2025.

The company has routinely held OHS Monthly Meetings, for example the Minutes of the January 2023 OHS Monthly Meeting which was held on January 12, 2023 which discussed compliance with the use of PPE, maintenance of roads around the Mill and Mill Cleanliness.

6.7.2

The company already has the following SOP documents for fire prevention and control:

- Procedure on Fire Prevention and Management (Document number: PPK/13/PPP-PSK-PSS/VI/12 dated 01 May

2012 Revision 01). This document explains the procedures for preventing and controlling fires in buildings or buildings.

- Procedure on Fire Prevention and Management with document Number 7302/PSQM-ESH/14 Revision 01 which was published on 23 February 2018 which contains procedures for Fire Prevention and Management and post-fire handling.

Procedures related to work accidents include:

- SOP for recording Work Accident Data (PDKK/08/V/PPP-PSK-PSS/12 dated 01 May 2012)
- SOP for Handling Work Accidents Employees Are Still Safe (PKKKS/18/PPP-PSK-PSS/V/12 dated 01 May 2012)
- SOP for Handling Work Accidents Employees Die on the spot (PKKKMDT/19/V/PPP-PSK-PSS/12)

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

- There is a trained fire team, contained in the Organizational Structure of the Emergency Response Team for each unit (BSE 1, BSE 2, TME, and BAE) which was approved by Manpower Agency of Aceh Province Number 560/1059/2021 year 2021-2024.
- Socialization of land fire prevention to workers and community around.
- Conducting patrols/monitoring of fire-prone areas (hotspots).
- Installing a Fire Danger Index (FDI) in every unit.
- The company has carried out emergency and fire simulations attended by firefighting team, on January 19, 2023.
- Monitoring the list of facilities and infrastructure owned by referring to the standardization of equipment in Ministerial Regulation 5 of 2018, which is listed in the List of Fire Fighting Equipment and Other Equipment with the latest update in January 2023. The company also has a budget plan to continue completing the needs of team personnel who stated in the 2023 budget. For example, includes a budget related to procurement, repair and maintenance of firefighting facilities and infrastructure in each estate.
- Report on Land Fire Prevention and Management for Semester II of 2022 to the Department of Plantation of Aceh Tamiang and Aceh Timur Regency. In addition, it is known that there were no fire incidents around unit of certification.
- During the audit activity, Hydrant simulation was carried out at the Boiler station where the officers were able to carry out the simulation properly and the condition of the equipment was functioning properly.
- The company has routinely carried out emergency response simulations, for example the Firefighters emergency response simulation which was carried out on May 30, 2022.
- The company already has a licensed first aid person, for example First aid certificate number 703/P3K/VIII/13 in August 2013 on behalf of Syarifuddin and first aid certificate number 704/P3K/VIII/13 in August 2013 on behalf of Indri Kasandi.
- Based on the results of field visits at POM and Estate it is known that first aid kits are available, for example at the harvest foreman and processing station at POM.

6.7.3

The company has provided PPE in accordance with the results of identification and risk control (HIRAC) set by the company, for example based on the results of field visits at the Boiler station it is known that workers have been equipped with PPE such as masks, gloves, safety shoes and aprons. In addition, companies can show minutes of handing over PPE to workers, for example, handover of PPE and harvesting work tools at BAE in the form of Helmets and Booth shoes for 7 workers on June 8, 2022.

Based on the results of interviews and observations on harvesting activities, and warehouse workers it is known that workers have been given the appropriate PPE and are free of charge. In addition, based on field observation in rinse area in BAE, BSE1, BSE2 and TME, it is known that company has provided sanitation facilities that can be used by workers to clean themselves, change clothes and store work tools.

6.7.4

The company already has a list of employees which also includes *BPJS* Ketenagakerjaan and *Kesehatan* participant numbers for a total of 876 workers (permanent and contract workers). This number does not include the number of workers

with staff status and above. Based on a review of the company's employee list documents for January 2023 and proof of payment for *BPJS Ketenagakerjaan* and *Kesehatan* for the same period, it is known that the company has registered and paid all of its employees in the *BPJS Ketenagakerjaan* and *Kesehatan* programs, which consist of Work Accident Insurance (*JKK*), Death Insurance (*JKM*), Old Age Security Insurance (*JHT*) and Pension Guarantee/Insurance (*JP*) via Bank Transfer, with proof of payment as follows:

- Proof of payment for *BPJS Ketenagakerjaan* for PT Padang Palma Permai (BSE 1, BSE 2 and TME), PT Perkasa Subur Sakti (BSF) and PT Perkebunan Sri Kuala (BAE) on the January 2023 period which was paid for a total of 876 workers on 07 February 2023 via bank transfer.
- Proof of payment for *BPJS Kesehatan* for PT Padang Palma Permai (BSE 1, BSE 2 and TME), PT Perkasa Subur Sakti (BSF) and PT Perkebunan Sri Kuala (BAE) on the January 2023 period which was paid for a total of 876 workers on 06 January 2023 via bank transfer.

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

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

6.7.5

The company has recorded the number of work accidents and the number of days lost in each unit, as follows:

- BSF with total work accidents resulting in lost days January – December 2022: 0, AFR:0, ASR:0.
- BSE1 with total work accidents resulting in lost days January – December 2022: 0, AFR:0, ASR:0.
- BSE2 with total work accidents resulting in lost days January – December 2022: 0, AFR:0, ASR:0.
- TME with total work accidents resulting in lost days January – December 2022: 0, AFR:0, ASR:0.
- BAE with total work accidents resulting in lost days January – December 2022: 0, AFR:0, ASR:0.

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| Status: Comply |
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PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT

7.1

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

7.1.1

The company has a pest monitoring and control method that is regulated in Minamas Plantation Agriculture References section 15 on plant protection. This SOP describes the control of pests starting from pests, census and monitoring, utilization of host plants to control actions to be taken. The SOP has explained about the frequency of the census, the detection form for examples as follows:

- Horn beetles: observation frequency is once a month; control threshold 5%/ha
- Caterpillars: One month observation period; control threshold for example fire worm *S.nitens* 5 larvae/midrib
- Rats: Period of observation every 3 months; control threshold 5%

Based on document review and interviews with the person in charge of IPM, it is known that the pest and disease census is carried out regularly every month. If the census results show pest and disease attacks above 5%, it will be continued with chemical control according to R&D recommendations. Census and pest control documents are available, for example the results of a census of caterpillars in block C005 Batang Ara Estate on 17 May 2022 (46.40 Ha) with an average number of caterpillars of 8 per frond. Then it was controlled on May 20 2022 for an area of 21 Ha with the truck injection method using *Asefate*.

7.1.2

The certification unit explained that biological control of leaf eating caterpillar uses beneficial plants such as *Turnera*

subulata, *Casia cobanensis*, *Antigonon leptopus*, and *Turnera ulmifolia*. *Turnera ulmifolia* has been identified by the certification unit as an invasive species according to LHK Ministerial Regulation No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016, and control measures have been carried out with regular maintenance.

Based on the results of a field visit to BAE, BSE and TME known that the company only planted beneficial plants such as *Turnera* and *Antigonon* where the growth and distribution were controlled by the company.

7.1.3

Based on interviews with management representatives, field workers and the surrounding community, there is no indication of the use of fire materials for pest control. From the results of field observations at BAE, BSE and TME there were no indications of burning. The company also does not use certain species to control pests and diseases. Pest and disease control is only carried out by biological and chemical methods.

Status: Comply

7.2

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

7.2.1

The company has a procedure of "Reference Manual for Palm Oil Agronomy" No. Policy: 110/EST-ARM/13 endorsed by Mohd. Ghazali Yahya (Head Plantation Upstream Indonesia) on September 16, 2013, and has been effective since October 1, 2013. This SOP is a revision of the previous SOP (Policy No.: 110/EST-ARM/08). In Section 15 (crop protection) and Section 16 (weed control) there is justification for the use of chemicals according to the existing weeds/pests. Selective use of the product is contained in the plant protection SOP, for example Cypermethrin to control *Oryctes* while Glyphosate is used to control broadleaf weeds and narrow leaf weeds.

Based on interviews and field observations of spraying workers at BAE, BSE and TME, it is known that workers already understand spraying targets and areas where chemicals are prohibited, chemical applicator work requirements and first aid for spraying activities.

7.2.2

The company shows records of observing and controlling pests and diseases, including:

- Based on the beneficial plant monitoring documents, it is known that the company has utilized beneficial plants as one of the implementations of integrated pest control including *Turnera Subulata*, *Casia Cobanensis* and *Antigonon Leptopus*. The results of the field visit indicated that beneficial plants were available in the main road and collection road areas.
- The results of a field visit to block A2 Division 2 BSE1 found that the company has installed an owl house (BOB) as an effort to control mice biologically.
- Availability of census and pest control documents, for example the results of a caterpillar census in block 002 Tamiang Estate on 14 November 2022 (63.89 Ha) with an average number of caterpillars of 8 per frond that had been controlled on 15 November 2022 for an area of 27.98 Ha with the truck injection method using Acefat.

Companies can show documents on the use of pesticides for the period 2020-2022 (last 3 years). The document describes trademarks, active ingredients, dermal LD50, density, percentage of active ingredient, total application material, total area of application and total active substance per hectare.

7.2.3

The company shows records of pesticide use for all Estate, for example as follows:

| Estate | Pesticide | units | 2020 | | 2021 | | 2022 | |
|--------|-------------------------|--------|------------------|--------|------------------|--------|------------------|--------|
| | | | Application Area | Usages | Application Area | Usages | Application Area | Usages |
| BSE-1 | <i>Glifosat</i> | Liters | 2863 | 1,054 | 2,607 | 1,054 | 914 | 320 |
| | <i>Metil Metsufuron</i> | Liters | 2863 | 170 | 2,607 | 170 | 5,850 | 176 |
| | <i>Cypermethrin</i> | Liters | 2863 | 1,014 | 2,607 | 1,014 | 207 | 35.82 |
| | <i>Triklopir</i> | Liters | 2863 | 607 | 2,607 | 607 | 3,473 | 1,042 |

Based on the data above, it is known that there has been a decrease in the use of pesticides for pest and disease control, such as a decrease in the use of Cypermethrin from 2021 to 2022. The herbicide Triclopyr has increased its use from 2021 to 2022. This is due to the substitution of glyphosate with Triclopyr (according to the table above shows that the use of glyphosate in 2022 will see a relatively large decrease compared to 2021).

7.2.4

To avoid the emergence of resistance in target species are done such as the rotation of pesticide use. There is no Prophylactic usage of pesticide. Based on interview with management representative the economic threshold of 5% according to the procedure is being implemented. The company is currently optimizing the usage of Turnera and Antigonon to tackle caterpillar pest and *Tyto alba* to control rats.

7.2.5

Based on explanation in indicator 7.2.2, the certification unit does not use WHO class 1A and 1B pesticides or is included in the Stockholm convention ratified in Law No. 19 of 2009 and does not use paraquat. For example, the use of pesticides in BSE with the active ingredient *Metil Metsufuron*.

7.2.6

The certification unit has conducted training for workers related to pesticides, for example the socialization carried out BSE regarding safety work using pesticide and MSDS to spray workers on December 23, 2022 and Spraying Technique and OHS Training for all pesticide operators (sprayers) on 06 July 2022.

Based on interviews with spray workers in A003 TME known that the workers had been routinely given training on the use of pesticides by the company.

7.2.7

The company shows the SOP for Pesticides and their Management No. 10x/PTK-PST/2004 which among other things explains Classification of Pesticides, Pesticide Storage, Pesticide Use, Pesticide Poisoning and Symptoms and First Aid for Poisoning. Based on the results of field visits to pesticide warehouses, it is known that pesticide storage areas are well managed and recorded according to type and hazard.

Based on interviews with spraying workers and the foreman of pesticide application, it is known that all pesticide packaging is collected at the designated storage area and then will be given to licensed waste parties and not be used for purposes other than pesticide application activities.

7.2.8

The certification unit has procedures related to hazardous waste management including pesticide waste which are contained in SOP for Handling Used Pesticide Packaging Number RA012 dated 01 December 2015 revision 00 which explains that used pesticide packages are sent to the washing place, rinse the packaging until it is clean (minimum 3 times rinse), used washing water is flowed into a reservoir and used again for spraying, sending waste packaging to a licensed hazardous storage waste, then process/dispose/destroy the used pesticide packaging according to regulations. Pesticides must be stored in the original container and apply the FIFO (First in first out) principle.

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

Based on interviews with agrochemical storage operator in Blang Simpo 1 Estate, it is known that all pesticide packaging is collected at the designated storage area and then will be given to licensed waste parties and not be used for purposes other than pesticide application activities.

7.2.9

Based on the results of a document review and interview with spraying workers, it is known that the company does not apply the application of air spraying.

7.2.10

The certification unit has conducted a special medical examination (cholinesterase) for pesticide and manuring operators and is carried out annually. The 2022 examination has been carried out based on the report in October 2022 as below:

- Cholinesterase examination for 21 workers BAE on October 12, 2022, where the result of examination is Normal (fit to work).
- Cholinesterase examination for 27 workers BSE1, BSE2 and TME on October 15, 2022, where the result of examination is Normal (fit to work).

7.2.11

The policy of prohibiting pregnant and lactating women from working related to pesticides is contained in Memorandum No. IST/SOU18/II/2017 dated 01 February 2017, which also includes the H1 (menstruation) and H2 (pregnant) leave mechanism.

Based on interviews with several female spraying worker, it was found that there were no pregnant or lactating female who worked with pesticides. However, the certification unit conducts pregnancy tests and examinations every 3 month to ensure that none of the chemical workers are pregnant. The auditor further obtained information that the personnel had understood that female personnel could not work with chemicals if they were pregnant or breastfeeding. In addition, based on interviews with pesticide and manuring workers, it is known that they have never had a work accident caused by chemicals such as irritants. In addition, the company can show monitoring of workers' menstruation leave, for example menstruation leave on behalf of Warsiti on October 26, 2022.

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| Status: Comply | |
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7.3

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

7.3.1

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

- SOP for Hazardous Waste Handling Number PLB/24/PPP-PSS/VI/12, revision 1 dated 1 May 2012. The procedure explains the
 - The management of hazardous and toxic waste aims to prevent and overcome environmental pollution and to restore the quality of the polluted environment so that it is fit for function again.
 - Hazardous and toxic waste generators are required to make and keep records on the type, characteristics, amount of waste produced; preparing proper packaging and temporary waste storage; make a used goods delivery note (*NPBB*) when the hazardous waste is sent to TPS that has obtained permission from the relevant agency.
 - The waste warehouse officer is responsible for checking the condition of the hazardous waste before signing the *NPBB* and if it is not appropriate, the officer will return the hazardous waste to the unit concerned.
- SOP for Handling Used Pesticide Packaging Number RA012 dated 01 December 2015 revision 00 which explains that used pesticide packages are sent to the washing place, rinse the packaging until it is clean (minimum 3 times rinse), used washing water is flowed into a reservoir and used again for spraying, sending waste packaging to a licensed hazardous storage waste, then process/dispose/destroy the used pesticide packaging according to regulations. Pesticides must be stored in the original container and apply the FIFO (First in first out) principle.
- SOP for Medical Waste Management Number 34/PLB3K/PPP,PSK,PSS/ESH/12 dated 11 May 2012 which describes medical waste management namely
 - Clinics - are required to make and keep records on the identification of the hazardous waste
 - Paramedics collect and handle hazardous waste from clinics before being handed over to the hospital or the

party that has an incinerator.

Hazardous and Toxic Waste

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

- **Blang Simpo Factory**

The permit for storing hazardous waste is in accordance with Decree of East Aceh Regent Number 04 of 2018 concerning for temporary storage of hazardous and toxic waste to PT Perkasa Subur Sakti's Palm Oil Mill on July 26, 2018, with a validity period of 5 years.

- **Blang Simpo Estate**

The permit for storing hazardous waste is in accordance with the Decree of the East Aceh Regent Number 01 of 2020 concerning the granting of a temporary storage permit for hazardous and toxic waste (B3) to PT Padang Palma Permai on January 20, 2020, with a validity period of 5 years.

- **Tamiang Estate**

The permit for storing hazardous waste is in accordance with the Decree of the Regent of Aceh Tamiang No. 6600/992/PKPLH/2022 concerning technical details for the temporary storage of hazardous and toxic waste materials to PT Padang Palma Permai on July 8, 2022, with a validity period of 5 years.

- **Batang Ara Estate**

The permit for storing hazardous waste is in accordance with the Decree of the DPMPSTP Number 503/DPMPSTP/IPSLB#/006/2021 concerning the extension of the permit for the temporary storage of hazardous and toxic waste materials to PT Perusahaan Perkebunan, Industri Sri Kuala on date March 2, 2021, with a validity period of 5 years.

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

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

In the management, utilization and/or processing of waste unit of certification collaborated with licensed parties, which is carried out regularly named PT Amindy Barokah Sumut and PT Fadillah Barokah with contract agreement No. 231/PSS-ABS-FBS/SPK-LB3/VIII/2022 dated 02 August 2022. Each unit has recorded well so that waste can be easily traced, both in the log book, balance sheet, and last manifest on October 25, 2022. Whereas for the management, utilization and/or processing of waste, the transporters cooperate with a licensed party, namely PT Trigunapratama Abadi, PT Non Ferindo Utama, PT Wastec International and PT Sumatera Deli Lestari Indah.

Solid Waste

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

Liquid Waste (POME)

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

Domestic Waste

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

Based on the results of field visits to the BSE 1, BSE 2, TME, and BAE housing areas, there are no traces of burning

waste. There is a garbage bin in every house which will be taken routinely 2 times a week to the landfill by the officers.

7.3.2

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

- Document of hazardous waste source identification results for the 2022 period which provides information regarding the sources of hazardous and toxic waste that have been identified by the company, either from the estates or from the mill.
- Balance Sheet and Logbook for period January-December 2022 which showed waste recorded in accordance with the type, characteristics, time it is produced and the delivery to waste processors, and it is obligatory to submit an official report to the relevant government agency.
- Conducting socialization of hazardous and toxic waste management to employees.
- OHS Completeness Monitoring Document for the period 2022 which informs the condition and completeness of emergency response facilities in storage areas, such as first aid kits, eye wash and shower checks, fire extinguishers, spill kits, and alarms. The monitoring results show that all equipment is in good condition and in accordance with company SOPs.

From the results of the document review by comparing the balance sheet and logbook, it can be seen that the submission of waste to storage on 25 October 2022 was appropriate and there was no difference in the amount submitted.

Unit of certification already has Waste Management SOP No. PLB/24/PPP-PSS/V/12 which explains that hazardous waste must be collected separately from domestic waste. Then it is transported and collected to the hazardous temporary storage to be handed over to a collection company that already has a permit. This procedure has been disseminated to employees on a regular basis.

During the audit process the auditor team conducted interviews with several workers whose work locations produced hazardous waste, but there were some workers who had not been able to explain in detail regarding the management of the waste produced. Unit of certification has opportunity for improvement to ensure the evaluation and effectiveness of socializing waste management to employees, especially for employees working in work areas that produce hazardous waste.

7.3.3

The unit certification does not use open burning for waste disposal. It can be proven through document review and management interviews, that the company has a waste management procedure document. The scope of this procedure is for factories, estates, housing, and offices as a reference for handling domestic waste stated the prohibition disposal of waste by burning.

It is also proven through the observation result in BSE 1, BSE 2, TME and BAE housing area. Waste in housing areas is collected in each house and transported by officers on a regular basis to be disposed of in the landfill area in each estate. At the several areas there is also indirect socialization in the form of installing a sign board prohibiting burning trash. Interviews with employees who live in the housing estate explained that waste transportation is carried out routinely twice a week by company officers and does not burn due to company commitment.

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| Status: Comply |
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7.4

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

7.4.1

The company shows procedures for managing soil fertility in the Minamas Plantation Agricultural Reference Manual in the fertilization section (Chapter 8) which explains, among others:

- Fertilizing Immature Crops: Types of Fertilizer, Application Time, Standardization of Fertilizer Application Time on Immature Plants
- Fertilization of Produced Oil Palm Plants: Fertilization Recommendations, Empty Plantation Application.

These procedures define multiple strategies to maintain and improve long-term fertility, combining efficient and scalable organic fertilization, taking into account the age of the oil palm and soil nutrients by conducting leaf and soil sampling.

7.4.2; 7.4.4

Soil sampling to determine nutrients in the soil is carried out every 5 years as stated in the SOP for Sustainable Plantation Management (724/TQEM-SPMS/09 dated 27 August 2010). For leaf sampling, it is carried out annually as stated in Procedure No. EXT Serv. Cal. I-01/01 November 2005

The unit of certification has shown documentation of soil and leaf sampling which can be detailed as follows:

- **Soil Analysis**

The company shows soil analysis data conducted by Minamas Research Center. on December 23, 2021, with the parameters Ph, C-organic, total N, total P, K, Ca, Mg, Na, total K, Al, H, CEC, and texture.

- **Leaf Analysis**

Leaf analysis is carried out annually. For example, BSE and TME was carried out based on the Foliar Analysis Report dated September 23, 2022 by Minamas Research Center. The parameters tested consisted of ASH, N, P, K, Mg, Ca, dan B.

Company can show Fertilization Recommendations and Realization for the period January-December 2022, for example BAE fertilization realization in block C002/4 planting year 2015 for an area of 31.72 Ha for MOP fertilizer by dose of 1.5 kg/palm with total of 7,041 kg that has been completed 100% in October 2022.

7.4.3

Based on a field visit to BSE known that the company had applied EFB with dose of 300 kg/palm/year or the equivalent of 40 tonnes/ha/year. Companies can demonstrate POME applications, for example Liquid waste (POME) application for 2022 in BSE1 as 9,271.69 m³.

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| | Status: Comply | |
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7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

Studies on soil types, land suitability, and supporting maps are contained in the Detailed Soil Survey Report of PT Padang Palma Permai and PT Perkebunan Sri Kuala for the period 2016 – 2021 issued by the Minamas Plantation Sdn Bhd research team. The scale used on the map is 1: 50,000.

Based on the detailed land survey document, it is known that the types of soil found in PT PPP and PT PSK are from Inceptisol and Ultisol with land slopes between 0 - > 300

7.5.2;7.5.3

Studies on soil types, land suitability, and supporting maps are contained in the Detailed Soil Survey Report of PT Padang Palma Permai and PT Perkebunan Sri Kuala for the period 2016 – 2021 issued by the Minamas Plantation Sdn Bhd research team. The scale used on the map is 1: 50,000.

Based on the detailed land survey document, it is known that the types of soil found in PT PPP and PT PSK are from Inceptisol and Ultisol with land slopes between 0 - > 300. In additions, based on the areal statement document, it is known that the latest replanting activities were carried out in 2019.

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| | Status: Comply | |
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7.6

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

7.6.1;7.6.3

Based on a study of soil type, land suitability, and supporting maps, it is contained in the Detailed Soil Survey Report of PT Padang Palma Permai and PT Perkebunan Sri Kuala for the 2016-2021 period issued by the Minamas Plantation Sdn Bhd research team. The scale used on the map is 1: 50,000.

Based on the detailed land survey document, it is known that the types of soil found in PT PPP and PT PSK are Inceptisol and Ultisol with land slopes between 0 - > 300. In general, the soil class in PT PPP and PT PSK is class 3.

7.6.2

Based on the areal statement document, it is known that the latest replanting activities were carried out in 2019 and there is no new planting.

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| Status: Comply |
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7.7

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

7.7.1 – 7.7.7

Based on a study of soil type, land suitability, and supporting maps, it is contained in the Detailed Soil Survey Report of PT Padang Palma Permai and PT Perkebunan Sri Kuala for the 2016-2021 period issued by the Minamas Plantation Sdn Bhd research team, known that the types of soil found in PT PPP and PT PSK are Inceptisol and Ultisol with land slopes between 0 - > 300 and there is no peat soil.

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| Status: Comply |
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7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The management unit has a river buffer zone protection policy (No. Policy 724/TQEM-SPMS/09, Rev 00, dated 27 August 2010). River border protection is carried out at 100-meters for large rivers, 50-meters for small rivers, and leaves the area during replanting. HCV Identification report available, Jan 2010. River riparian protection is carried out, among other things: by marking the boundaries of river riparian areas/chemical application boundaries, conducting enrichment of forest plants, conducting quality testing of watercourses every 6 months and monitoring the results of enrichment of forest plants.

Test results related to surface water quality monitoring in December 2022 located in the Air Alur River were carried out by a KAN-accredited laboratory with Number LP-1274-IDN. The test results are all parameters that are in accordance with the applicable quality standards.

Drinking water testing is also carried out by the company to see the quality of drinking water taken from drilled wells which is carried out by a KAN-accredited laboratory. The results of testing the quality of drinking water also show that all the parameters of the test results are still in accordance with the applicable quality standards, namely Regulation of the Minister of Health Number 32 of 2017.

Based on the results of observations and interviews in the housing area and Batang Ara Estate, information was obtained that clean water facilities for housing were obtained from drilled wells and rainwater collection facilities. Therefore, the unit of certification has made efforts to manage water sources for continuous availability and avoid negative impacts. Access to clean water is also adequate and not restricted for workers and residents of housing who have met the requirements for water sanitation hygiene and can be used properly.

7.8.2

The unit of certification already has procedures related to the identification, management and maintenance of water sources and quality listed in several procedures Number 724/TQM-SPMS/09, which describes;

- Delineate the riparian zones of rivers or other waterways by establishing a buffer zone with a width of 50 m on either side. The organization has also committed to not spraying or other activities related to chemicals in the designated buffer zone area. Based on field visits, watershed areas have been marked with yellow paint on palm trees 5-6 stems

from the river/watershed.

- In the replanting activity, the buffer zone area designated as a conservation area is not felled and left natural.
- Creation of water bodies to maintain water availability during the dry season for employee needs and water sources to anticipate fires.

Based on the document review, it is known that the company has implemented the water management plan described in the RKL RPL document for the 2022 period, which consists of:

- Create a wastewater disposal installation (WWTP) from the liquid waste produced.
- Monitoring the quality of POME once a month
- Provide a buffer zone in the riverside area so that plantation activities do not pollute the river
- Do not apply chemicals in riparian areas.
- Planting erosion-inhibiting plants on riverbanks, carrying out conservation in riverbank areas.
- Monitor the rate of erosion and have a commitment so that when replanting land is not cleared in the riparian area, mark the riparian area using coloured paint to provide information to workers that the application of chemicals (agrochemicals, fertilizers and so on) is prohibited in the area).
- Has a river buffer zone protection policy (No. Policy 724/TQEM-SPMS/09, Rev 00, dated 27 August 2010). River border protection is carried out at 100 meters for large rivers, 50 meters for small rivers; and leave the area at the time of replanting.

Based on the results of field observations in the HCV riparian area, it has been equipped with a warning against spraying on riparian area and maintaining cleanliness.

7.8.3

Management of POME from oil palm processing from the Blang Simpo Factory with totalling 11 waste ponds with total volume 105.653 m³ using single feeding system then processed to reduce pollutant elements so that they are suitable for disposal into water bodies. Based on these data, and when compared with the responsibility contained in the Permit document from Decree of Aceh Government No. 503/01/2019 indicates that the company has complied with. Before being wasted, the liquid waste is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l. POME is managed in accordance with applicable national regulations, according PermenLH No. 5 2014 attachment III regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet then discharged into an artificial canal in the company area.

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

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

7.8.4

The certification unit already has a surface water utilization permit for PT Perkasa Subur Sakti based on the DPMPSTSP Aceh Province dated 06 October 2022 Number 691/DPMPSTSP/2865/2020. The water source is taken from Raya River area Gampong Tualang Pateng, Peureulak Timur, Aceh Timur Regency, Aceh Province.

The water usage for FFB processing has been monitored and documented. The document of water usage in period of January – December 2022 shown that the water usage ratio in the range of 1,23 m³/ton of FFB, this range is still in accordance with the water quotas that can be utilized and in accordance with the quota on the budget determined by the company, namely 1.26 m³/ton. The unit certification also paid of water usage retribution every month for the entire scope of certification.

From the results of field observations to the Water Treatment Plan (WTP) and Water Intake in Blang Simpo POM shows that the flowmeters used are still functioning properly. The results of interviews with the operator also show that he understands about work procedure and record flowmeter data every day.

Status: Comply

7.9

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

7.9.1

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

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and is used to substitute diesel fuel, this utilized, and the usage data recorded in detail and traceable for the period 2022. From data shows, it is known that the company has saved 72,50% of diesel fuel of the total diesel that should have been used as evidence of energy efficiency produced from use of renewable energy. From the results of interviews with management, this savings is also due to the use of electric (PLN) as an energy source for the production process.

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

Status: Comply

7.10

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

7.10.1

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

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

General Information

| Association | No. of Estates/Plantations | FFB Processed (t) | Planted Area (ha) |
|--------------------|-----------------------------------|--------------------------|--------------------------|
| Own Plantation | 4 | 92,389.47 | 5,921.72 |
| Group Plantation | 0 | 0.00 | 0.00 |
| 3rd Party | 1 | 1,574.84 | 0.00 |
| Total | 5 | 93,964.31 | 5,921.72 |

Summary Emissions

| Description | Value | Unit | Description | Value | Unit |
|-------------|-------|-----------------------------|----------------------------------|---------|------|
| CPO | 0.06 | tCO ₂ e/tProduct | Oil palm planted on mineral soil | 5921.73 | Ha |
| PK | 0.06 | tCO ₂ e/tProduct | Oil palm planted area on peat | 0.00 | Ha |
| PKO | 0 | tCO ₂ e/tProduct | Total oil palm planted area | 5921.73 | Ha |
| PKE | 0 | tCO ₂ e/tProduct | Conservation area (Forested) | 934.95 | Ha |
| OER | 22.16 | % | Conservation area (non-Forested) | 0.00 | Ha |
| KER | 4.02 | % | FFB Production per hectare | 15.87 | t/ha |

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

| Mill Emissions and Credits | | | Emissions from Palm Kernel Crusher | |
|------------------------------------------------|--------------------|--------------------------|------------------------------------|--------------------|
| Emission Source and Credits | tCO ₂ e | tCO ₂ e/t FFB | Emission Source | tCO ₂ e |
| POME | 18418.60 | 0.20 | PK from own mill | 0.00 |
| Fuel Consumption | 30.86 | 0.00 | PK from other sources | 0.00 |
| Grid Electricity Utilization | 0.00 | 0.00 | Fuel Consumption | 0.00 |
| Export of Excess Electricity to Housing & Grid | 0.00 | 0.00 | Total Crusher Emissions | 0.00 |
| Sale of PKS | 0.00 | 0.00 | | |
| Sale of EFB | 0.00 | 0.00 | | |
| Total | 18449.45 | 0.20 | | |

Estate / Plantation Field Emissions and Sinks

| Description | Emission (tCO2e) | | | TOTAL |
|------------------------------------|------------------|-------|-----------|-----------|
| | Own | Group | 3rd Party | |
| Emission Source | | | | |
| Land Conversion | 24407.73 | 0.00 | 0.00 | 24407.73 |
| CO2 Emissions from Fertilizer | 1656.97 | 0.00 | 0.00 | 1656.97 |
| N2O Emissions from Peat | 0.00 | 0.00 | 0.00 | 0.00 |
| N2O Emissions from Fertilizer | 1747.29 | 0.00 | 0.00 | 1747.29 |
| Fuel Consumption | 205.94 | 0.00 | 0.00 | 205.94 |
| Peat Oxidation | 0.00 | 0.00 | 0.00 | 0.00 |
| Sinks | | | | |
| Crop Sequestration | -36730.29 | 0.00 | 0.00 | -36730.29 |
| Sequestration in Conservation Area | -8573.49 | 0.00 | 0.00 | -8573.49 |
| Total | -17285.85 | 0.00 | 192.13 | -17093.72 |

Palm Oli Mill Effluent Treatment

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

*POME is only processed in WWTP

7.10.2

PT Padang Palma Permai (Tamiang Estate, Blang Simpo-1 Estate, Blang Simpo-2 Estate) and PT Perkebunan Sri Kuala (Batang Ara Estate) does not extend of new plantation area. There is only a replanting activity that have been conducted since 2011. Estimation of carbon stock is not carried out and does not apply to unit of certification.

7.10.3

The unit of certification has identified source of waste pollution and emissions from Estate and Mill activities for the period 2022, as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP. In addition, the company also conducts tests related to odour and noise tests in work and residential areas.

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

From the tests results it is known that the test parameters include air emissions in boilers, generators, and ambient air, as well as noise and odour testing in accordance with threshold value (TLV), and quality standards, however for noise measurements there are still several areas that are above the threshold value.

Company has also made management efforts and mitigation plans to reduce pollution from immovable disturbances, including:

- Using ear plugs or earmuffs for processing factory workers, or in activities that are close to pollutant sources that exceed the threshold. (>70 dB (A))
- Conduct direct socialization for workers to use work safety equipment, especially in rooms with high noise, also through safety signs posted at operational stations.
- Conduct periodic inspections of the hearing organs of employees working on instruments with a fairly high noise level.
- Perform maintenance on factory machines.
- Audiometri Medical Check Up for factory workers on October 14, 2022.
- Installation of dust collector / dust cyclone in an effort to reduce airborne dust.
- Planting / reforestation in the factory to reduce air pollution (CO₂)
- Management of both hazardous and liquid & solid waste according to procedures.

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

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| | Status: Comply | |
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7.11

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

7.11.1

Based on the results of a document review and field visit, it is known that the company has not made any new plantings. However, there has been replanting activity, as evidenced by the minutes of 2019 at BSE 1 which explained that land preparation was carried out using mechanical (chipping method) and zero burning.

The results of interviews with representatives of the Aceh Tamiang and East Aceh District Plantations Offices revealed that there was no history of fires or the appearance of hotspots in the company's concession area. Based on the results of field observations in the replanting area at BSE 1, information was obtained that there were no signs of land clearing by burning. All land clearing activities were carried out mechanically.

7.11.2

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

- The existence of document procedure for land fire control
- There is a trained fire team, contained in the Organizational Structure of the Emergency Response Team for each unit (BSE 1, BSE 2, TME, and BAE) which was approved by Manpower Agency of Aceh Province Number 560/1059/2021 year 2021-2024.
- Socialization of land fire prevention to workers and community around.

- Conducting patrols/monitoring of fire-prone areas (hotspots).
- Installing a Fire Danger Index (FDI) in every unit.
- Carry out water management.
- The company has carried out emergency and fire simulations attended by firefighting team, on January 19, 2023.
- Monitoring the list of facilities and infrastructure owned by referring to the standardization of equipment in Ministerial Regulation 5 of 2018, which is listed in the List of Fire Fighting Equipment and Other Equipment with the latest update in January 2023. The company also has a budget plan to continue completing the needs of team personnel who stated in the 2023 budget. For example, includes a budget related to procurement, repair and maintenance of firefighting facilities and infrastructure in each estate.
- Report on Land Fire Prevention and Management for Semester II of 2022 to the Department of Plantation of Aceh Tamiang and Aceh Timur Regency. In addition, it is known that there were no fire incidents around unit of certification.

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

7.11.3

The unit certification also involves the community in monitoring fire prevention as a preventive and control measure, due to SOP No. PPK/13/PPP-PSK-PSS/V/12, dated 01 May 2012 concerning prevention and management of land fires which states that fire management is carried out for a radius of 5 km from the company boundary.

As a form of involving stakeholders in terms of fire prevention and control, the company held training related to firefighting simulations, for example the recorded training on January 19, 2023, which involved representatives of villages around the company.

The results of interviews with the Village Head of Kebun Tanah Terban stated that regularly involved in socialization concurrently with the management of SIA and HCV also emergency response simulations.

| |
|-----------------------|
| 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

The unit of certification did not clear new land after November 2005. This is shown by the evidence of Disclosure to the RSPO. To ensure that there are no new plantations in the primary forest or HCV area, Sime Darby Plantations has reported the Liability Disclosure and Land Use Change Analysis (LUCA). On December 2nd, 2014, Sime Darby Plantations showed the progress of submission of land use change analysis results in accordance with the RSPO remediation and compensation procedure. Based on the report, information was obtained that PT Padang Palma Permai (Tamiang Estate, Blang Simpo-1 Estate, Blang Simpo-2 Estate) and PT Perkebunan Sri Kuala (Batang Ara Estate) had not opened a New Plant after 2005.

The activities carried out by the company are replanting areas from July 2011 to 2018 for Tamiang Estate; Blang Simpo Estate for 2012 - 2022 & Batang Ara Estate Replanting 2014-2016.

7.12.2

Consistent with previous assessments, the Certification Unit has conducted an HCV Assessment conducted in 2010 with the scope of PT PPP, PT PSK conducted by Pollito in January 2010. From the results of the study, it is known that the identified HCV area is 295.57 Ha. The HCV assessment is carried out in consultation with stakeholders. The company shows proof of affidavit from POLLITO as a third-party identifying HCV. The letter explains that the involvement of NGOs and universities has been carried out since the preparation of the assessment team and the peer review activities of the

report. The assessment team involved were activists in several NGOs (such as LSI, BCI, Peramu, Wetland Aceh, Conture, Jejak, and Sidikara). The involvement of universities (i.e Bogor Agricultural University) was carried out through peer review activities on the HCVA Identification Report. Research institutions such as BKSDA and BAPELDADA are also involved in identifying conservation areas within the company's area.

In 2019 the company conducted an internal assessment and made a determination of a new HCV area where several areas that were originally included in the planted area were designated as HCV areas with details:

| Description | BSE 1 | BSE 2 | TME | BAE | Total |
|-------------|--------|-------|-------|--------|--------|
| HCV Area | 134.66 | 56.02 | 17.05 | 727.22 | 934.95 |

Related to this, the HCV area that is managed and monitored for the whole unit is **934.95 Ha**.

7.12.3

Until now it is not relevant in Indonesia, so this indicator is not applicable in Indonesia until there is a further decision from the RSPO.

7.12.4

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

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

- Outreach to the community and workers regarding the understanding of HCVs and protected animals.
- Monitoring of animals and flora, including RTE species
- Maintenance and inventory of installed HCV sign boards, as well as warnings against hunting of wild animals in river riparian areas and conducting land clearing activities.
- Enrichment of forest plants with species capable of reducing the rate of erosion, water storage, and sources of animal feed.
- Marking the spray boundary area.
- Boundary marking on forested areas.
- Checking and maintenance of limits.

Based on the results of field observations in the HCV Tamiang Estate Block C05, which is a riparian area, it is seen that there are information signs on the HCV area, protected fauna information board, coordinates point and types of HCV, there is a spray boundary board placed on the right and left of the river.

7.12.5

Based on the results of the document review and field verification, it is known that there are no HCV areas that overlap with the interests or rights of the community within the unit of certification's HCV areas.

However, the company continues to pursue an approach to protect HCV areas in a way that also protects the rights and livelihoods of local communities. Among them by conducting socialization about HCV periodically to find out the extent of community understanding of the existence of HCV and installing sign boards as an indirect socialization effort in areas that are often passed by the community.

7.12.6

The Unit of Certification already has a Biodiversity conservation procedure that has not changed from the previous assessment contained in the SOP for Handling Wildlife Documents dated 1 December 2010.

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

- Carry out preventive measures in terms of socialization programs, namely the prohibition of catching, keeping or killing animals that are protected by state regulations.
- Carry out identification/census of wild animals in the plantation area both on land and in water areas as well as making an inventory list of the existence of protected wild animals so that conservation measures can be determined.
- Company employees and contractors are not allowed to trade wild animals, whether protected or not. If it is proven that there is involvement in trading the wild animals in question, severe sanctions will be imposed, including dismissal or cancellation of the contract.
- Carry out a confiscation program that applies in all company areas, including in employee housing, where wild animals are conditioned as having been caught by unscrupulous employees and their family members.
- For animal species that are not protected and need to be controlled, for example pigs or rats, the Estate Manager must be informed beforehand before any control activities are carried out.
- Carry out a census of the existence of flora and fauna.

The company also has a flora and fauna monitoring program which is scheduled every semester to update flora and fauna data found in the company area. Based on the document on the results of monitoring animals and plants for the 2022 period, identification results were obtained within the company area, including:

- **Flora:** there are no protected flora species
- **Fauna:** consisting of 52 species of birds, 8 species of mammals, and 4 species of reptiles with several species protected, namely *Macaca nemestrina*, *Prionailurus bengalensis*, *Crocodylus sp*, *Varanus salvator*, *Elanus caeruleus*, and *Halycon smyenensis*.

The company has a report on the existence of priority flora and fauna that is submitted to institutions that handle conservation and protection of wild plants and animals on a regular basis every semester as evidenced in the HCV Management Evaluation Report for semester 2 of 2022 and has been reported to the *BKSDA* Aceh Province on January 18, 2023.

Based on the results of interviews with representatives of the village community, it is known that the community understands the existence of the HCV area and the existence of flora and fauna in the company area. The village community understands that the company protects the HCV area and its flora & fauna already know about the protected fauna species, the prohibition to hunt, cut down and burn the forest. Respondents added, that apart from direct socialization, the company also installed warning boards or signboards marking HCV areas as well as prohibitions on environmental destruction which were an indirect form of socialization. Based on this explanation, it can be concluded that the company already has a plan and evidence of the implementation of the socialization and is known by the surrounding community.

7.12.7

The unit of certification has conducted annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts.

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

- HCV Patrol Report for the 2022 period to ensure the Signboard and condition of HCV areas against poaching and illegal logging.
- Outreach to workers and the community regarding HCV and Wildlife
- Monitoring of HCV attributes every 3 months.
- Report on flora and fauna monitoring conducted every 6 months.
- Monitoring Tree Planting in HCV Areas in 2022

The company has shown evidence that HCV area management has been carried out quite well, the results of field visits to several HCV area locations show that HCV is in a stable condition. No destruction of HCV or entanglement of animals was found. The results of interviews with employees in the field conveyed that employee had received socialization regarding the prohibition of hunting and spraying in the riparian area.

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

7.12.8

The management unit does not have a RaCP obligation in accordance with the results of the LUCA report and data disclosure submitted to the RSPO described in indicator 7.12.1

| |
|-----------------------|
| Status: Comply |
|-----------------------|

3.2 Conformity Checklist of Certificate and Trademark Use

| | | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client | X or √ |
| RC-2 | The Blang Simpo Factory and four estates supply bases, does not use the Trademark both in the on-product and off-product | √ |
| | Status: Comply | |
| 2. | Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use | X or √ |
| RC-2 | The Blang Simpo Factory and four estates supply bases, does not use the Trademark both in the on-product and off-product | √ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Trademark is not used on product | X or √ |
| RC-2 | The Blang Simpo Factory and four estates supply bases, does not use the Trademark both in the on-product and off-product | √ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Trademark, including withdrawing inappropriate trademark. | X or √ |
| RC-2 | The Blang Simpo Factory and four estates supply bases, does not use the Trademark both in the on-product and off-product | √ |
| | Status: Comply | |

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Berhad against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

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

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Berhad based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.
- There's extension scope of land use title on PT Bersama Sejahtera Sakti (previously uncertified unit) as amount as 240.12 ha.
- Based on social media verification related to uncertified unit, the issues are related to the issuance of land ownership which is still in process by the local agency.

| Un-Certified Units or Holdings | | |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p>Company Group/Holding Statement: The sustainability unit has conducted the internal audit for 9 units and updated in the compliance status of uncertified management unit. There is no replacement of primary forest or HCV area and no new planting after January 1st 2010. Other than that, land conflicts and land disputes also being audited and approved by Head of Sustainability-Indonesia.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit.</p> |
| 2.1.2 | No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <p>Company Group/Holding Statement: No replacement of primary forest or HCV or no new planting after Jan 1st 2010 for all uncertified units except for PT Sime Indo Agro, Bukit Ajong Mill East* Estate /Sei Mawang Estate which is currently under RaCP. LUCA submitted and currently under review process by appointed reviewer by RSPO.</p> |

| Un-Certified Units or Holdings | | |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>Auditor Verification: Sime Darby Plantation Berhad sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Berhad is having been sent the 19 reports of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>Company Group/Holding Statement: No new plantings. As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</p> <p>Auditor Verification: Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP it will be object of sanction.</p> |
| 2.1.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>Company Group/Holding Statement: The group has land conflict procedure in place. No Land conflict registered with RSPO Complaints System. No outstanding complaints with the RSPO.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement and there is no conflict in uncertified area.</p> |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is no labour dispute in company unit.</p> |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.: <ul style="list-style-type: none"> PT Sime Indo Agro 5,815 Ha PT Bina Sains Cemerlang 308.25 Ha </p> |

| Un-Certified Units or Holdings | | |
|--------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Section | Requirement | Concerns to Discuss, if any |
| | | <ul style="list-style-type: none"> • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 890 Ha |

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

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

| NCR No. | : 2022.01 | Issued by | : Haikal Ramadhan Kharismansyah | | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------|---------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----|---------|------------|------|--------|-----------|------|-------|----------|
| Date Issued | : 29 January 2022 | Time Limit | : 29 April 2022 | | | | | | | | | | | | |
| NC Grade | : Major | Date of Closing | : 03 February 2022 | | | | | | | | | | | | |
| Standard Ref. & Requirement | <p>3.8.7 (C)</p> <p><u>Purchases and Incoming Items</u></p> <p>I. POM is obliged to verify and record the total tonnage and source of certified FFB and the total tonnage of non-certified FFB it receives.</p> <p>II. PKS must immediately notify the CB if it is estimated that there is an excess of certified volume production.</p> <p>iii. PKS must have a mechanism for handling FFB and/or inappropriate documents.</p> | | | | | | | | | | | | | | |
| <p><i>Evidence observed (filled by auditor):</i></p> <ul style="list-style-type: none"> • Palmtrace update quota and Data Balance sheet <table border="1"> <thead> <tr> <th>Product</th><th>Palm Trace Quota (License period 03 June 2019 – 02 February 2022) MT</th><th>Actual production until the audit is carried out (June 2019 – December 2021) MT</th></tr> </thead> <tbody> <tr> <td>FFB</td><td>156,498</td><td>209,447.79</td></tr> <tr> <td>CSPO</td><td>35,300</td><td>46,117.42</td></tr> <tr> <td>CSPK</td><td>6,485</td><td>8,197.34</td></tr> </tbody> </table> <ul style="list-style-type: none"> • Thus, there has been over production of FFB, CSPO, and CSPK up to the time the audit was conducted. • Email from the company to CB on January 28, 2022 at 20:44 WIB regarding the request for volume extension for FFB in the amount of 58,545 MT; CSPK of 2,207 MT; and CSPO of 11,957 MT. <p><i>Non-Conformance Description (filled by auditor):</i></p> <p>The company has not been able to show sufficient evidence that it should notify the CB immediately if it is estimated that there is an excess of certified volume production.</p> <p><i>Root Cause Analysis (filled by organization audited):</i></p> <p>Weak monitoring carried out regarding production data and coordination with GTM Jakarta regarding the status of FFB overproduction</p> <p>Lack of communication and initiative from related parties to inform status or monitoring over production</p> <p><i>Correction (filled by organization audited):</i></p> <ul style="list-style-type: none"> - Make a volume extension request to CB - Shows an example of monitoring (template/form) 3 months balance sheet as shown in Corrective Action - It takes a high initiative to build communication in order to establish good coordination <p><i>Corrective Action (filled by organization audited):</i></p> | | | | Product | Palm Trace Quota (License period 03 June 2019 – 02 February 2022) MT | Actual production until the audit is carried out (June 2019 – December 2021) MT | FFB | 156,498 | 209,447.79 | CSPO | 35,300 | 46,117.42 | CSPK | 6,485 | 8,197.34 |
| Product | Palm Trace Quota (License period 03 June 2019 – 02 February 2022) MT | Actual production until the audit is carried out (June 2019 – December 2021) MT | | | | | | | | | | | | | |
| FFB | 156,498 | 209,447.79 | | | | | | | | | | | | | |
| CSPO | 35,300 | 46,117.42 | | | | | | | | | | | | | |
| CSPK | 6,485 | 8,197.34 | | | | | | | | | | | | | |

- The company will ensure monitoring at least once every 3 months Balance Sheet data to SQM & GTM HO via email production monitoring report (PIC by Bp Mangarahon Siagian – Head of BSF) for further follow-up requests for volume extension, by requesting at least 2 weeks before overproduction occurs.
- The company has procedures regarding the above in the RSPO SCCS Point Manual No. 4.7.2 and Coordination Mechanism for monitoring stock of CPO & PK sales between the Dept. PSQM and GTM Jakarta, approved by Head of PSQM Indonesia
- If there is a transfer of PIC of SCCS, the Unit Manager will appoint a new person in charge at the time of handing over the position

Assessor Evaluation and Conclusion: *(filled by auditor):*
Verification, 02 February 2022

The company provides evidence of improvements in the form of:

1. Balance sheet and certified product monitoring to ensure immediate notification to CB before over production occurs
2. Email to CB regarding the request for volume extension for CSPO, CSPK, and FFB on January 28, 2022 at 20:44 WIB which has been completed with production projections and reasons for requesting volume extension.
3. Decree of SCCS PIC in Blang Simpo POM.
4. Application for Blang Simpo POM license extension to CB on January 31, 2022 at 11.02 WIB.

Auditor's Conclusion:

The proof of repair that has been submitted has been accepted. Additional information is needed in the Root cause analysis, correction, and corrective action sections so that non-conformities are declared unfulfilled.

Verification, 03 February 2022

The company has provided additional evidence of improvements in the form of :

1. The coordination mechanism between PSQM and GTM Jakarta has actually been established since April 1, 2019.
2. Additional information in the Root cause analysis, correction, and corrective action sections.

Auditor's Conclusion:

The non-conformity is **declared to have been fulfilled**.

Verified by : **Haikal Ramadhan Kharismansyah**

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------|
| NCR No. | : 2022.02 | Issued by | : Septian Maulana |
| Date Issued | : 29 January 2022 | Time Limit | : 29 April 2022 |
| NC Grade | : Major | Date of Closing | : 03 February 2022 |
| Standard Ref. & Requirement | 6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sick leave, entitlement to vacation, maternity leave, reasons for dismissal, notice period before termination of work, and other employment provisions. | | |
| Evidence observed (filled by auditor): <ul style="list-style-type: none">Working hours based on Government Regulation Number 35 of 2021 Article 21 Paragraph (2) are as follows:<ul style="list-style-type: none">7 (seven) hours in 1 (one) day and 40 (forty) hours in 1 (one) week for 6 (six) working days in 1 (one) week; or8 (eight) hours in 1 (one) day and 40 (forty) hours in 1 (one) week for 5 (five) working days in 1 (one) week. | | | |

- Payment of excess working hours, for example for security, uses a premium system as contained in the Minutes of the Security Guard/Centeng Premium Agreement dated 20 May 2021 which was agreed upon by the employer, worker, and known by the Aceh Tamiang District Manpower Office.

| No | Descriptions | Amount (Rp) |
|----|--------------------------------------------------|--------------|
| 1 | Security Member Working 7 hours + Premium 1 hour | 19,000/ Day |
| 2 | Head of security Working Day | 40,000/ Day |
| 3 | Vice of Head security Working Day | 30,000/ Day |
| 4 | Security Member Off Day/ Public holiday | 80,000/ Day |
| 5 | Head of security Off Day/ Public holiday | 110,000/ Day |
| 6 | Vice of Head security Off Day/ Public holiday | 100,000/ Day |

- The results of interviews with management representatives, it is known that the working hours of Security Guard members at TME use a system of 6 working days and 1 day off in one week with 7 (seven) hours working on weekdays and 5 (five) hours on short days being set on Friday every week. Holidays (Off Day) change every week.
- The results of the review of the Security Guard Member Premium document, for example employees with the initials RR for the period 26 November – 25 December 2021, it is known that the Office Hours in 1 (one) day for 8 (eight) hours without a break so that there is more than 1 (one) hour on weekdays and 3 (three) hours on Friday (short day). If the day off (Off) falls on a Friday, the worker does not get more hours of service on the short day. For example, the following premium calculation:

- Off Day on Friday:

| Date | Day | Working Hours | Total (Hours) | Excess Hours | Premium/ Hour | Total |
|---------------------|-----------|---------------|---------------|--------------|---------------|----------------|
| 06/12/2021 | Monday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 07/12/2021 | Tuesday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 08/12/2021 | Wednesday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 09/12/2021 | Thursday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 10/12/2021 | Friday | OFF | | | | |
| 11/12/2021 | Saturday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 12/12/2021 | Sunday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| Total a Week | | | 48 | 6 | 19,000 | 114,000 |

*Note: if overtime wages / hours should be $Rp\ 3,211,143 / 173 = 18,561.52 * 1.5 = Rp\ 27,842$

- Off Day other than Friday:

| Date | Day | Working Hours | Total (Hours) | Excess Hours | Premium/ Hour | Total |
|---------------------|-----------|---------------|---------------|--------------|---------------|----------------|
| 13/12/2021 | Monday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 14/12/2021 | Tuesday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 15/12/2021 | Wednesday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 16/12/2021 | Thursday | OFF | | | | |
| 17/12/2021 | Friday | 10.00 - 18.00 | 8 | 3 | 19,000 | 57,000 |
| 18/12/2021 | Saturday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| 19/12/2021 | Sunday | 10.00 - 18.00 | 8 | 1 | 19,000 | 19,000 |
| Total a Week | | | 48 | 8 | 19,000 | 152,000 |

- Thus, there is a difference in the total premium paid for one week if the employee gets off on Friday (does not get a short day)

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that it has fully complied with the implementation of the standard payroll system that has been set

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

- There has been a separation between short and normal working days in the wage system, but it is set on Friday, while security short days follow a different schedule for each employee.
- Lack of understanding of unit management in determining short days

Correction *(filled by organization audited):*

Paying underpaid premium wages for security members which has been in effect since June 2021 based on the Security Guard/Centeng Premium Agreement dated May 20, 2021 which was agreed upon by the employer, worker, and acknowledged by the Aceh Tamiang District Manpower Office. Payment will be paid on February 2022 salary.

Corrective Action *(filled by organization audited):*

Improve the standard payroll system based on appropriate provisions and improve supervision by appointing PICs who have understood the system and supervise the payroll system

Assessor Evaluation and Conclusion: *(filled by auditor):*
Verification on February 1, 2022

The company has shown evidence of improvement including:

- Identification of short-hour security premium payments that are contained in the document Recapitulation of Short Hour Security Premium Payments for the period June – December 2021. Shortage premiums will be paid on the salary of February 2022.
- Inter-Office Mail from Area Controller Aceh No. 002/AC-Aceh/II/2022 dated January 29, 2022 regarding the Person in Charge of Supervision of the Overtime/Employee Premium Inputting System.

Conclusion:

Evidence of improvement has been accepted but additional information is needed in the Root cause analysis section so that non-conformities are declared unfulfilled

Verification on February 3, 2022

It has been shown additional information in the Root Cause Analysis, the consistency of the proof of improvement submitted will be observed again in the next assessment. **The non-conformity is declared to have been fulfilled.**

Verified by : **Septian Maulana**

3.4.2. Identification of Findings, Corrective Actions and Observations at Recertification 2

| | | | | | |
|----------------------------------------------------------------------------------------------------------------------|---|--|------------------------|---|--|
| NCR No. | : | | Issued by | : | |
| Date Issued | : | | Time Limit | : | |
| NC Grade | : | | Date of Closing | : | |
| Standard Ref. & Requirement | : | | | | |
| Evidence observed <i>(filled by auditor):</i> There is No Non Conformity identified during this assessment | | | | | |
| Non-Conformance Description <i>(filled by auditor):</i> | | | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> | | | | | |
| Correction <i>(filled by organization audited):</i> | | | | | |
| Corrective Action <i>(filled by organization audited):</i> | | | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> | | | | | |
| Follow up on next audit <i>(filled by auditor):</i> | | | | | |
| Verified by | : | | | | |

3.4.3. Opportunity for Improvement

| No | Ref. Std. | Description |
|----|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 2.1.1 | <p>Based on the results of verification of environmental management and monitoring documents, all management and monitoring parameters requested in the environmental document matrix have been implemented. However, the unit of certification has not yet evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes trend evaluation, critical level evaluation, and compliance evaluation.</p> <p>Therefore, certification units are encouraged to evaluate the results of environmental management and monitoring as required by applicable regulations.</p> |
| 2 | 3.4.2 | <p>The results of document reviews and interviews with management and stakeholders (internal and external) found that the company has managed issues that could have a social impact which were carried out partially by the relevant departments, for example Social management of the community is managed by the PSD Department, Employment Management is managed by the Ministry HRM, Management of OHS and Environmental aspects are managed by the SQM Department, Plantation Operational Management and Security are managed by the Field Operations Section. By partially managing it by the relevant departments, the management of social and environmental impacts has not been carried out in an integrated manner and is contained in the Social Impact Management Report, for example on several existing social issues, including:</p> <ul style="list-style-type: none"> - Issues related to employment regarding the use of main field works carried out by local contractors - Issues regarding security breaches / theft - Problems regarding the existence of community livestock - Issues related to dissatisfaction with CSR and job opportunities for the surrounding community - The social dynamics of the community due to the company's location in the city - Issues regarding HGU extension - Issues regarding employment such as housing, health facilities, PPE, working hours and additional food |
| 3 | 3.4.3 | <p>Regarding the social management and monitoring plan owned by the company, it has conducted a review which is conducted every two years. Based on the results of a review of the 2022 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner involving relevant stakeholders. Based on the results of the document review, companies are encouraged to</p> <ul style="list-style-type: none"> - Conduct a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors, including conflict victims and for internal stakeholders by paying attention to the representation of wider workers such as local workers, migrants, women, workers including contract workers. - Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise. |
| 4 | 4.4.1 | <p>Moreover, for Mill, the area is in the permit area or PT Padang Palma Permai (Blang Simpo Estate 1) in accordance land lease agreement between PT Perusahaan Perkebunan dan Pertanian (previous name of PT Padang Palma Permai) and PT Perkasa Subur Sakti which explains that leased land area + 32 Ha with validity period until 31 December 2022. Currently, the process of renewal of the extension and the draft of the agreement is available and waiting for approval (OFI).</p> |
| 5 | 6.2.4 | <p>The company already has a list of welfare facilities for workers such as housing, public facilities, sports facilities and so on. One of these facilities is housing for workers in the form of houses of type G1 and G2 (permanent and semi-permanent) in each unit. For the Blang Simpo 1 and Blang Simpo 2 Estate units, they already have houses in good condition, ranging from permanent to semi-permanent houses. As for the housing conditions in the Tamiang Estate unit, they vary from the condition of the houses that are still decent and need repair (especially the old houses that are outside the Central Housing Complex / CHC area). This was conveyed by the workers</p> |

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|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>based on the results of interviews during the audit activities, in which the workers stated that the workers' housing outside the CHC needed to be looked at again by the company's condition and hoped that further action would be taken in this regard. Apart from that, the results of observations and interviews with the occupants of the housing show that currently there are houses that need further repairs and the actual repairs have been carried out since 2022.</p> <p>Based on the results of a review of documents identifying the housing conditions of Tamiang Estate in January 2023, there are currently a total of 225 housing units (permanent and semi-permanent) and 100 units that require further repairs. The repairs varied, ranging from roof repairs, bathrooms, walls and so on. However, the company can also show the realization of the improvements that have been made since 2022, in which 64 houses have been repaired and 61 new houses have been built. There is also a house repair program planned to be completed in 2023 (January-December) of 100 units.</p> <p>The company has the opportunity to ensure that the worker's housing improvement program in 2023 can be fully realized so that all workers get proper housing facilities.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

3.4.4. Noteworthy Positive Components

| No | Description |
|----|-----------------------------------------------------------------------------------|
| 1 | Management commitment to apply the principles of sustainable palm oil management. |
| 2 | Presentation of documents and good communication with the companion team |
| 3 | Has realized the nucleus-plasma partnership cooperation in PT PPP. |

3.5 Summary of Arising Issues from Public and Auditor Verification

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <p>Environmental Agency of Aceh Tamiang Regency.</p> <p>During the last year the communication between the company and the service has been quite good. There has been no request for information from the agency to the company in the past year (only received information through mandatory reports sent). Ownership of environmental permits is generally owned and regular reports are mandatory.</p> <p>During the last year there were no issues or incidents of environmental pollution by the company. The last monitoring/supervision carried out by the service was in 2021 and in 2022 there was no monitoring because it was not a monitoring schedule for the company.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Agriculture, Plantation and Animal Husbandry Agency of Aceh Tamiang Regency.</p> <p>Communication relations with the company over the past year have been quite good. The company already has valid IUP (Plantation Business Permit) and HGU (Land Title) at the time the audit was carried out. Assessment of plantation business has been carried out. During 2022 the agency has never submitted a letter requesting information to the company.</p> <p>There were no issues or incidents related to land fires, land disputes/claims with the community and others. The existing fire prevention infrastructure has been assessed as sufficient and refers to government regulations. Compulsory reports have been reported regularly in accordance with the specified timeframe. In the report on the development of the plantation business and currently there are no indigenous peoples living around the company.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>National Land Agency of Aceh Tamiang Regency.</p> <p>Relations of communication and cooperation have been established quite well during the 2022 period. Currently all legal permits for ownership of the company's land are still valid until the audit activities take place. Reports that must be reported regularly include the HGU (Land Title) Land Use Report which is reported once a year. There have been no applications for new HGU (Land Title) for companies since 2022.</p> <p>Since the previous assessments and in 2022 there have been no incidents of Land Claims (Occupation) made by the community on the company's HGU (Land Title).</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <p>Manpower and Transmigration Agency of Aceh Tamiang Regency.</p> <p>Relations of communication and cooperation have been established quite well during the 2022 period. In general, currently the company has carried out obligations and work norms in accordance with applicable regulations starting from the stipulation of minimum wages, overtime, and other provisions properly. The trade unions are currently also actively communicating with the company as well as the agency and have their own CLA which has been ratified by the relevant agency.</p> <p>Over the past year (2022) there have been no complaints, grievances or industrial disputes reported to the service. The last inspection related to employment was carried out in November 2022 where there was no record of the employment system being implemented. Currently all workers in the company are permanent workers and no longer use contract worker (PKWT and BHL).</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Industrial, Manpower and Transmigration Agency of Aceh Timur Regency.</p> <p>Relations of communication and cooperation have been established quite well during the 2022 period. In general, currently the company has carried out obligations and work norms in accordance with applicable regulations starting from the stipulation of minimum wages, overtime, and other provisions properly. The trade unions are currently also actively communicating with the company as well as the agency and have their own CLA which has been ratified by the relevant agency.</p> <p>Over the past year (2022) there have been no complaints, grievances or industrial disputes reported to the service. The last inspection related to employment was carried out in November 2022 where there was no record of the employment system being implemented.</p> <p>Currently the company still uses contract worker (PKWT) which is generally used for temporary/seasonal jobs, but there are still a small number of PKWT workers who are employed in permanent jobs such as harvesters. This is not permissible from a regulatory point of view, but seeing the level of social issues and the work needs of the surrounding community, the agency provides a special policy on this matter to the company. Due to this special policy, the company employs PKWT workers in harvesting jobs (permanent jobs). As proof that the agency allows this is proof of approval and registration of PKWT on harvest work from the agency.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |



| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <p>Plantation and Animal Husbandry Agency of Aceh Timur Regency.</p> <p>Communication relations with the company over the past year have been quite good. The company already has valid IUP (Plantation Business Permit) and HGU (Land Title) at the time the audit was carried out. Assessment of plantation business has been carried out. During 2022 the agency has never submitted a letter requesting information to the company.</p> <p>There were no issues or incidents related to land fires, land disputes/claims with the community and others. The existing fire prevention infrastructure has been assessed as sufficient and refers to government regulations. Compulsory reports have been reported regularly in accordance with the specified timeframe. In the report on the development of the plantation business and currently there are no indigenous peoples living around the company.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Environment Agency of Aceh Timur Regency.</p> <p>During the last year the communication between the company and the service has been quite good. There has been no request for information from the agency to the company in the past year (only received information through mandatory reports sent). Ownership of environmental permits is generally owned and regular reports are mandatory.</p> <p>During the last year there were no issues or incidents of environmental pollution by the company. The last monitoring/supervision carried out by the service was in November 2022 and the result was that there were no violations by the company of the environmental permits they owned.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>National Land Agency of Aceh Timur Regency.</p> <p>During the audit activities, the auditors tried to conduct public consultations directly, but the service could not be found during the public consultation period.</p> | <p>There is no information that can be verified because there was no consultation with the relevant agencies.</p> |
| <p>Worker Cooperative Usaha Mandiri PT Perkasa Subur Sakti.</p> <p>The existing employee cooperative has been in operation and was formed since 2009. The business sector being carried out is savings and loans at the factory. The RAT activities for the 2022 financial year were carried out on January 24, 2023 and were carried out simultaneously with the provision of remaining business results and management accountability reports. The current membership of the cooperative (update January 2023)</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>is as many as 48 workers consisting of staff and executive workers.</p> | |
| <p>Labor Union – Pengurus Unit Kerja Serikat Pekerja Seluruh Indonesia (PUK SPSI) PT Perkasa Subur Sakti (Blang Simpo Factory).</p> <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the CLA that is owned and is based on existing laws and regulations in Indonesia. These implementations include the application of minimum wages, overtime, holiday allowance, PPE, bonuses and others.</p> <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond.</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p> <p>There was one request from the workers that was submitted at the last meeting, which was related to the provision of a pick-up unit for high school students outside the company environment. The company has responded well to this request.</p> | <p>The company has responded well to this request (picking up school children) and it has been recorded that the number of children of workers living in the company who attend schools outside and the realization of the shuttle unit is planned to be realized in mid-2023. This is indicated by:</p> <ul style="list-style-type: none"> • He identified the number of working children who live in company housing who attend school outside (especially High School because Elementary and Middle School have been provided fairly well). The result was that there were 19 children of workers who attended school outside the company and 5 of them were factory workers. • The budget plan for the procurement of school children's shuttle units in 2023. <p>Apart from the application, there are no other issues that need further verification.</p> |
| <p>Labor Union – Pengurus Unit Kerja Federasi Serikat Pekerja Metal Indonesia (PUK FSPMI) PT Padang Palma Permai (Blang Simpo 1 dan 2 Estate).</p> <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the CLA that is owned and is based on existing laws and regulations in Indonesia. These implementations include the application of minimum wages, overtime, holiday allowance, PPE, bonuses and others.</p> | <p>The company has responded well to this request (picking up school children) and it has been recorded that the number of children of workers living in the company who attend schools outside and the realization of the shuttle unit is planned to be realized in mid-2023. This is indicated by:</p> <ul style="list-style-type: none"> • He identified the number of working children who live in company housing who attend school outside (especially High School because Elementary and Middle School have been |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond.</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p> <p>There are several requests from workers submitted at meetings in 2022, namely:</p> <ul style="list-style-type: none"> • Related to the provision of pick-up units for high school students (School) outside the company environment. The company has responded well to this request. • Plans to provide a union office for the union in Blang Simpo 1 Estate (Blang Simpo 2 Estate has been given). <p>Providing extra food for maintenance workers (sprayers and manurers) and security workers who work at night.</p> | <p>provided fairly well). The result was that there were 19 children of workers who attended school outside the company and 14 of them were estate workers children.</p> <ul style="list-style-type: none"> • The budget plan for the procurement of school children's shuttle units in 2023. <p>The provision of a workers' union office at Blang Simpo 1 Estate is in progress and has been included in the 2023 budget. While waiting for this to be realized, the company has done a number of things, namely:</p> <ul style="list-style-type: none"> • Provide opportunities for trade unions to borrow a room in the office if they want to hold routine or internal meetings. • Proposing office equipment for the union such as tables, chairs, stationery and so on as preparation if space for the office becomes available later. <p>Provision of extra-fooding for maintenance workers (spray and fertilizer) and security working at night has been carried out since 2022, this is evidenced by:</p> <ul style="list-style-type: none"> • The results of interviews with maintenance workers (spray and fertilizer) at Blang Simpo 1 and 2 Estate stated that workers had received extra food in the form of milk or green beans before work and were provided every day when working with spray and fertilizer. If spray and fertilizer don't work, extra-fooding is not given. This is in accordance with the provisions in the company's CLA. • Proof of purchasing extra-fooding for maintenance and security workers from December 2022 to February 2023. • Photo evidence of extra-fooding for maintenance and security workers from December 2022 to February 2023. |
| <p>PUK SPSI Tamiang Estate and Batang Ara Estate</p> <ul style="list-style-type: none"> • It has been registered at the local Manpower Office • PPE has been provided by the company regularly and free of charge. • There will be no cases of fatal work accidents during 2022. • There were cases of theft of 15 sacks of MOP fertilizer carried out by the fertilizer supervisor in the field in January 2023. The 3 perpetrators of the theft who were employees were reported by the company to the Aceh Tamiang Police. The perpetrators were then tried and given a choice: jailed or resigned from the company and paid a fine. The perpetrator chose to resign and pay a fine. When making a resignation, the perpetrator asked for a letter of approval from SPSI. SPSI felt that the existence of the company was | <p>Its has been verify by auditor</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <p>not considered because when there was a case of theft at the company committed by an employee who was also a member of SPSI, SPSI felt that it was not involved or that there was no mediation with SPSI regarding the handling of the case. SPSI stated that the case was immediately reported and processed at the Aceh Tamiang Police.</p> | |
| <p>Gender Committee PT Padang Palma Permai Gender Committee PT Perkebunan Sri Kuala Gender Committee PT Perkasa Subur Sakti</p> <ul style="list-style-type: none"> • Gender Committee has activities such as recitation, integrated health service post, making handicrafts, etc. • Female workers who have just given birth or are late in pregnancy are shifted to light jobs such as child care. • The company has provided an integrated health service post as one of the facilities for new mothers, which is held once a month. • The company provides H-1 leave rights to female workers | <p>There are no negative issues that need further verification</p> |
| <p>Plasma Cooperative Pentagon</p> <p>The company provides support in the realization of plasma plantation development. For plasma pentagons, members of the land recipients include children of former combatants and residents of the surrounding villages. The plasma location is Cek Mbon Village.</p> <p>From the 612 Ha development plan, 484 Ha has been realized. From the 484 Ha area, some are in the form of TM and some are in the form of TBM so that the production results for now have not been paid using money but vouchers which later when the plant has reached the TM phase as a whole, the profits are divided equally among each member.</p> | <p>In general there are no negative issues that require further verification.</p> |
| <p>Contractor CV Usaha Mandiri Contractor Dian Armansyah</p> <p>The cooperative relationship has been established for more than 5 years for FFB transportation activities. As of 2022, the SPK is renewed every 3/6 months. There have been no problems with payment so far as it is paid on time according to the contract.</p> <p>Contractors are required to include workers in the BPJS program and facilitate employees with complete PPE according to their work. So far there have been no accidents. The completeness of PPE, proof of BPJS payments and payment of workers' wages, is monitored by the company on a regular basis.</p> | <p>There are no negative issues that need further verification</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <p> Tualang Pateng Village Tanah Terban Village Batang Ara Village Seunebung Lapang Village Pantai Tinjau Village </p> <p> The relationship between the company and the village is well established. The existence of the company is sufficient to help the community, starting from employment to CSR assistance provided by the company, ranging from assistance for religious activities, social activities, and educational scholarships. Up to the repair and construction of roads. </p> <p> As of 2022 there have been no fires around the company. In addition, until now there has been no land dispute between the company and the community. Every time there is a job vacancy, village representatives are always informed. </p> <p> So far there is no indication of pollution caused by the company's operations. </p> | <p>There are no negative issues that need further verification</p> |

| | |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY |
| 4.1 | Formal Sign-off of Assessment Findings |
| | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkasa Subur Sakti Head of Sustainability</p>  <p><u>Alagendran Maniam</u> Friday, 24 March 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Leonada</u> Friday, 24 March 2023</p> </div> </div> |

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

| No | Institution/NGO/ Community | Address | Phone/E mail | Form of Communication | Date of Contact | Response | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------|--------------------------|------------------------|----------|----|
| | | | | | | Yes | No |
| 1 | Environmental Agency of Aceh Tamiang Regency. | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 2 | Agriculture, Plantation and Animal Husbandry Agency of Aceh Tamiang Regency. | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 3 | National Land Agency of Aceh Tamiang Regency. | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 4 | Manpower and Transmigration Agency of Aceh Tamiang Regency. | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 5 | Industrial, Manpower and Transmigration Agency of Aceh Timur Regency. | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 6 | Plantation and Animal Husbandry Agency of Aceh Timur Regency. | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 7 | Environment Agency of Aceh Timur Regency. | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 9 | National Land Agency of Aceh Timur Regency. | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 10 | Worker Cooperative Usaha Mandiri PT Perkasa Subur Sakti. | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 01 March 2023 | ✓ | - |
| 11 | Labor Union – <i>Pengurus Unit Kerja Serikat Pekerja Seluruh Indonesia</i> (PUK SPSI) PT Perkasa Subur Sakti (Blang Simpo Factory). | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 01 March 2023 | ✓ | - |
| 12 | Labor Union – <i>Pengurus Unit Kerja Federasi Serikat Pekerja Metal Indonesia</i> (PUK FSPMI) PT Padang Palma Permai (Blang Simpo 1 dan 2 Estate). | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 01 March 2023 | ✓ | - |
| 13 | PUK SPSI Tamiang Estate and Batang Ara Estate | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | - | - |
| 14 | Gender Committee PT Padang Palma Permai | Aceh Tamiang an Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 15 | Gender Committee PT Perkebunan Sri Kuala | Aceh Tamiang Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 16 | Gender Committee PT Perkasa Subur Sakti | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February | ✓ | - |

| No | Institution/NGO/ Community | Address | Phone/E mail | Form of Communication | Date of Contact | Response | |
|----|--------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------|--------------------------|------------------------|----------|----|
| | | | | | | Yes | No |
| | | | | | 2023 | | |
| 17 | Plasma Cooperative Pentagon | Aceh Timur Regency, Province of Aceh | - | Direct Interview | 01 March 2023 | ✓ | - |
| 18 | Contractor CV Usaha Mandiri | Aceh Tamiang an Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 19 | Contractor Dian Armansyah | Aceh Tamiang an Aceh Timur Regency, Province of Aceh | - | Direct Interview | 28 February 2023 | ✓ | - |
| 20 | Desa Tualang Pateng, | Aceh Tamiang Regency, Province of Aceh | | Direct Interview | 28 February 2023 | ✓ | |
| 21 | Desa Tanah Terban | Aceh Tamiang Regency, Province of Aceh | | Direct Interview | 28 February 2023 | ✓ | |
| 22 | Desa Batang Ara | Aceh Timur Regency, Province of Aceh | | Direct Interview | 28 February 2023 | ✓ | |
| 23 | Desa Seunebung Lapang | Aceh Timur Regency, Province of Aceh | | Direct Interview | 01 March 2023 | ✓ | |
| 24 | Desa Pantai Tinjau | Aceh Timur Regency, Province of Aceh | | Direct Interview | 01 March 2023 | ✓ | |
| 25 | Blang Simpo 1 Estate (14 workers) | Aceh Timur Regency, Province of Aceh | | Direct Interview | 01 March 2023 | ✓ | |
| 26 | Blang Simpo 2 Estate (16 Workers) | Aceh Timur Regency, Province of Aceh | | Direct Interview | 01 March 2023 | ✓ | |
| 27 | Tamiang Estate (17 Workers) | Aceh Tamiang Regency, Province of Aceh | | Direct Interview | 02 March 2023 | ✓ | |
| 28 | Blang Simpo Mill (12 Workers) | Aceh Timur Regency, Province of Aceh | | Direct Interview | 01 March 2023 | ✓ | |
| 29 | Batang Ara Estate (12 Workers) | Aceh Tamiang Regency, Province of Aceh | | Direct Interview | 02 March 2023 | ✓ | |
| 30 | WWF Indonesia | Jakarta, Indonesia | Wwf.indonesia@wwf.or.id | Questioner | 21 February 2023 | | ✓ |
| 31 | Walhi Aceh | Aceh, Indonesia | walhiatje@gmail.com | Questioner | 21 February 2023 | | ✓ |
| 32 | AMAN | Aceh, Indonesia | rumahaman@cbn.net.id | Questioner | 21 February 2023 | | ✓ |
| 33 | Sawit Watch | Jakarta, Indonesia | info@sawitwatch.or.id | Questioner | 21 February 2023 | | ✓ |

Appendix 2. Assessment Program

| DATE | 27 February – 04 March 2023 | |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 27 February 2023 | | |
| 07.00 – 09.30 | JAKARTA → MEDAN | All Auditor |
| 10.00 – 15.00 | MEDAN → SITE | |
| 15.30 – 16.00 | Opening meeting <ul style="list-style-type: none"> ❖ Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) ❖ Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) | All Auditor |
| 09.00 – 12.00 | Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Verification result of previous assessment | All Auditor |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Tuesday, 28 February 2023 | | |
| 09.00 – 12.00 | Public consultation with stakeholder to relevant agency in Tamiang and Aceh Timur Regency Stakeholder consultation to affected communities surrounding the plantations and previous land owner. Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders | <ul style="list-style-type: none"> • BEN • MAY / ALS • RIU |
| 12.00 – 14.00 | Break | |
| 14.00 – 16.15 | Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. | All Auditor |
| 16.15 – 17.00 | Presentation of Daily Progress | All Auditor |
| Wednesday, 01 March 2023 | | |
| 06.00 – 08.00 | Travelling to Blang Simpo | All Auditor |

| DATE | 27 February – 04 March 2023 | |
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| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| 08.00 – 12.00 | Field Observation to BLANG SIMPO 1 ESTATE AND BLANG SIMPO 2 ESTATE Aspect to be verified : <ul style="list-style-type: none">- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)- Implementation of Occupational Health & Safety Aspect- Implementation of Employment Procedure and Mechanism Aspect- Observation of Workers Facilities (Housing, School, Worship Place). | <ul style="list-style-type: none">• MAY / ALS• BEN / RIU• MAY / ALS• BEN / RIU• MAY / ALS• MAY / ALS |
| 12.00 – 14.00 | <ul style="list-style-type: none">• Break | All Auditor |
| 14.00 – 16.15 | Field observation to BLANG SIMPO POM : <ul style="list-style-type: none">- Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)- Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)- Implementation of Employment Procedure and Mechanism Aspect | <ul style="list-style-type: none">• RIU / MAY• ALS / MAY• MAY / RIU |
| 14.00 – 16.15 | Interview with Gender Committee, Worker’s Union, Worker’s Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders | BEN |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Thursday, 02 March 2023 | | |
| 08.00 – 12.00 | Field Observation to TAMIANG ESTATE Aspect to be verified : <ul style="list-style-type: none">- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)- Implementation of Occupational Health & Safety Aspect- Implementation of Employment Procedure and Mechanism Aspect- Observation of Workers Facilities (Housing, School, Worship Place). | <ul style="list-style-type: none">• MAY / ALS• BEN / RIU• MAY / ALS• BEN / RIU• MAY / ALS• MAY / ALS |
| 12.00 – 14.00 | Break | |
| 16.00 – 16.15 | <ul style="list-style-type: none">• Document review and completing audit checklist. | All Auditor |
| 16.15 – 17.00 | <ul style="list-style-type: none">• Presentation of Daily Progress | |
| Friday, 03 March 2023 | | |

| DATE | 27 February – 04 March 2023 | |
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| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| 08.00 – 12.00 | Field Observation to BATANG ARA ESTATE Aspect to be verified : <ul style="list-style-type: none">- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)- Implementation of Occupational Health & Safety Aspect- Implementation of Employment Procedure and Mechanism Aspect- Observation of Workers Facilities (Housing, School, Worship Place). | <ul style="list-style-type: none">• MAY / ALS• BEN / RIU• MAY / ALS• BEN / RIU• MAY / ALS• MAY / ALS |
| 12.00 – 14.00 | <ul style="list-style-type: none">• Break | |
| 14.00 – 15.30 | <ul style="list-style-type: none">• Document review and completing audit checklist. | All Auditor |
| 15.30 – 17.00 | <ul style="list-style-type: none">• Presentation of Daily Progress | |
| Saturday, 04 March 2023 | | |
| 07.00 – 08.30 | Internal discussion by auditor team preparing for Closing Meeting | All Auditor |
| 08.30 – 10.00 | Closing Meeting <ul style="list-style-type: none">• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timelie of CAR's, Conclusion)• Comments, Responses and Questions | |
| 10.00 – 15.00 | SITE → MEDAN | |
| 16.00 - | MEDAN → JAKARTA | |