

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

[✓] Recertification

Name of Management Organisation : **Tapung Kanan POM, PT Sekarbumi Alamlestari subsidiary of Kuala Lumpur Kepong Bhd**

Plantation Nam : **PT Sekarbumi Alamlestari : Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate**

Location : **Kota Garo Village, Tapung Hilir Sub-District, Kampar District, Riau Province, Indonesia.**

Certificate Code : **MUTU-RSPO/025**

Date of Initial Registration : **24 April 2013**

Date of Last Issue : **09 June 2023** Date of License Issue : **24 July 2023**

Date of Certificate Expiry : **23 April 2028** Date of License Expiry : **23 April 2024**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	27 February – 3 March 2023	Rizliani Aprianita Hasibuan (Lead Auditor), Asystasya Aishah Silalahi, Radityo Puspanjana, Rizki Tanaya.	Harso Yuli Antena	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	9 June 2023

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Figure 1. Location Map of PT Sekarbumi Alamlestari

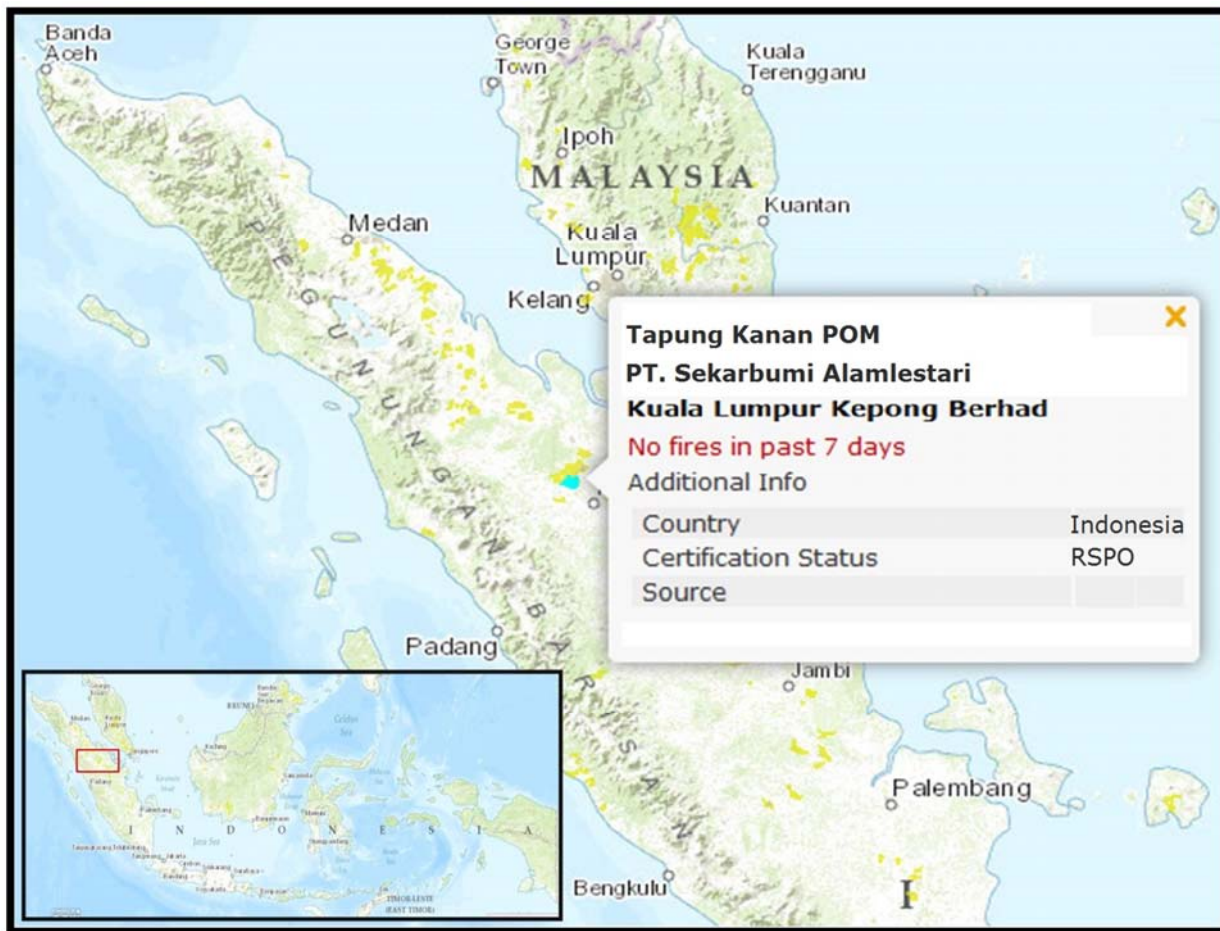
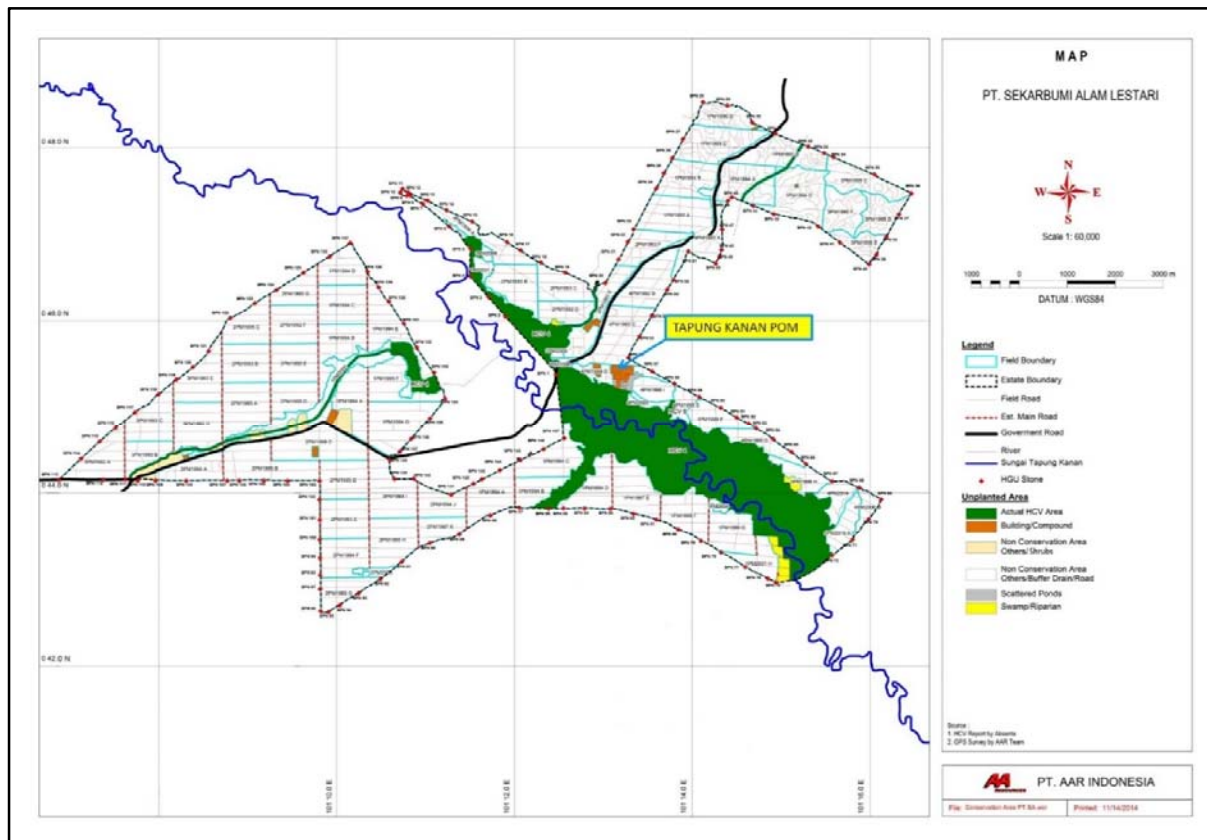


Figure 2. Operational Map of PT Sekarbumi Alamlestari



Abbreviations Used

AAR	:	Applied Agriculture Research
AK3U	:	Ahli Keselamatan dan Kesehatan Kerja Umum I (General OHS Expert)
ASA	:	Annual Surveillance Assessment/Audit
BHL	:	Buruh Harian Lepas (Daily Worker)
BKS PPS	:	Badan Kerja Sama Perusahaan Perkebunan Sumatera
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial/ Social Insurance Organisation
CH	:	Certificate Holder
CLA	:	Collective Labour Agreement
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunch
EM	:	Estate Manager
FM	:	Factory Manager
FP.FSP.PP-SPSI	:	Forum Persatuan Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia
GHG	:	Green House Gasses
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Title)
ID TTE	:	Identitas Tanda Terima Elektronik
ISPO	:	Indonesia Sustainable Palm Oil
IUP – B	:	Izin Usaha Perkebunan – Budidaya (Plantation Business Permit – Cultivation)
IUP – P	:	Izin Usaha Perkebunan – Pengolahan (Plantation Business Permit – Processing)
KAN	:	National Accreditation Committee
KER	:	Kernel Extract Ratio
KLK	:	Kuala Lumpur Kepong
KTK	:	Kebun Tapung Kanan
LA	:	Land Application / Mill Effluent of Land Application
LD	:	Lethal Dosage
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
OER	:	Oil Extract Ration
OHS	:	Occupational Health and Safety
OPT	:	Organisme Pengganggu Tanaman (Plant Destruction Organisms)
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)
PK	:	Palm Kernel
PKWT	:	Perjanjian Kerja Waktu Tertentu (specific time work agreement)
PPE	:	Personal Protective Equipment
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PT SA	:	PT Sekarbumi Alamlestari
PT SAL	:	PT Sekarbumi Alamlestari
PT SBAL	:	PT Sekarbumi Alamlestari
RKL -RPL	:	Rencana Kelola Lingkungan - Rencana Pengawasan Lingkungan (Environment Management Plan-

		Environment Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SA	:	<i>Sekarbumi Alamlestari</i>
SAOP	:	Safety standard operating procedures
SBSI	:	<i>Serikat Buruh Sejahtera Indonesia</i>
SCCS	:	Supply Chain Certification Standard
SDS	:	Safety Data Sheet
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i>
TBS / FFB	:	<i>Tandan Buah Segar / Fresh Fruit Bunches</i>
TPHBUN	:	<i>Tanaman Pangan, Hortikultura dan Perkebunan</i>
UKL-UPL/RKL-RPL	:	<i>Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan / Upaya Kelola Lingkungan - Upaya Pemantauan Lingkungan / Environmental Management and Monitoring</i>
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification System for Principles and Criteria, 12 November 2020. 	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	PT Sekarbumi Alamlestari – Subsidiary of Kuala Lumpur Kepong Bhd.	
1.2.2	Contact person	Apputhasamy Rathnam	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> RSPO registered company: Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, Malaysia Indonesia Liaison office: Jl. Pluit Selatan I No. 17 – 19, Jakarta, 14450, Indonesia 	
1.2.4	Telephone	+62 21 661 1696	
1.2.5	Fax	+62 21 661 2366	
1.2.6	E-mail	gk.yeoh@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Yeoh Gim Khoo	
1.2.9	Registered as RSPO member	Registration number: 1-0014-04-000-00 18 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Mill and 3 Estates as a supply bases: Tapung Kanan POM, Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate.	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Tapung Kanan POM	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 45' 26" E 101° 13' 11"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Tapung Kanan 1 Estate	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 47' 31" E 101° 10' 44"

	Tapung Kanan 2 Estate	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 46' 53"	E 101° 10' 09"	
	Tapung Kanan 3 Estate	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 42' 56"	E 101° 15' 00"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		6,200 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	• Total area		6,200.00 Ha		
	• Mature area		5,179.00 Ha		
	• Immature Area		20.00 Ha		
	• Mill / Housing / Road		74.00 Ha		
	• Nursery		4.00 Ha		
	• Conservation		923.00 Ha		
	*Immature Area is Infilling Not New Planting				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Tapung Kanan I	Tapung Kanan II	Tapung Kanan III	Total
	1992	144.00	353.00	—	497.00
	1993	681.00	470.00	85.00	1,236.00
	1994	384.00	545.00	553.00	1,482.00
	1995	198.00	234.00	357.00	789.00
	1996	250.00	—	—	250.00
	1997	—	—	147.00	147.00
	1998	38.00	—	175.00	213.00
	1999	166.00	—	164.00	330.00
	2001	15.00	—	53.00	68.00
	2005	—	59.00	—	59.00
	2006	24.00	—	8.00	32.00
	2010	47.00	—	—	47.00
	2015	29.00	—	—	29.00
	Sub Total Mature	1,976.00	1,661.00	1,542.00	5,179.00
	2019	20	-	-	20
	Sub Total Immature	20	-	-	20

	TOTAL	1,996.00	1,661.00	1,542.00	5,199.00		
	*Planting Year 2019 is infilling not New Planting so there is no need for LURI						
1.6.2	New Planting area after January 2010	- Ha					
1.6.3	Planting Cycle	2 nd Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Tapung Kanan	30	108,703.95	22,231.97	20.45	6,110.49	5.62
	*Production data source from February 2022 to 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/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Tapung Kanan 1	2,447.00	1,976.00	32,155.10	16.27	32,155.10	100.00
	Tapung Kanan 2	1,880.00	1,661.00	31,054.49	18.70	31,054.49	100.00
	Tapung Kanan 3	1,873.00	1,542.00	30,432.74	19.74	30,432.74	100.00
	TOTAL	6,200.00	5,179.00	93,642.33	18.08	93,642.33	100.00
	*Production data source from February 2022 to January 2023						
1.7.3	FFB description from other source						
	Name of Sources/Organisation	Type of Organisation	Number of Smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Koperasi Sahabat Lestari (Non-Certified)	Associate smallholders of PT Sekarbumi Lestari	647	1,294.00	15,061.62		
	TOTAL					15,061.62	
	*Production data source from February 2022 to January 2023						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (August 2022 – April 2023) (MT)		Last Year Actual Certified Volume (Feb 2022 – Jan 2023) (MT)		
	• FFB Production		110,029		93,642.33		
	• CPO Production		22,800		19,898.21		
	• Palm Kernel (PK) Production		6,177		5,447.82		
	*Based on table above, actual production of PK is bigger than the projection. However, license start on 24 August 2022 and during license period, CSPK production is 3,040.28 Ton.						
1.8.2	Product selling						
	Tonnage of selling product		Actual selling product for last year (Feb 2022 – Jan 2023) (MT)				

	<ul style="list-style-type: none">CSPO sold as RSPO certified productCSPK sold as RSPO certified productCSPO sold under another schemeCSPK sold under another schemeCSPO sold as conventionalCSPK sold as conventional	2,500.00	5,300.00	17,000.00	0	0	0	
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Tapung Kanan 1	2,447	1,976	33,800	17.11			
	Tapung Kanan 2	1,880	1,661	32,600	19.63			
	Tapung Kanan 3	1,873	1,542	32,000	20.75			
	TOTAL	6,200	5,179	98,400	19.00			
	<i>*Projected FFB production for 12 months of certificate</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 (%)	
	Tapung Kanan	30	98,400	21,700	22.00	5,500	5.60	MB
	<i>*Projected FFB production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		EU-ISCC-Cert-DE105-83156010 valid until 13 May 2024					
	Others		ISPO: MUTU-ISPO/032, 30 April 2015 – 27 Desember 2025					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	MANAGEMENT UNIT		LOCATION		Coverage Area (Ha)	Time Bound	Status	
	P O M	Estate (Supply Base)						
	INDONESIA							
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur		7,971	2019	Certified	
		Hutan Hijau Mas	Berau, Kalimantan Timur		7,288	2019	Certified	
	Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur		14,086	2017	Certified	
	PBJ POM	Putra Bongan Jaya	Kutai Barat, Kalimantan Timur		11,602	2022	Uncertified	
	MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah		9,056	2019	Certified	
		Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah		2,384	2023	-	
	KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan		13,127	2019	Certified	

		Tengah			
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified 1 January 2015
	Bumi Makmur Sejahtera Jaya		364	2023	Uncertified
Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified 2016
	Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified 2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM 1	Koperasi Petani Sejahtera	Pelalawan, Riau	540.95	2022	Certified
	Koperasi Karya Mitra		100.05	2022	Certified
Nilo POM 2	Nilo Timur	Pelalawan, Riau	6,681	2014	Certified
	Nilo Barat	Pelalawan, Riau	6,179	2014	Certified
	Mutiara	Pelalawan, Riau	1,363	2019	Certified
	Smallholder PT Adei Plantation - NILO Complex	Pelalawan, Riau		2018	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	Koperasi Tani Sahabat Lestari (Smallholder)	Kampar, Riau	1,294	-	Refuse to take a part RSPO process.
Stabat POM	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified 2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified 2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	Certified 2017
	Tanjung Beringin	Langkat, Sumatera Utara	3,936	2020	Certified
Tanjung Keliling POM	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified 2020
	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified 2020
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified 2020
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified 2020
Sinergi POM	Kebun Pertama	Kutai Timur, Kalimantan Timur	10,104	2024	Uncertified
	Kebun Belidan	Kutai Timur, Kalimantan Timur		2024	Uncertified
	Kebun Manubar	Kutai Timur, Kalimantan Timur		2024	Uncertified
	Kebun Multi	Kutai Timur, Kalimantan Timur	3,255	2024	Uncertified
	Kebun Karya	Kutai Timur, Kalimantan Timur	2,928	2024	Uncertified
	Kebun Bakti	Kutai Timur, Kalimantan Timur	1,884	2024	Uncertified
IPS POM	Kebun IPS	Kutai Timur, Kalimantan Timur	3,556	2024	Uncertified
Prima POM	Kebun Prima	Bulungan, Kalimantan Utara	7,731	2024	Uncertified
	Kebun Bahagia	Bulungan, Kalimantan Utara	1,310	2024	Uncertified
	Kebun Permai 1	Bulungan, Kalimantan Utara	1,017	2024	Uncertified
	Kebun Permai 2	Bulungan, Kalimantan Utara	3,778	2024	Uncertified
PBJ POM	Kebun PT Putra Bongan Jaya	Kutai Barat, Kalimantan Timur	11,602	2022	Certified

PWS POM	Kebun Pasir Salak	Musi Banyuasin, Sumatera Selatan	5,105	2024	Certified
	Kebun Pangkor	Musi Banyuasin, Sumatera Selatan	4,697	2024	Certified
	Kebun Grik	Musi Banyuasin, Sumatera Selatan	5,269	2024	Certified
No POM yet	Kebun Anugrah	Mesuji, Lampung	3,231	2024	Uncertified
	Kebun Bintang	Mesuji, Lampung	2,608	2024	Uncertified
	Kebun Ceria	Mesuji, Lampung	2,674	2024	Uncertified
Segah POM	Kebun Satu Sembilan Delapan	Berau, Kalimantan Timur	5,676	2022	Certified
	Koperasi Perkebunan Sawit Gunung Sari Mandiri		488	2022	Certified
	Koprasi Sawit Mekar Sejahtera		1,222	2022	Certified
	Koperasi Perkebunan Sawit Labasari		1,461	2022	Certified
	Kopreasi Mitra Mandiri		1,018	2022	Certified
	Koperasi Hidup Bersama		759	2022	Certified
	Kebun Tekukur Indah		1,497	2025	Uncertified
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemon, Pahang	1,578	2012	Certified

	Tuan	Telemong, Pahang	1,353	2012	Certified
Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
	Bukit Kato				Certified 2013
	Kampar				Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
SABAH, MALAYSIA					
Pinang POM	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong	Tawau, Sabah	2,864	2009	Certified 2009
	Pangeran	Tawau, Sabah	2,855	2009	Certified 2009
	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
Mill II	Pang Burong	Tawau, Sabah	2,548	2009	Certified 2009
	Sri Kunak	Tawau, Sabah	2,770	2009	Certified 2009
	Tundong Estate	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlelet	Tawau, Sabah	1,834	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlelet		1,834	2009	Certified 2009
Lungmanis POM	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
	Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
	Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
Bornion POM	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
LIBERIA					
Palm Bay Mill	Palm Bay Estate	Liberia	13,007	2023	Uncertified
<i>*KLK Time Bond Plan has been updated in November 2022 and develop by sustainability team</i> Some changes year of TBP have been approved by RPSO on 15 November 2022 Here's the remarks related to uncertified unit:					

Country/Region	Management Unit	RSPO Certification Timeline	Remarks
Indonesia	PT Bumi Makmur Sejahtera Jaya	Y2025	<i>Hak Guna Usaha</i> (HGU) is still pending
	PT Menteng Jaya Sawit Perdana	Y2023	Hak Guna Usaha (HGU) is still pending
	Tekukur Indah	Y2025	The unit is managed by KLK and has just been recently added into KLK's RSPO certification program. However, development has not started.
Malaysia	Mill 1	-	The unit is closed, and its certificate will not be renewed during the next surveillance audit.

1.10.2 Progress of Associated Smallholders and Outgrowers for Certifiable Standard

PT SA has been certified since 24 April 2012 with the scope Tapung Kanan POM, TK I Estate, TK II Estate and TK III Estate. In addition, PT SA also has a partnership with smallholder scheme "KKPA Sahabat Lestari" which also supplies FFB to Tapung Kanan POM. Until now been running four years since Tapung Kanan POM obtained the certificate (Recertification) and KKPA Sahabat Lestari are yet to be proven in compliance with the RSPO certification standards (certifiable) according to the requirements of the RSPO certification system clause 4.2.3.

The Company has made an effort to ensure that the area of KOPNI-SL as one of FFB suppliers to Tapung Kanan POM can be certified. The process of engagement and socialization has been conducted since 2015 (when ASA-2), for example, it can be shown the minutes of meeting on RSPO certification activities for area of KOPNI-SL on July 2, 2015, which was attended by 15 participants including members of KOPNI, Board of KOPNI and PT SA management.

Assessment of the fulfillment of legality aspect of KOPNI-SL has been requested by PT SA to PT MAL and has been done on 14-16 Feb 17 but at the time of the activity the KOPNI's Board is not willing to attend. The meeting between PT SA and KP-SL was resumed in June 2017, and based on the meeting minutes it was found that KP-SL stated that it was unwilling to be audited. The assessment of documents and field observations was undertaken by PT Mutuagung (upon request of PT Sekar Bumi) against KP-SL on 13-16 June 2017, and at that time KP-SL refused to be audited.

A tripartite meeting between PT SA, PT MAL (CB) and RSPO-Malaysia was conducted to discuss these issues on July 6, 2017, at RSPO Secretariat – Kuala Lumpur. Based on the results of the meeting, PT Sekarbumi Alamlestari issued a declaration letter on the status of KOPNI Sahabat Lestari, dated July 10, 2017 to PT Mutuagung, which explains the chronology of efforts made by the company, and also its cooperation status was not KKPA (which based on the IUP PT SA have no obligation to develop KKPA), so in this case KP-SL is independent –out grower.

Verification of the declaration letter has been done by PT Mutuagung through an interview to members of the KOPNI on July 13, 2017, and mentioned that most of members and Boards refuse to take a part RSPO process.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<p>1. Rizliani Aprianita Hsb (Lead Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering legal, social aspect, health and safety aspect, worker welfare, waste management aspect etc. In this audit, she assigned to verify worker welfare, transparency and social aspects.</p> <p>2. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified legal, land dispute, and SCCS aspect.</p> <p>3. Radityo Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training, which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. In this audit he is responsible for assessing the aspects of Environment, HCV, Social, and GHG Aspects.</p> <p>4. Rizki Tanaya (Trainee Auditor). Indonesian citizen, Bachelor of Agriculture, Majoring Socio-Economic Agriculture, Padjadjaran University. Training that has been attended include ISPO Auditor Training and Refreshment New ISPO Ministry of Agriculture 38 of 2020, RSPO SCCS Auditor Training, RSPO P&C Lead Auditor Training, ISO 9001:2015 Lead Auditor Training, General OHS Expert Training, ISO 19011:2018, ISO 17021:2015, ISO 17065:2012, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, FSC CoC, BAP, SEDEX/SMETA, and Global GAP. Has carried out several audit activities on environmental, conservation, Best Management Practices, OHS, Labor and Social aspects. In this audit activity, he is verification is carried out on aspects of Best Management Practices and OHS Aspect. He is under supervising 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	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for RC: 5 days</p> <p>Number of working days for RC: 15 Working days.</p>
2.2.2	Assessment Process
RC	<p>The assessment was aimed to measure PT Sekarbumi Alamlestari including its scheme smallholders that were full managed by the company, to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standards, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>For this section, the assessment was conducted in three methods: field observation, interview with stakeholder (internal and external) and document review, aiming to observe the sufficiency of types or substances from required documents. Some opportunities for improvement of the results RC Onsite Audit by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase RC Onsite Audit. Improvement of findings from ASA-1.4 findings were observed by auditors at this RC assessment. All information obtained was recorded in Check</p>

	<p>List of PT Mutuagung Lestari (MUTU) and part of RC.</p> <p>The opening meeting was held on Monday February 20, 2023. As for the participants who attended the opening meeting included management of PT Sekarbumi Alamlestari, Supported Team Mandau and other staff at PT Sekarbumi Alamlestari. While the closing meeting will take place on Thursday February 23, 2023, attended by the same participants as the opening meeting.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Locations of Assessment
RC	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Tapung Kanan Mill</p> <ul style="list-style-type: none"> • Workshop. Field observations and interview workshop activity, OHS, environmental and worker welfare aspect. • Loading Ramp. Field observations and interview workshop activity, OHS, environmental and worker welfare aspect. • Sterilizer Station. Observations related work procedure, safety aspect, and worker welfare aspect. • Rail Track on Hosting Crane Station. Observations and interviews related work procedure, safety aspect, and worker welfare aspect. • Power House Station. Observations and interviews related work procedure, safety aspect, and worker welfare aspect. • Boiler Station. Observations and interviews related work procedure, safety aspect, and worker welfare aspect. • Kernel Station. Observations related work procedure, safety aspect, and worker welfare aspect. • Press Station. Field observations and interview workshop activity, OHS, environmental and worker welfare aspect. • Hydrant Simulation on Kernel Station. Observations concerning of the condition of the hydrant and the readiness of fire emergency responders. • Security post. Interview with security related to work procedure, emergency response, worker welfare, OHS implementation in mill, and supply chain aspect. • Weighbridge station. Interview with worker related to supply chain aspect and worker welfare. • Grading station. Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill. • WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. • Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. • Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill. • Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attribute's health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. • Solid Waste. Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill. • WWTP. Field observations related to Ban to entry to WWTP, run off, testing of effluent. <p>Tapung Kanan Estate I</p> <ul style="list-style-type: none"> • Barn Owl Box, Block 94A, Division 1B. Observation about Owl activity. • Manuring, Block 93E, Division 1B. Observations and interviews related work procedure, safety aspect, worker welfare, and environment aspect. • Spraying, Block 93A, Division 2B. Observations and interviews related work procedure, safety aspect, worker welfare, and environment aspect. • Harvesting, Block 94G, Division 2A. Observations and interviews related work procedure, safety aspect, and worker welfare aspect.

- **Landfill, Block 94A, Division 1B.** Observation related to domestic waste management.
- **Fire monitoring tower, Block 96D, Division 2B.** Observation related infrastructure for forest and land fires.
- **HGU stakes and land demarcation No. 32, No. 47 and No. 33.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Riparian Sepahat River block 1995C division II A dan block 1994A division II A.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.
- **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attribute's health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage hazardous material, Health safety and labor management.
- **Chemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker.
- **Body shower of spraying team division II A and mixing area.** Observation the conditions body shower room and PPE handling.
- **Lubricants Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Housing Complex division II A.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **Spare part and PPE warehouse.** Observation minimum stock of PPE's.
- **Land application, Block 34A, Division II B.** Observation for POME management and nutrient cycle strategy

Tapung Kanan Estate II

- **Emplacement Facilities, Division 3A & 3B.** Observation to emplacement facilities such as assembling points, fire extinguisher, in-organic waste store, sanitation system, housing quality, playground, and masjid.
- **Daycare Division 3A & 3B.** Observation and interview with worker related labor aspect and OHS.
- **Harvesting, Block 94D, Division 3A.** Observations and interviews related work procedure, safety aspect, and worker welfare aspect.
- **Fire Tower, Block 95 F.** Observation about the condition of fire tower.
- **Turnera ulmivolia, Block 95D, Division 3B.** Observation about beneficial plant upkeep.
- **Manuring, Block 93B, Division 3B.** Observations and interviews related work procedure, safety aspect, worker welfare, and environment aspect.
- **Barn Owl Box, Block 92E, Division 3B.** Observation about Owl activity.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with storage keeper about their job description, manpower aspect, and OHS implementation.
- **Clinic.** Observation dan interview related to emergency response, medical facility, work accident, waste management and medical checkup.
- **PPE warehouse and Mixing Area.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Landfill block 93G.** Observation related to waste management.
- **Rinse House.** Observation related workers facilities and OHS
- **HGU stakes and land demarcation No. 111, No. 112 and No.113.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Riparian Sepano River block PM2005 division III C dan block 1995D division III B.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.

Tapung Kanan Estate III

- **Emplacement Facilities, Division 4B & 4A.** Observation to emplacement facilities such as assembling points, fire extinguisher, in-organic waste store, sanitation system, housing quality, playground, and masjid.
- **Daycare Division 4B & 4A.** Observation and interview with worker related labor aspect and OHS.

	<ul style="list-style-type: none"> • Rinse House. Observation related workers facilities and OHS. • Landfill. Observation related to domestic waste management. • Manuring, Block 98C, Division 4B. Observations and interviews related work procedure, safety aspect, worker welfare, and environment aspect. • Spraying, Block 95B, Division 4A. Observations and interviews related work procedure, safety aspect, worker welfare, and environment aspect. • Body shower of spraying team division IV A. Observation the conditions body shower room and PPE handling. • Riparian Paloge River block 1994D division IV A. Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees. • HGU stakes and land demarcation No. 75, No. 76, No. 79, No.80, No.81, No.82, No.83, No.84 and No. 86. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process for PT Sekarbumi Alamlestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on Website Mutuagung Lestari and RSPO on 26 January 2023 • Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 17 February 2023. • Public consultation meeting with government institution on 28 February 2023. • Public consultation meeting with communities on 28 February 2023. • Public consultation meeting with internal stakeholders and contractor 27-28 February 2023. <p>Numbers of input from stakeholders were clarified by PT Sekarbumi Alamlestari.</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 (9) months to twelve (12) months after licensed date

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Tapung Kanan POM – PT Sekarbumi Alamlestari subsidiary of Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and Three (3) oil palm estates.

During the assessment, there were two (2) nonconformity were assigned against Major Compliance Indicators; one (1) nonconformity were assigned against Minor Compliance Indicators and seven (7) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that Tapung Kanan POM – PT Sekarbumi Alamlestari subsidiary of Kuala Lumpur Kepong Bhd operation complied with the requirements of **RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has a publicly available list of management documents set out in the RSPO Principles and Criteria, for example:</p> <ul style="list-style-type: none"> • RSPO related documents, such as SOPs, RSPO principles1 – 8, request for information logbook, complaint logbook, training file, RSPO internal/external audit • OHS documents. • Administrative documents such as harvest reports, production projections, and others. <p>Based on the SOP publicly available document such as the information relating to environmental, social and legal issues. Except for data/information/documents that are protected by commercial secrecy and information/documents which, if disclosed, have a negative impact.</p>	
1.1.2	<p>The company has presented information to relevant stakeholders through the submission of mandatory reports, for example:</p> <ul style="list-style-type: none"> • Report on the development of the plantation business for Semester 2 2022 submitted to the Kampar District Plantation, Livestock and Animal Health Service on 18 January 2023. • Report on the utilization of HGU for the 2022 submitted to the Kampar District Land Office on 16 January 2023. • Report on investment activities of PT Sekarbumi Alamlestari for the fourth quarter of 2022 which was submitted online to the Ministry of Investment/BKPM on January 20, 2023. <p>Those documents are provided in appropriate language. Based on explanation above, company has provided information in appropriate language and accessible to relevant stakeholders</p>	
1.1.3	<p>Records regarding requests for information and their responses are listed in the Incoming and Outgoing Mail Logbook documents. The document informs the letter number, date of letter, and the information needed. All incoming letter from external stakeholder is</p>	

information letter for a visit to the company or invitation letter. There was no letter conveying a request for information from stakeholders.

Based on interviews with representatives of the people of Koto Aman Village, Koto Garo Village, and related offices in Kampar Regency, it is known that stakeholders have never asked for information from the company.

1.1.4

The company has a Procedure for Requesting and Providing Information, Communication and Complaints dated 24 April 2020 Rev.03. The SOP explains that any information from stakeholders is responded by the company with a response period of 14 days.

The company shows records of public consultations including dissemination of company policies and procedures in the form of photos of implementation and attendance. For example, the consultation on 23 February 2022 which was held at the Village Head Office of Kota Bangun which was attended by 5 village administrators and representatives. Based on interviews with representatives of Koto Aman Village and Kota Garo Village, it is known that stakeholders already know the mechanism for communicating and consulting with the company.

1.1.5

The company already has a list of stakeholders updated in December 2022 which informs the names of stakeholders, contact persons and addresses as well as telephone/email numbers. Stakeholders that have been registered include:

- Local offices in Kampar District
- Labor union
- Vendors and contractors
- Local communities
- NGO
- Chief of Police
- Internal stakeholders

The list of stakeholders are valid and has been randomly checked during stakeholder consultation by auditors.

Status: Comply

1.2

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

1.2.1

The certification unit had a policy concerning the ethical codes in all operational activities and transactions. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained that their ethical code adopted from RSPO principle and criteria, here as follows:

- Environmentally appropriate committed by no deforestation, protecting peatlands, zero burning, protecting HCV Area, and reducing the emissions of GHG.
- Social, workplace and communities' welfare by respecting and recognizing the rights in the workplace including respecting employee rights, no forced labor, no child labor, providing safe and healthy workplace, etc. UoC also committed to respecting the rights of indigenous and local communities and facilitating the inclusion of smallholders into the supply chain.
- Traceable palm oil supply chain by fully trace the sources of FFB supplied by all third-party suppliers.

Furthermore, the certification unit also showed the KLK (Kuala Lumpur Kepong) Group Anti-Corruption Policy (dated 03 August 2020). Commitment to ethical behaviour in all operations and transactions is stated that KLK Group is committed to fostering an anti-corruption culture and to ensuring that its activities and transactions are open, transparent and are conducted in accordance with its policies and the laws which govern its operations in every country in which it operates. As such, all Company Employees and Associated Persons (as defined below) are required to act fairly and with integrity in all of their business dealings and relationships.

Company has shown socialization related Code of Business Ethics. For example, socialization on February 17, 2022, which was attended by 78 participants

The results of interviews with stakeholders such as workers and contractors, obtained information that the company has provided

socialization related to the company's ethical policies.

1.2.2

The system to monitor compliance with ethical policies is carried out through internal audit and monitoring complaints. From the results of the verification of the complaint document and interview with stakeholders known that there were no complaints related to violations of ethical behavior.

In addition, the company also routinely conducts internal audits every year covering aspects of the RSPO including ethical behavior. The RSPO internal audit conducted on 14 – 17 November 2022. And from the results of the internal audit conducted, there is no indication of a violation of ethical behavior.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

Based on documents verifications the unit of certification can demonstrate compliance with these law and regulations, for instance:

Environmental aspect

- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely.
- Has been manage the hazardous waste, POME, and domestic waste in accordance with applicable regulation.
- Land preparation without burning and has the infrastructure in fire anticipation, according to *Permentan* Number. 26 of 2007 section 15.

Compliance with Worker Welfare Regulations:

Determination of wages that apply at PT Sekarbumi Alamlestari – Tapung Kanan POM based on the Decree of the Governor of Riau Province No. Kpts.1272/XI/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Riau Province for 2022. As for the applicable minimum wage (2022) for Kampar Regency is Rp. 3,047,470.58

OHS Aspect

- Has provided PPE for all employees in accordance with the risk analysis and is provided for Free
- Involve employees in health insurance and employment insurance programs (*BPJS TK and BPJS Kesehatan*)
- Equipping operators with required competencies, for example license for lift operators and power plant operators

BMP Aspect

In terms of best management practices, it is known that plantation and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process, trees planted are from seed producers (DxP) which are recognized by the Indonesian government. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.

Legal Aspect

HGU

The company has obtained a 6,200 Ha HGU based on HGU Certificate No. 01 in Sukamaju Village, Kota Baru, Koto Bangun, Siak Hulu District, Kampar Regency, Riau Province dated 1 December 1994 covering an area of 6,200 Ha which is valid until 31 December 2024. The certificate refers to the Decree of the State Minister for Agrarian Affairs / Head of the National Land Agency Number 36/HGU/BPN/94 dated 29 July 1994 concerning the Granting of Cultivation Rights on behalf of PT Sekarbumi Alamlestari with an area of 6,200 Ha.

Plantation Business Permit (IUP)

- Plantation Business Permit - Cultivation (IUP-B) based on the Decree of the Regent of Kampar Number: 525 / DISBUN / 514 / 2007 issued on September 26, 2007, concerning the Granting of a Cultivation Plantation Business Permit for PT Sekarbumi Alamlestari for an area of 6,200 hectares with the type of business being Palm Oil Plantation.
- Plantation Business Permit - Processing (IUP-P) based on the Decree of the Regent of Kampar Number: 525/DISBUN/210/2009

dated June 10, 2009, concerning the Granting of Plantation Business Permits for Palm Oil Processing Mills with a capacity of 30 Tons FFB/Hour.

Environmental Aspect

- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely.
- Has been manage the hazardous waste, POME and domestic waste in accordance with applicable regulation.
- Land preparation without burning and has the infrastructure in fire anticipation, according to *Permentan* Number. 26 of 2007 section 15.
- The Tapung Kanan POM Temporary Storage Permit expired on January 17, 2022. As a follow-up to this, the company has communicated with the Kampar Regency Environmental Service to extend the permit but the permit extension cannot be carried out as in previous years due to changes in regulations related to *UUUK*. Next, the Company shows a letter from the Ministry of Environment and Forestry, the Directorate General of Waste Management, Hazardous and Toxic Waste. Regarding the Directives for the Integration of Hazardous Waste Storage into environmental approvals.

The company showed the document Technical Details of Temporary Storage of Hazardous and Toxic Waste from Tapung Kanan POM in 2022, the document was submitted to the Environmental Service according to the direction of the Kampar Environmental agency and the Ministry of Environment on March 10, 2022, and to the Ministry of Environment and Forestry on March 14, 2022.

Based on the verification results of the hazardous waste storage permit, the permit validity period has expired. The company showed a letter document from Environmental agency Kampar Regency no 660/DLH-TL/135 dated March 3, 2023, regarding directions for permits for the temporary storage of hazardous waste. It was explained in the letter that PT SA previously had a Hazardous waste storage permit and made changes to hazardous waste storage activities or changes that created new environmental impacts, PT SA is required to prepare technical details for storing hazardous waste to be integrated into environmental approvals through the process of changing environmental approvals in accordance with the regulations and applicable laws.

Based on the results of an interview with the Environmental Office of Kampar Regency, the process of integrating the Hazardous Waste Temporary Storage Permit into the Environmental Approval Document is in the process of being processed. The company can complete the process of integrating the hazardous waste storage permit into the Environmental Approval Document in accordance with applicable regulations. **OFI**

2.1.2

The procedure of legal requirement is listed in document SOP No. 2 about compliance of law and regulation. The procedure explains the person in charge for managing the regulation and update the regulation. Sustainability team will update the regulation whenever there is new regulation related to company activity. Besides, company also showed the evaluation of regulation compliance that can be applied in PT Sekarbumi Alamlestari.

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 a compliance audit / internal audit. The last internal audit for RSPO and SCCs was conducted on 14 –17 November 2022, based on the internal audit there is 21 nonconformities against RSPO standards.

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 last example of contractor evaluation was conducted in 2022. The types of evaluations carried out include contract compliance, contractor quality and performance, the accuracy of work completion, compliance with labor regulations, OHS, housekeeping, and the environment.

The Company has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations and are shown by the relevant third party.

2.1.3

The company has also conducted monitoring of HGU boundary markers in October 2022 by showing monitoring results, in accordance with the HGU Procedures in SOP 4 "Monitoring of BPN Stakes" (10 August 2017).

Based on the results of a field observation to HGU stakes No. 32, 47 and 33 in Tapung Kanan I Estate, BPN No. 111, 112 and 113 in

the Tapung Kanan II Estate, and HGU No. 75, no. 76, No. 79, No. 80, No. 81, No. 82, No. 83, No. 84 and No. 86 In Tapung Kanan III Estate it is known that the HGU stakes are in good condition and the boundaries of the HGU are clearly visible and there is no indication of planting outside HGU.

Status: Comply

2.2

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

2.2.1

The company already has a list of contractors included in the stakeholder list. The list of contractors includes all third parties working with PT Sekarbumi Alamlestari such as hazardous waste transporter, contractors for CPO and others. The list of stakeholders informs the name of the agency, contact name, field of cooperation and contact number.

The company has shown examples of agreement with contractors that have contained clauses regarding legal compliance obligations, such as:

- Agreement for Hazardous waste transporter No. 0284/SPK-MJP/X/2022 dated August 9, 2022.
- Agreement Letter No. 006/SA-TJP/PKS/II/2023 dated 9 February 2023 for the CPO transporter.

2.2.2; 2.2.3

The company has shown examples of agreement with third parties that have contained clauses regarding legal compliance obligations. For example, Agreement Letter No. 006/SA-TJP/PKS/II/2023 dated 9 February 2023 for the CPO transporter, which explains the code of ethics such as:

- Prohibition of employing children under the age of 18 and workers from human trafficking
- Ensure that workers are given a written description of their job description, are paid at least the same as the minimum wage and also calculate overtime
- Must submit salary slips and evidence of BPJS payment for all workers to the company
- Prohibit any deductions from workers' wages and withhold all property, identity cards, passports or other travel documents unless provided for by law
- Third party are required to report the list of workers used to the local Manpower Office and provide a copy to the company.
- And others.

Regarding opportunities for improvement in the previous assessment, the company has been able to show that the code of ethics has become part of the Work Agreement with the contractor and has been signed simultaneously with the signing of the Work Agreement in accordance with the procedures owned.

The unit certification evidence of compliance with regulations by third parties, for example CPO transporter (PT Trans Jaya Pertama) which has 10 workers, including:

- Fulfilment of the worker's age, for example worker with the initial HT who is over 18 years old
- Wage document of contractor workers for example worker with the initial HT that has been above the minimum wage
- Evidence of BPJS Employment card for example worker with the initial HT No. 17015281912

Based on interview with contractor, known that unit certification has socialized about obligation to comply with regulation. In addition, based on interview also known that contractor has paid wages based on minimum wage regulation and has involved employees in BPJS program.

Status: Comply

2.3

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

2.3.1

The company shows a list of suppliers that send their FFB to Tapung Kanan POM which consists of direct suppliers, including the Sahabat Lestari Farmers' Cooperative. The company has shown examples of cooperative smallholder land ownership documents and coordinate points of farmers' land. For example: Certificate of Ownership No. 6031 dated July 1, 2004, with an area of 19,980 M2 located at Jalan Raya Pekanbaru – Petapahan, Kotagaro Village, Tapung Hilir District, Kampar Riau Regency with coordinates 00° 45' 26" – 101° 13'11"E.

2.3.2

Based on list of FFB supplier, during 12 months ago Tapung Kanan POM did not receive FFB from indirect supplier or agent, collector, and independent supplier.

Status: Comply

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

3.1

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

3.1.1

Based on verification of basic info documents and interviews with management representatives, it is known that the company has a Long-Term Plan document in the Economic Indicators for Mill document. For information, the company's closing period is October - September. The document contains a long-term plan for the period 2022/2023 - 2026/2027, including predictions of internal and external FFB production, OER, KER, CPO and PK Production, costs, and revenues. This document has not shown the replanting plan, with an explanation that the production per hectare is still above 14 tons/ha base on Sustainability Standard Operating Procedures (SSOP) SSOP 9 according to Land Clearing and Replanting Rev 4 on November 2, 2020.

DESCRIPTION	UNIT	YEAR				
		2022/23	2023/24	2024/25	2025/26	2026/27
FFB Produced by Own Estate	Ton	112,431	100,739	86,249	76,875	85,556
FFB Outsider	Ton	20,606	21,900	24,058	25,489	26,673
CPO Production	Ton	27,938	25,754	22,889	21,241	23,288
OER	%	21	21	20,75	20,75	20,75
PK Production	Ton	7,650	7,052	6,343	5,886	6,453
KER	%	5,75	5,75	5,75	5,75	5,75

3.1.2

Based on the results of field observations and interviews with management representatives, it is known that the company has not carried out replanting and new plantings. The oldest age of oil palm plantations in the company's operational area, was planted in 1992. The company is still considering replanting because the plant production is still quite good for 2022 which is an average of \pm 18 tons/ha/year. This is in accordance with the SOP on Sustainability Standard Operating Procedures (SSOP) SSOP 9 according to Land Clearing and Replanting Rev 4 on November 2, 2020, explained that one of the criteria for replanting was that the FFB production was below 14 tonnes/ha/year.

3.1.3

Management Review

The company shows the minutes of the Management Review Meeting, which was held on January 9, 2023, with an agenda for discussing, among others:

- OHS Management System (SMK3) plan.
- Monthly Accident Case Reports, health checks
- HIRARC
- AIS Review
- Discussion of External NC and Internal Audit
- Revised SSOP
- Evaluation of the effectiveness of the SOP for complaint submission
- Annual socialization with the community
- Review of HCV plans
- Management of permits at OSS, etc

The company also showed the Minutes of the Regional Meeting – 1st Quarter (October – December 2022) on January 2023 with the agenda comparing FFB, OER, KER and SER (FY2023 vs FY2022), Rainfall, Production FFA and Ripeness Standard, Mill Throughput,

Mill Utilization, Breakdown Ratio and Productivity Ratio, Beltpress Performance, and others.

Internal Audit

The company has also conducted RSPO Internal Audit conducted on November 14 – 17, 2022 with 21 non-conformities resolved on February 3, 2023.

Status: Comply

3.2

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

3.2.1

For evaluation and monitoring of continuous improvement, the certificate holder has conducted internal and external audits, as well as periodic evaluations related to the company's operational performance. Here, some of the documents shown:

- RSPO Internal Audit conducted on November 14 – 17, 2022 with 21 non-conformities resolved on February 3, 2023.
- POM management review conducted in January 2023, which has been discussed in indicator 3.1.3.
- Annual performance review of OHS aspects, which will be held on January 25, 2023, which discusses among others the evaluation of work accidents, risk assessment, and training programs in 2022.
- Report on the results of the financial audit for the financial year ending September 30, 2022, Number KPS/S/808/22 dated November 30, 2022, conducted by a Public Accounting Firm with an unmodified opinion/ in accordance with the applicable financial reporting framework.

3.2.2

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

Based on document verification, for The RSPO metric template known annual data 12-month period use on year 2022 for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company has plantation SOPs ranging from land clearing, seeding, planting, plant maintenance, pest and disease control, harvesting, transportation, processing at the mill, including Sustainability SOPs such as Occupational Health and Safety Procedures and Emergency Response. The SOP includes provisions for emergency response conditions, building fires, chemical spills, response to natural disasters and floods. The procedure also regulates work accidents, OHS Committee, HIRARC, training, OHS license for operators, PPE, health checks, handling of pregnant and lactating women, Log Off Tag Out (LOTO), Work Permits, OHS Internal Audits, and OHS reviews.

Regarding mill waste, the company has an SOP for measuring and monitoring mill waste, which is stated in the SOP for Management of Hazardous and Toxic Waste and Revision of Non-Hazardous dated May 2, 2020, which explains that mill waste is managed using a pool system before being distributed. Monthly monitoring of mill effluents and reporting the results of effluent analysis to the Environment Agency. For hazardous waste management, the company has safety procedures for the use and storage of chemicals including hydrocarbons.

Based on field observations at mills and estates during the audit, it is known that procedures have been implemented and workers can explain and demonstrate their work according to procedures, referring to operational, safety and environmental best practices.

3.3.2 - 3.3.3

The company has a system that ensures consistent implementation of its SOPs by conducting internal audits of Estate and Mill operations and RSPO Internal Audits, Financial audits carried out by external parties and daily internal supervision carried out by

supervisory levels starting from the Foreman, Division Assistant, Assistant Head, to Manager. Which are contained in the SSOP 14 procedure. Sustainability Audit Revision 02, which was approved by the Director on September 25, 2017.

The certificate holder has conducted internal and external audits, as well as periodic evaluations related to the company's operational performance. Here, some of the documents shown:

- RSPO Internal Audit conducted on November 14 – 17, 2022 with 21 non-conformities resolved on 03 April 2023.
- POM management review conducted in January 2023, which has been discussed in indicator 3.1.3.
- Annual performance review of OHS aspects, which will be held on January 25, 2023, which discusses among others the evaluation of work accidents, risk assessment, and training programs in 2022.
- Report on the results of the financial audit for the financial year ending September 30, 2022, Number KPS/S/808/22 dated November 30, 2022, conducted by a Public Accounting Firm with an unmodified opinion/ in accordance with the applicable financial reporting framework.

All inspection activities and corrective actions carried out by the company are recorded in the form of a report in accordance with the audit carried out. The results of the audit are scored which show the performance of the estate and are used as a reference for improvement in the next assessment. Each Estate will make efforts to improve performance based on the score obtained. The contractor's performance assessment has been verified in indicator 2.2.2.

Status: Comply

3.4

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

3.4.1

Environmental Impact Assessment

The company has document of environmental aspect assessment (EIA) in the form of Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) Plantation and Palm Oil Mill in the village of Kota Garo, Siak Hulu District, Kampar Regency, Riau.

EIA document has contained analysis of environmental impacts for plantations covering an area of 6,200 hectares and palm oil mill with a capacity of 30 tons FFB / hour. This document is approved by Ministry of Environment, through letter No. B-5109/Dep.I/LH/07/2008 in 2008.

The CH shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor in 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia in June 2008. These identifications indicate there is HCV 1.3, 4, and 6 presences on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About an HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is 923 Ha. All indicates HCV areas was mapped by 1:75,000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species. The HCS not Applied for this unit, because the company conducted an HCV assessment in 2012 and was RSPO certified prior to the mandatory HCS assessment.

Social Impact Assessment

The company has document of Social Impact Assessment conducted in September 2012. The assessment conducted covering all villages around HGU namely Koto Garo, Koto Aman, Kota Baru, Kota Bangun and Tri Manunggal as well as plantation area of PT SA, by the field observation, interviews, FGD (focus group discussion) and documents review.

Results of social impact assessment presented in social impact assessment report, describing the social issues of positive, negative and potential conflicts from the surrounding villages and plantations. The results of these studies have included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture and religion as well as health and education.

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

There are no new plantings or operations including POM in the PT SA Management/Scope Certification area, the scope of certification or types of existing activities are still the same as the previous audit activities (ASA 1.4).

The company shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor in 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia in June 2008. These identifications indicate there is HCV 1.3, 4, and 6 presences on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About an HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is 923 Ha. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species. The actual HCV area currently available is 923 Ha, still the same as the previous audit activity or during the RC audit activity.

3.4.2

Environmental Impact Assessment (EIA)

The Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (UKL-UPL). The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly.

These reports described realization of monitoring and management of the environment in accordance with environmental parameters in the UKL/UPL. Public consultation with Environmental agency of Kampar indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities. This report has described realization of monitoring and management of the environment in accordance with environmental parameters in UKL-UPL. Based on verification, Report of Environmental Management and Monitoring in Second Semester 2021 has already contained adequate environmental management and monitoring component, such as erosion, decreasing of surface water and aquatic biota, RTE species, and public and employee health. The results of monitoring the environmental quality of generator sets, boilers, noise, odors and ambient air are in accordance with quality standards. As for testing the quality of surface water or water from bore wells, almost all parameters are still in accordance with quality standards except pH.

Based on the test results data for the period Semester 1 2021 to semester 2 2022 there are several parameters that are not in accordance with the intermediate quality standards, namely the river after the POM and before the factory namely for the COD parameter and the value of the pH parameter in the monitoring wells.

The results of interviews with the company as well as the review of the RKL-RPL Semester 2 2022 document, obtained information that the increase in some of these parameters was due to soil characteristics and as explained in the RKL - RPL evaluation section this will, if possible, be submitted to Environmental agency to request input and recommendations. Following up on these conditions, the company needs to carry out studies, analyses and explanations in a long-time frame (compared to the initial outline of the environmental document) so that every fluctuation in the results of the environmental tests that have been carried out can be described. Based on this, the company has the opportunity to improve by conducting an analysis related to surface water test results that are not in accordance with quality standards as a whole and comprehensively covering all parameters, long time series data, management of potential pollution that might occur, and mitigation measures. OFI on indicator 7.8.1

The company has shown submission of Report of Environmental Management and Monitoring in Second Semester 2022 to

Environmental Agency of Kampar Regency which was done on 14 February 2023. Based on document verification no environmental monitoring result there any non-conformance raised, and negative impact caused by company.

Social Impact Assessment (SIA)

The social impacts monitoring and management plan of PT SA for period 2021 – 2022 has been developed reviewed and updated regularly in participatory way. For example, CH has shown questionnaire result of several surrounding villages from various representatives of community background samples such as entrepreneurs, traders, community leaders, village government as well as internal parties. For example, the company has attached the results of public consultations with representatives of Kota Garo Village and scheme smallholders on 20 December 2022, as well as Kota Bangun Village, Kota Aman Village, Trimanunggal Village, Suka Maju Village on 7 February 2023.

The company also evaluates the Management Plan every year to monitor the progress of program management, for example, there are programs that need to be stopped, continued or added. The evaluation of the management plan refers to the results of the 2021 Social Impact Monitoring and Management document which was carried out in October November, the evaluation activity is also a reference in the preparation of the program for the 2022-2023 period. Based on the verification results of the Social Impact Monitoring and Management document in 2021, it can be concluded that all activities listed in the 2022-2023 Social Impact Management Plan have been implemented. The document also includes social programs to avoid/mitigate negative social impacts, partnership programs for farmers, human rights, CSR programs, gender equality, education, employee insurance, daycare, housing facility and public health.

Based on the results of consultations with worker representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, and several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities, educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans.

The company has presented a management plan containing monitoring of the status of HCV area of PT SA for the period 2021 & 2022. For example, the activity plan is as follows:

- Making Elephant Handling Procedure
- Establish communication with BKSDA and other institutions that understand the management of human-elephant conflict.
- Improved skills for workers, especially for officers dealing with conflicts with elephants.
- Complete data on the distribution of animals in the company
- Monitoring of critically endangered species
- Create a no-maintenance and hunting signboard.
- Maintain HCV stakes and HCV area demarcation.
- Installation of HCV area notice boards
- and the others

3.4.3

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

Environmental Impact Assessment (EIA)

The company involves the Environment Agency and the Ministry of Environment and Forestry to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management which is described in more detail in indicator 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

The Implementation of environmental monitoring and management plan are documented on report of environmental monitoring and

management implementation report (UKL-UPL) every semester. For example, CH has shown implementation environmental management & monitoring plan in Report of Environmental Management and Monitoring in Second Semester of 2022. Environmental managements and monitoring which have been implemented aspects as shown below.

- Public unrest
- Soil erosion
- Decrease in water quality and aquatic biota in Tapung River
- Presence of wildlife
- Public and employee health

This report has described realization of monitoring and management of the environment in accordance with environmental parameters in UKL-UPL. Based on verification, Report of Environmental Management and Monitoring in Second Semester 2022 has already contained adequate environmental management and monitoring component, such as erosion, decreasing of surface water and aquatic biota, RTE species, and public and employee health.

Social Impact Assessment (SIA)

Based on the analysis of the 2021-2022 Social Impact Monitoring Report document, the social impacts in this assessment are divided into positive impacts, and negative impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. The company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

Based on the analysis of the 2021-2022 Social Impact Monitoring Report document, the social impacts in this assessment are divided into positive impacts, and negative impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. the company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

In addition, the implementation of HCV management and monitoring plan in 2021 & 2022 is demonstrated in several documents as follows:

- Monitoring checks of conservation area stakes every month.
- Monitoring HCV area warning board every month
- Monitoring spray limit mark every month.
- Socialization of HCV to employees and surrounding communities
- Management of riparian (do not replant the river border area)
- Monitoring flora and fauna every month

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

The company has recruitment procedure that describe in the SOP No. 29 dated 13 January 2021. In the SOP, which explains the recruitment and interview methods, requirements for employee recruitment such as 18 years of age, ID card and family card, health checks, no ethnicity, religion, race and intergroup, registration (BPJS *Ketenagakerjaan* and *Kesehatan*). Instructions regarding working hours, leave, etc. The procedure also explains related to career paths and employees who leave work/resign.

In addition, the CLA of 2022-2024 also explains the human resource management system, such as:

- Acceptance of workers
- Probationary period and working period
- Termination of employment

- And others.

3.5.2

The company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, CV, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts and others. The company shows employee track record documents stored in each unit.

Unit Certification has shown a record of the implementation of employment procedures, for example:

Recruitment

Recruitment documentation with the initials FR such as job application letters, ID cards, diplomas, Family card and others. Company shown agreement No. 29/KTK-SA/X/2022 dated 21 October 2022.

Promotion

Letter of Appointment for daily workers to become permanent workers as shown in the Work Agreement Letter No. 50/KTK-SA/XII/2022 dated 21 December 2022.

The results of interviews with workers and representatives of labor union revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as termination, retirement or promotion. Based on that interview known that there is no discrimination against workers. The company has provided employee rights in accordance with company regulations and applicable regulations.

Status: Comply

3.6

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

3.6.1

All operating activities have been assessed for risk to identify OHS issues, which are listed in:

- HIRARC Estate document in 2022, which explains risk identification according to work, hazard, effect, risk control and residual risk for work, including nursery care, early planting, care of immature plantations, maintenance of mature plantations, harvesting FFB, Grading FFB, Loading FFB, Transporting FFB to POM, Fertilizer Storage, Agrochemical Mixing Place, and others.
- HIRARC Mill document in 2022, which explains risk identification according to work, hazard, effect, risk control, residual risk and PIC for work, including Weight Bridge, FFB Sterilized Station, Oil Room, Press Station, Sample Taking (Laboratories), Nut/Fiber Depericarper Station, Boiler Station, Engine Room, EFB Ramp, Sludge Pit, Condensate Pit and Recovery Tank, CPO Dispatch Area and others.

However, there are activities that have not carried out impact and risk assessments such as the application of new technology to fertilization activities that use trailer tanks to fill fertilizer, this creates an opportunity for improvement for companies to identify impacts and risks in HIRAC documents. **(OFI)**

The company has prepared plans/programs related to OSH, for example an OHS work program in 2022, which includes OHS committee Meeting activities, checking emergency response facilities, socializing OHS at work and health checks. Documentation of the realization of the program, including First Aid Kit Holder training on October 3, 2022, with 53 participants, LOTO and Confined Space training on January 24, 2022, with 11 participants, Dissemination of Discipline on the Use of PPE at the Tapung Kanan 1 Estate on July 21, 2022 with 131 participants Work Technical and K3 Training for Chemical Warehouse Officers on June 21, 2022 with 2 participants etc.

The company also has a plan for periodic health checks for all employees with types of examinations including spirometry, cholinesterase, audiometry and physical examination of occupational diseases. For the 2023 examination period in collaboration with the Thamrin Clinical Laboratory, it was carried out on January 24 – 27, 2023 for 184 employees and February 8, 2023, for 13 employees with good results and fit for work.

follow-up on previous audit findings regarding the use of PPE and along with spraying with fertilization, the company has conducted trials for the use of face shields for harvesting activities to replace goggles that always fog up when used, such as during field visits during harvesting activities in block 94I Division 4B Plantation Tapung Kanan III and the company don't plan it together spraying with fertilization on their master chit.

3.6.2

Monitoring the effectiveness of the OHS plan in dealing with health & safety risks can be seen in the OHS committee report document. OHS committee reports have also been reported to relevant agencies, for example, the last time was reported on January 25, 2023 (Mill) and January 30, 2023 (Estate) for the reporting period for the fourth quarter of 2022 to Manpower Agency of Riau Province which has discussed several things, for example regarding the recording of PPE provision, monitoring of PPE completeness, monitoring of emergency response facilities and infrastructure, recording of meetings routine, work accidents, HIRAC, periodic health checks and evaluation of OHS programs.

The company shows the minutes of the 2022 OHS performance evaluation meeting which will be held on January 25, 2023, with the participants as coordinator managers, managers, assistant managers, OHS Experts, and polyclinic officers. The meeting discussed the work accidents that occurred, the root of the problem, corrective actions, preventive measures, and the person in charge.

Based on an interview with the Kampar Regency Manpower Office, it was found that work accidents have been reported periodically in the quarterly reports of the OHS Supervisory Committee, and there were no cases of death for 2022 period.

However, based on field visits and interviews during fertilization activities, information was found that there were still PPE and Work Tools that were not immediately stored at the Rinse House after work was finished, this is an opportunity for improvement for the company to ensure the effectiveness of monitoring the storage of PPE and work tools. (OFI)

Status: Comply

3.7

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

3.7.1

The company showed the Training Program for each unit in 2022/2023 that cover all aspects of the P&C RSPO. Based on interview with management, known that the training also covers parties who need training such as workers, contractors etc. As for sustainability and HR department are responsible for the development of the training program scheduling and implementation of training. The training program document informs type of training, plan / timetable and attendance. The 2022/2023 training programs such as:

- Harvesting training
- Manuring training
- Spraying training
- Firefighting emergency response training
- First aid training
- Integrated pest control training
- And others.

3.7.2

The company already has training records, such as:

- Harvesting training on September 14, 2022 attended by 37 participants
- Harvesting training on September 3, 2022 was attended by 22 participants
- Manuring training on 22 August 2022 attended by 16 participants
- Manuring training on September 2, 2022 attended by 12 participants
- Spraying training on 24 August 2022 attended by 8 participants
- Spraying training on 3 August 2022 attended by 10 participants
- First aid training on October 3, 2022 attended by 53 participants
- The firefighting simulation training on October 24, 2022 attended by 9 participants Etc

The results of interviews with representatives of labor union and workers such as warehouse officer, harvesters, spraying workers, grading officer, and boiler officer stated that the company had provided training or socialization regarding work procedures for each worker in Bahasa and understood by the workers. In addition, the results of interviews with boiler officers, also conveyed that the worker has been given in boiler officer training. As for the training program which involve smallholder/out growers and contractors such as SOP socialization and training related to OHS. From the results of interviews with workers and contractors, known that

workers and contractors can explain the training that has been obtained such as work procedures and OHS implementation.

3.7.3

The company has conducted SCCS training on 21 April 2022 which was attended by 4 participants including weighbridge operators and security guards. Based on the results of interviews with the weighbridge operator, it is known that the operator already understands the supply chain flow of Tapung Kanan POM and the SCCS model that is applied.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

Tapung Kanan POM receive FFB from certified and uncertified source. Therefore, Tapung Kanan POM apply module E (MB).

3.8.3.

Below is last year projected certified volume that submit in Palmtrace, actual production of certified volume during licensed period and also projection certified volume for next 12 months. The projection certified volume is estimated based on last year production and it will be reported to palm trace.

Certified Products	Last Year Projection (MT)	Actual Production Feb 2022 – Jan 23 (MT)	Estimated certified product. (MT)
FFB Production	110,029	93,642.33	98,400
CPO Production	22,800	19,136.06	20,700
PK Production	6,177	5,260.86	5,500

Based on explanation above, there is no overproduction of certified product during license period.

3.8.4

Unit management shows the registration and reporting requirements for the supply chain including:

- Member ID: RSPO_PO PO1000000638
- Member Name: Tapung Kanan Palm Oil Mill PT Sekarbumi Alamlestari
- RSPO member number: 1-0014-04-000-00 (Kuala Lumpur Kepong Berhad)
- Last license: CB137185

All transaction in palm trace is in accordance with documentation in mass balance report, for example:

In mass balance, CPO sold as RSPO sales during license period is 2,500 MT and in palm trace, CPO sold as RSPO is 2,496.50 MT and PK sold as RSPO in mass balance as much as 3,365.26 MT.

3.8.5

Tapung Kanan POM has procedures related to supply chain in Supply Chain Documentation – MB Model No. SSOP 32 3rd Revision dated 2 May 2020. The procedure explains the person in charge of the supply chain and details for each supply chain activity, for example related to training, transaction registration, and recording from receipt, storage, sale, handling of non-conforming products, and reporting. The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Mechanism for handling unsuitable oil palm products and / or documents are also listed in SOP Sustainability No. 32 on Supply Chain Documentation - the MB model stating that the marketing division is responsible for issuing sales contracts, arranging shipments, and making claims for product incompatibility and issuing payment invoice.

Based on interview with PIC of supply chain in POM, such as weighbridge operator it is known that operator already understand the mechanism and implementation of supply chain.

3.8.6

Based on Supply Chain Documentation – MB Model No. SSOP 32, internal audit and management review are conducted at least 1 time in 1 year. The company has conducted an internal audit of the RSPO and supply chain on 14 – 17 November 2022. Based on

the results of the internal audit, it is known that there are no non-conformities in the supply chain aspect.

3.8.7

Tapung Kanan POM record FFB received from certified and noncertified source for 12 months, below is the details:

Month	FFB (Ton)		
	Certified	Non certified	Total
Feb 22	7,571.41	1,192.14	8,763.55
March 22	8,726.20	1,276.22	10,002.42
April 22	6,286.66	1,032.65	7,319.31
May 22	1,078.06	202.02	1,280.08
June 22	7,511.24	1,140.06	8,651.30
July 22	8,090.86	1,366.28	9,457.14
August 22	9,136.55	1,630.26	10,766.81
September 22	9,282.13	1,584.26	10,866.39
October 22	9,275.60	1,567.30	10,842.90
November 22	9,660.71	1,528.36	11,189.07
December 22	8,834.74	1,341.66	10,176.40
January 23	8,188.17	1,200.41	9,388.58
Total	93,642.33	15,061.62	108,703.95

Based on processed FFB data, CPO production, and PK during the past 12 months period the following information is obtained:

Certified Products	Last Year Projection (MT)	Actual Production Feb 22 – Jan 23 (MT)
CPO	22,800	19,136.06
PK	6,177	5,260.86

Mechanisms for handling unsuitable oil palm products and / or documents are listed in SOP Sustainability No. 32 on Supply Chain Documentation - the MB model stating that the marketing division is responsible for issuing sales contracts, arranging shipments, and making claims for product incompatibility and issuing payment invoice.

3.8.8

Tapung Kanan POM showed the documentation of certified product delivery, such as delivery order, weigh in ticket, and dispatch note. These documents have included seller and buyer name, date of delivery, product description, quality, quantity, member ID, and RSPO certificate number, and others. For example:

CSPO

Delivery order No. 0070/SA-S/CPO/22 issued on 28 October 2022 to deliver CPO MB as much as 500,000 kg to PT Kreasijaya Adhikarya. This DO consist of several dispatch note and weigh in ticket, for example dispatch note No. 20853 issued on 16 November 2022, and weigh in ticket No. X395670 issued on 16 November 2022, unique number: 0153109.

CSPK

Delivery order No. 0006/SA-S/PK/22 issued on 27 Januari 2022 to deliver PK MB as much as 200,000 kg to PT Adei Plantation & Industry. This DO consist of several dispatch note and weigh in ticket, for example dispatch note No. 218227 issued on 7 February 2022, and weigh in ticket No. X377165 issued on 7 February 2022, unique number: 0110780.

3.8.9, 3.8.10, 3.8.11

POM has recorded the name of CPO transporter update December 2022. There is 1 contractor for CPO transporter namely PT Trans

Jaya Pertama and has informed the name and contact person of contractor. Company showed the agreement with PT Trans Jaya Pertama as CPO transporter with document No. 006/SA-TJP/PKS/II/2023 signed on 9 February 2023.

Based on interview with CPO transporter, it is known that transporter already understand about RSPO and willing to be audited by CB if needed. There is 1 new CPO transporter used by Tapung Kanan POM. POM already informed CB about list of contractors before audit conducted. Meanwhile, for RSPO sales of PK, the company does not use a contractor to transport PK. Based on the agreement with the buyer, transportation is the responsibility of the buyer.

3.8.12

During assessment, Tapung Kanan POM has record of all CSPO and CSPK, as well as presented in the table bellows:

Crude Palm Oil

Month	CPO Production (MT)		CPO Delivery (MT)		
	Certified	Uncertified	Certified (Physical)	Other Scheme	Noncertified
Opening stock	762.15	350.66	-	-	-
February 2022	1,598.56	250.50	-	1,725.69	-
March 2022	1,844.56	268.30	-	1,620.36	500.00
April 2022	1,352.58	220.96	-	2,153.95	-
May 2022	228.89	45.24	-	221.10	500.00
June 2022	1,528.66	236.89	-	278.90	-
July 2022	1,642.14	282.46	-	1,775.57	-
August 2022	1,869.62	335.84	-	1,867.64	500.00
Sept 2022	1,842.15	315.77	-	2,192.03	500.00
Oct 2022	1,858.37	314.04	-	1,664.76	500.00
Nov 2022	1,930.60	309.42	1,458.16	500.00	-
Dec 2022	1,770.40	269.33	1,041.84	1,500.00	-
January 2023	1,669.53	247.17	-	1,500.00	500.00
Total	19,898.21	3,446.58	2,500.00	17,000.00	3,000.00

Based on table above, it is known that all certified product is sold from certified production. As for the sale of other scheme, company has it removed from certified stock and registered it in palm trace.

Kernel Palm Oil

Month	PK Production (MT)		PK Delivery (MT)	
	Certified	Uncertified	Certified	Noncertified
Opening stock	216.96	248.35		
February 2022	427.88	66.96	820.00	56.75
March 2022	504.04	73.32	280.00	110.93
April 2022	366.84	59.95	390.00	139.07
May 2022	60.72	12.02	-	138.35
June 2022	425.28	65.85	81.77	81.65
July 2022	435.81	74.71	362.97	140.00
August 2022	476.27	85.46	606.59	-
Sept 2022	526.39	89.74	602.15	150.00

Oct 2022	538.88	91.06	686.60	-
Nov 2022	548.89	87.86	539.92	90.41
Dec 2022	492.05	74.86	510.00	59.59
January 2023	457.81	67.83	420.00	89.63
Total	5,447.82	1,097.97	5,300.00	1,056.38

Based on table above, there is no certified PK production sold as conventional.

Company also can show the record of supply chain document, for example weigh in ticket. Based on interview and observation in weighbridge station, it is known that operator can show the weigh in ticket from 2 years ago.

3.8.13, 3.8.14

Mill has determined the extraction rate for CPO and PK to be produced. Based on actual production of CPO and PK for 12 months certificate period, the average extraction rate for CPO is 20.56% and PK is 5.63%. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK.

3.8.15

Tapung Kanan Mill applies the Mass Balance supply chain model, because mill receives fruit from certified and uncertified sources.

3.8.16

Shipping announcement

Company has made shipping announcement not more than 3 months after dispatch. For example:

- Shipping announcement No. TR-7a0d1f29-c3ef for CSPK MB selling contract No. SBIP/00346-S/PK-MB amount 200 MT. This contract has been shipped on 7 February 2023 based on delivery note No. 218227. Shipping announcement was created on 3 March 2023.
- Shipping announcement No. TR-66b35697-be3c for CSPO MB selling contract No. SBIC/00468-S/CPO-MB amount 499.61 MT. This contract has been shipped on 16 November 2022 based on delivery note No. 20853. Shipping announcement was created on 22 December 2022

Removed Stock

Company has removed its certified stock for other scheme or conventional sale. For example, for license period, CSPO has been removed as amount as 9,244.43 MT for another scheme i.e ISCC scheme.

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

The company already has human rights policies contained in the KLK Sustainability Policy, which was approved by management on August 30, 2018, including among others :

- Recognizing the inherent dignity of every person and supporting the Universal Declaration of Human Rights by the United Nations including the prohibition of retaliating against human rights defenders in accordance with the United Nations Declaration on Human Rights
- Respect and uphold the rights of all workers, including contract, temporary and migrant workers with the core conventions of the International Labor Organization, the UN guiding principles on business and human rights and the principles of free and fair

employment in palm oil production as a guide.

- Ensure compliance with ratified local, national and international laws and that international best practice is applied where a legal framework is not already in place.

The company has conducted socialization related to company policies. For example, the company shows documentation of socialization related to RSPO, company Policy including Human Rights and others on December 5, 2022, attended by 43 to workers.

Based on interviews with employees and contractors, it can be concluded that they understand human rights policies. Based on interview with stakeholder such as government agency, community around, representatives of labor union, and workers known that there is no indication of human rights violation.

4.1.2

The results of interviews with stakeholders such as government agencies, representatives of surrounding villages, labor union, representatives of the gender committee and the results of field observations, it is known that there is no use of mercenaries or paramilitaries in the company. From the results of the interview, it was also informed that there were no issues related to human rights violations in the company.

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; 4.2.2

Company showed procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 concerning in handling grievance and consultation for all stakeholders. The procedure explained activities of handling grievances related to workers' and all stakeholder's grievances through each worker's supervisor, grievance logbook, suggestion box, gender committee, labor union, company's hotline number and etc. This procedure also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistle-blower if needed. In addition, it was also explained that the response time period is 14 days. The officer responsible for responding to stakeholders is the Manager/Assistant/Administration Head/Public Relations

Based on the document review and the interview with the management, it's known that illiterate people can submit their complaints through the village head or another representative from the stakeholder and will be recorded in the grievance logbook.

4.2.3

The company showed documentation of worker complaints, such as:

- Complaint dated 22 November 2022 related to housing damage and has been responded to 28 November 2022
- Complaint dated 11 November 2022 related to fooding of manuring worker and has been responded to 17 November 2022.

Based on the results of interviews with SPSI workers' union officials, information was obtained that the previous workers' union chairman had been dismissed by the company and the matter had been brought to the Industrial Relations Court. Based on the results of document verification and interviews with management, information was obtained that there had been a Supreme Court decision No. 604K/Pdt.Sus-PHI/2022. In this regard, information was obtained that the former employee had submitted a complaint orally to management and the company had responded to it on March 2, 2023, with letter number 135/KM-TKE/SA/I/2023. In the letter it was explained that in connection with complaints that had been submitted verbally which questioned the results of the Supreme Court's decision, the implementation of the results of the Supreme Court's decision should be carried out at the Pekanbaru District Court in accordance with applicable regulations. And the former worker was also asked to coordinate with the Pekanbaru District Court. In addition, the complaint has not been recorded in the company's complaint logbook (although there is documentation of complaint handling). Related to this explanation, the company has the opportunity to ensure the progress of industrial relations settlement and ensure that all complaints from stakeholders have been recorded in the logbook according to the procedures owned (OFI).

In addition, the results of interviews with representatives of labor unions obtained information that no complaints from workers to the company. Workers' complaints have been responded to by the company and there are no complaints that have not been resolved. As for the complaint from workers such as housing maintenance. In addition, from the results of interviews with surrounding villages, contractors and related agencies, it is known that there were no complaints to the company.

4.2.4

Company showed procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 concerning in handling grievance and consultation for all stakeholders. The policy explained activities of handling grievances related to workers' and all stakeholder's grievances through each worker's supervisor, grievance logbook, suggestion box, gender committee, labor union, company's hotline number and etc. In the procedure of complaint mechanism has been set that the complaint resolution is address in deliberation in advance. If no deal achieved, every party might deliver the case to the lawsuits or RSPO complaint panel. In addition, it was also explained that the response time period is 14 days. The officer responsible for responding to stakeholders is the Manager/Assistant/Administration Head/Public Relations.

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. The results of interviews with contractors and head of village around indicated that the village and contractors had understood the grievance mechanism.

Status: Comply

4.3

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

4.3.1

The company already has a welfare improvement program for the surrounding community which is listed in the CSR Program document of PT. Sekarbumi Alam Lestari in 2023. In the document there are 4 (four) categories, namely education, community empowerment, health and infrastructure, which are made based on the results of identification involving the surrounding village community, for example in the MUSRENBANG.

The program has included an estimated cost of each program. Some of these programs are as follows:

- Provision of honorarium funds for teachers in Koto Aman Village.
- Assistance in procuring school buses.
- Providing assistance to the Tapung Hilir health centre.
- Provision of village community posyandu assistance.

Based on the results of interviews with the representative of Kota Aman and Kota Garo Village, it is known that the company has routinely carried out social identification/assessments in the village on a regular basis by the Public Relations department, where the results will be used as a reference for creating a CSR program whose target is the welfare of the surrounding community.

Besides CSR, PT Sekarbumi Alamlestari also has partnership with smallholder from surrounding community in accordance with the Minister of Agriculture Regulation No. 98 of 2013 based on a cooperation agreement with the Sahabat Lestari Cooperative regarding the Development of Palm Oil Plantations with the KKPA Pattern in Kota Garo Village, Tapung Hilir District, Kampar Regency No.198/SPK-KKPA/SA-UM/XII/1999 or No. 036/Kopni-SL/KG/XII/1999 dated December 2, 1999.

Status: Comply

4.4

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

4.4.1

During the latest assessment activity, there were no changes related to the land ownership documents owned by the company. The company has land rights in the form of HGU which is shown through the SK document of the Minister of Agrarian Affairs/Head of BPN 36/HGU/BPN/94 dated 29 July 1994 concerning the granting of Cultivation Rights in the name of PT Sekarbumi Alamlestari on state land with an area of 6,200 Ha. Based on the decree, it is known that this HGU decree expires on 31 December 2024. The company also shows HGU certificate no. 01 issued on 1 December 1994 and valid until 31 December 2024.

Company also showed the plantation business permit with details below.

- Plantation Business Permit - Cultivation (IUP-B) based on the Decree of the Regent of Kampar Number: 525 / DISBUN / 514 / 2007 issued on September 26, 2007, concerning the Granting of a Cultivation Plantation Business Permit for PT Sekarbumi Alamlestari for an area of 6,200 hectares with the type of business being Palm Oil Plantation.

- Plantation Business Permit - Processing (IUP-P) based on the Decree of the Regent of Kampar Number: 525/DISBUN/210/2009 dated June 10, 2009, concerning the Granting of Plantation Business Permits for Palm Oil Processing Mills with a capacity of 30 Tons FFB/Hour.

4.4.2, 4.4.4, 4.4.5 & 4.4.6

The company has freed its management area from other rights and interests as shown in the stages of acquiring land rights to PT Sekarbumi Alamlestari, as follows:

- Location permit based on the Decree of the Governor of Riau Province Head of Region No. KPTS.44/II/LI/1991 dated January 30, 1991, concerning Location Permits and Acquisition of Rights/Purchase of Land for an Area of Approximately 6,500 Ha (Six Thousand Five Hundred Hectares) in Siak Hulu District, Kampar Regency for Rubber, Hybrid Coconut and Chocolate Plantations on behalf of PT Sekarbumi Alamlestari.
- Release of interests from the Convertible Production Forest area based on the Decree of the Minister of Forestry Number 492/Kpts-II/1991 dated August 5, 1991, regarding the Release of Part of the Forest Group S.Tapung Kanan – S.Tapung Kiri and its surroundings located in the District Level II Kampar, Province of Riau Province with an Area of 6,425 Hectares on behalf of PT Sekarbumi Alamlestari.
- The land inspection (Committee B) of Riau Province in the minutes of land inspection dated 22 Sep 1991 No. 22/RSL/HGU/1991 concluded that the application could be approved on the grounds that no party objected, and the applicant had met the requirements to obtain land rights.
- "Records of land compensation" when processing HGU are kept at the Jakarta Head Office for legal and taxation departments, including:
 - Document "Minutes of relinquishment of rights to land, plants and buildings of Koto Batak Village community" 1993. Compensation for 295 families.
 - List of land inventories, planting and other businesses in the context of area acquisition, for example on behalf of Olep, the owner of a 4-hectare arable land located in Kota Batak Village, the type of rubber plant, *jengkol* with well-maintained soil conditions.
 - Receipt for payment of compensation for land, Rp 374,000, dated August 24, 1993. Payment approved/accepted/justified by Owner; Company representative; Land Agency Officer; Head of Sikijang Village.
 - Documentation / handover of land to PT Sekarbumi Alam Lestari, for example Mr. Abd. Rauf who gave up his land along with 295 other family heads. The process of relinquishing land rights was witnessed by the "Inventory Committee B" Team, the Village Head, the land owner, the district head and company representatives.

Based on the results of interviews with the surrounding community (Koto Aman and Kota Garo Village), it is known that the company has carried out land acquisition for the area it manages. The several land compensation letters are made clear and use Indonesian, for example Documentation / handover of land to PT Sekarbumi Alam Lestari, for example Mr. Abd. Rauf who gave up his land along with 295 other family heads. The process of reinquishing land rights was witnessed by the "Inventory Committee B" Team, the Village Head, the land owner, the district head and company representatives. Based on the verification results of the Social Impact Monitoring and Management document in 2022 has been implemented for the review here related to social impact management plan, covering company's commitment to community such as CSR Program, Public Healthy and local business, community access to natural resource (HCV area) inside HGU.

4.4.3

Based on the HGU Decree and interview with management, the process of land acquisition until the granted of HGU has been in accordance with the law and with participatory mapping on cadastral mapping system conducted by Land Agency. Based on actual ground checked on HGU stakes and land demarcation No. 32, No. 47 and No. 33 and overlay with company working Maps known not plant and maintain oil palm outside the HGU.

Status: Comply

4.5

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

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

Based on interview with representative of Kota Garo and Koto Aman Village, it is known that there are no customary rights in surrounding of PT SA. From interview with representative of management and review of areal statement document, it is known that

there is no new land clearing and no new planting after November 2018. The planting in 2019 was replanting in HGU area. The area was planted within a HGU that was previously claimed by the community (Areal Dolok Saribu). The land dispute has been resolved according to the results of the district court's decision. Bangkinang. Existence of Execution Notice No.001/KM-KTK/SA/II/2015 to owners of buildings, houses, huts, barracks, plants to be demolished within one week from 21 January 2015.

Status: Comply

4.6

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

4.6.1, 4.6.2

Company has procedure regarding land compensation documented on SOP No. 6 "*Prosedur Penyelesaian Sengketa Lahan*". This document also explains about how to identify legal rights or customary rights in order to identifying people entitled to compensation. FPIC process is also described in the procedure and also how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over.

Based on interviews with Kota Aman and Kota Garo Village Representatives, it is known that there is no customary land in company operational area.

4.6.3, 4.6.4

Based on interview with representative of Kota Aman and Kota Garo Village, it is known that compensation process is done directed to the land owner and given an equal opportunity to both men and women, and landowners are given the freedom to release their land without coercion. The company shows examples of land acquisition/compensation documents carried out in HGU areas, for example:

- The inventory list of land and plants, issued in May 1991 was approved by the owner/cultivator, the company, and the Kampar level II regional inventory team. For example, on behalf of Rahmat with an area of 2.8 Ha
- Receipt of payment of compensation in the name of Rahmat in January 1992
- Letter of acceptance signed by the party receiving the compensation and paying the compensation.

Status: Comply

4.7

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

4.7.1, 4.7.2

Company has procedure regarding land compensation documented on SOP No. 6 "*Prosedur Penyelesaian Sengketa Lahan*". This document also explains about how to identify legal rights or customary rights in order to identifying people entitled to compensation. FPIC process is also described in the procedure and also how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over.

Based on interviews with Kota Aman and Kota Garo Village Representatives, it is known that there is no customary land in company operational area.

4.7.3

The company conducted compensation for area inside HGU, there is no new planting area or new land clearing outside HGU. Based on interview with previous land owner from Kota Garo, it is known that there was no coercion in the process of selling the land, the compensation process has also implemented an FPIC system, there is no coercion, and it is agreed by both parties without harming anyone.

Status: Comply

4.8

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

4.8.1, 4.8.2, 4.8.3, 4.8.4

Based on interview with representative Kota Aman and Kota Garo Village, there are no land disputes in the company's operational areas. Land disputes have occurred before 2020. The latest resolution for land dispute was Claims for Land that have not received compensation (Acknowledgment of the Koto Aman Village Group). Company showed the latest resolution from this claim and the settlement process for the dispute/lawsuit of the Koto Aman Residents above has been discussed together and documented. The settlement process was conducted through FPIC and including third party and there is no coercion.

Company showed Letter from the Ministry of Agrarian Affairs and Spatial Planning/BPN Riau Province No. HP.01.03/403-14/II/2019 dated 13 February 2019. Based on the letter, it was explained that:

1. PT Sekarbumi Alam Lestari has obtained and controlled the land based on a permit and there are no administrative defects according to the assumption that the Koto community is safe.
2. Based on the letter of the Kampar regent No. 100/Pem/V/2007/654 dated 2 May 2007 stated that the land claimed by the Koto Aman community was +-1,500 Ha, of which 682 Ha had been compensated and the rest was state forest.
3. Regarding the location of Koto Aman village related to administrative problems in the Kampar district, it is suggested that administrative issues in this area can be explained and resolved by the Kampar district government.
4. It is hoped that the Kampar local government can facilitate a meeting between PT Sekarbumi and Koto Aman.

However, there is complaint from Koto Aman Villagers regarding the location of PT SA in HGU document is not in accordance with actual location. In HGU document, stated that PT SA is located in Desa Sukamaju, Kota Baru, Koto Bangun and now part of PT SA is located in Kota Aman. Regarding this matter, company also has conduct meeting with the related government and showed the result of meeting. Minutes of the meeting held on March 20, 2019, which was attended by the Secretary of Kampar Regional Office, Riau BPN Regional Office, Riau Police Representative, Head of TPHBUN Office, Representative of Kampar Police Chief, Head of Plantation Office, Kampar Animal Health, Representative of PT SBAL, Head of Koto Aman Village, Kenegerian Tapung Traditional Institute, Representative Society (Dafson). From the minutes, it was informed that Koto Aman Village was a division village from Koto Batak Village where Koto Aman was part of Sekijang Village. The conclusion of the day's meeting was that PT SBAL will pay compensation if there was evidence of legal land ownership according to the provisions. The HGU of PT SBAL is not legally flawed.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1

Related to scheme smallholder FFB purchase, the Company has shown document of the Results of the Team Meeting for the Determination of Purchase Prices of Palm Oil FFB Production Sales of Planters in the Riau Province in January 2023. The company made a payment to the cooperation referring to the minutes. Based on the company's agreement with the cooperative, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders (Petani Sahabat Lestari Cooperative).

The price of FFB is determined in the work agreement agreed by both parties, several considerations in determining the price of FFB such as the price of CPO, PK, transportation costs, and proposed prices from suppliers. Before making a payment, the verification of the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payments have been completed before the payment is made. The pricing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with management units and FFB suppliers also stated that the predetermined FFB price update could be accessed by suppliers, information on price changes was made via SMS, online communication media and telephone from the PIC to the smallholder.

5.1.2

Based on the results of document review and interviews with management, there are plasma plantations within the company. The company also does not supply FFB from independent smallholders. At the beginning of the 2023 period, the company purchased FFB from Petani Sahabat Lestari Cooperative.

5.1.3

Based on the company's agreement with the cooperative, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders.

5.1.4

Related to scheme smallholder FFB purchase, the Company has shown document of the Results of the Team Meeting for the Determination of Purchase Prices of Palm Oil FFB Production Sales of Planters in the Riau Province in January 2023. The company made a payment to the cooperation referring to the minutes. Based on the company's agreement with the cooperative, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders (Petani Sahabat Lestari Cooperative).

Based on the results of interviews with the representative management of the Petani Sahabat Lestari Cooperative, it is known that the cooperative has understood the contract/MoU with the company and there is no coercion from the company and so far, cooperation with companies has been going well and cooperatives have authority and decision making.

5.1.5

Based on the results of interviews with local contractors, it is known that the company has provided opportunities for the community around the company to cooperate in the company's operational activities by becoming a contractor. In addition, it is known that the cooperation with the company has been well established and transparent. So far, it is also known that there are no problems with payments made.

Based on interviews with the management of the Petani Sahabat Lestari Cooperative, it is known that there were no complaints regarding the payment of FFB. The paid FFB is in accordance with the set price, fairly and there is no delay in payment.

5.1.6

The company of certification has a plasma (scheme smallholder) namely Farmer Cooperative Sahabat Lestari as well as cooperating with many local contractors/businesses. Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by following the Provincial price issued by the Plantation Agency of Riau the price of FFB can be accessed directly by the public through the newspaper, internet or through circulars letter that sent by Plantations agency of Riau Province to all smallholders and partner companies.

The pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. Based on documents verifications revealed that the payment of FFB for smallholders' scheme was in accordance with the FFB prices set by the Plantation Agency of Riau Province pricing team.

For example, the company shows the FFB pricing in accordance with the government's stipulation in the Minutes of the Meeting on Determining the Purchase Price of FFB for Palm Oil Production by Smallholders in Riau Province for the period January 2023. As supporting evidence, the company also shows a record of payments to the cooperative according to the FFB price that has been determined in the FFB Payment Voucher Record for the January 2023 period.

5.1.7

The company shows the Test Result Certificate No. 510.3/SKHP.3/UPTD-ML/283 dated 24 August 2022 for the weight bridge calibration carried out by the Legal Metrology Technical Implementation Unit of the Department of Trade and Industry of Kampar Regency with the type of Electronic Bridge Scale Capacity of 50,000 Kg Scale 10 Kg with the brand Avery Weigh Tronix Type E 1205 and serial number 095050358. The next calibration on 24 August 2023.

5.1.8

The Currently there are no independent smallholders in the vicinity of the company. The company has supported farmers by establishing plasma plantations.

5.1.9

The company has SOP 1 Procedure on Requesting and Providing Information, Communication and Submitting Complaints no. revision 2 dated 10 August 2017. In this procedure, it is explained that complaints can be submitted through management (complaint logbook), worker foremen, suggestion box, gender committee, trade unions, hotline & email. Based on the results of the document review, it is known that for the 2022-2023 period there were only requests for information and assistance, and there were no complaints from farmers or the surrounding community. The company has also appointed officers who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

Status: Comply

5.2

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

5.2.1

Based on the results of interviews with management, the company obtained information that has explained about RSPO, an explanation related to the RSPO to plasma and fostered farmers was explained on questionnaire for the implementation of the management and monitoring plan of the SIA as a stakeholder on 16 January 2023. Based on the results of several questionnaires, it is known that there are no independent smallholders who wish to become RSPO members, because land legal issues and do not want to be bound by other activities.

5.2.2

Based on the results of interviews with management, the company obtained information that has explained about RSPO, an explanation related to the RSPO to plasma and fostered farmers was explained on questionnaire for the implementation of the management and monitoring plan of the SIA as a stakeholder.

The contribution to improving the level of livelihood as a buying Plasma FFB according to Plantation agency prices as explained in notarial deed Number. 24, August 23, 2007, regarding an agreement PT Sekarbumi Alamlestari and Sahabat Lestari Cooperative which set prices based on Decree Number. Menhutbun No. 627 / KPTS / II / 98, namely determination of price FFB based on the FFB price determination meeting by the Plantation agency.

Based on interviews with management, known plasma owned by company do not want to have RSPO certificates. This was confirmed by minutes of meeting between company and Sahabat Lestari cooperative (chairman of cooperative) July 3, 2015, which explained that cooperative had temporarily refused to carry out RSPO certification.

5.2.3 & 5.2.4

The companies can show minutes of the socialization of the RSPO certification program to farmers around the company which was conducted on 15 November 2022 to the Petani Sahabat Lestari Cooperative. The socialization materials provided included: introduction to RSPO certification for independent smallholders, land legality, traceability of FFB, and implementation of field schools for farmers and land legality.

The results of interviews with the management of the Petani Sahabat Lestari Cooperative revealed that the company had conducted socialization regarding the RSPO, conducted training for cooperatives such as cooperative managerial training, assistance in making tax reports, training on harvesting, fertilizers, IPM, etc.

5.2.5

The company has reported the development of smallholder in the Progress report on the development of the plantation business for Semester 2 of 2022 submitted to the Kampar District Plantation, Livestock and Animal Health Service on 18 January 2023.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS
6.1

Any form of discrimination is prohibited.

6.1.1

Unit of certification had a policy concerning non-discrimination. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained that the company seeks to prevent discrimination in the workplace, stated specifically as follows:

- The Group provides equal opportunities in work requirements by only providing the equal requirements and seeking the ability and expertise of workers.
- Respect for diversity, and prevent discrimination against gender, race or ethnicity, and beliefs.

The company has conducted socialization related to company policies including non-discrimination policy. For example, the company shows documentation of socialization on December 5, 2022, to workers.

6.1.2

Based on the verification of the labor register documents and interviews with representatives of workers through labor union, known that the workers come from various regions such as Java, Batak, and others. From the results of interviews with labor union and workers, known that there is no indication of discrimination against workers. In addition, the results of interviews with village representatives, obtained information that there is no indication of discrimination. The company has provided equal opportunities for the surrounding community to get jobs.

The results of the verification of employment documents, the results of interviews with workers and representatives of labor unions, it is known that the existing workforce in the company consists of permanent workers and daily worker who are recruited directly by the company without going through a third party, there is no retention of workers' documents and no recruitment fee. From the results of interviews with representatives of surrounding villages, it is also known that the company also conveys information on job vacancies to the village.

6.1.3

The company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, CV, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts and others. The company shows employee track record documents stored in each unit.

Unit Certification has shown a record of the implementation of employment procedures, for example:

Recruitment

Recruitment documentation with the initials FR such as job application letters, ID cards, diplomas, Family card and others. Company shown agreement No. 29/KTK-SA/X/2022 dated 21 October 2022.

Promotion

Letter of Appointment for daily workers to become permanent workers as shown in the Work Agreement Letter No. 50/KTK-SA/XII/2022 dated 21 December 2022.

The results of interviews with workers and representatives of labor union revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as recruitment, retirement or promotion. Based on that interview known that there is no discrimination against workers. The company has provided employee rights in accordance with company regulations and applicable regulations.

6.1.4

Based on interview with women workers as well as gender committees revealed that pregnancy tests were only conducted for pesticide applicators to avoid the employees being exposed to pesticides. Further explained that so far there had never been a pregnancy test which was a discriminatory measure.

6.1.5

The company already has a gender committee that handles issues related to women or issues related to gender. Related to the previous improvement opportunities, it is known that during the recertification audit there were representatives of men and women in the gender committee structure. The structure of the women's committee consists of chairman, secretary and others. The gender committee covered both estate and mill and there are person in charge in estate and mill. The gender committee also has work

programs such as:

- Implementation of *posyandu*
- Dissemination of complaints handling
- Daycare inspection
- Socialization in every morning briefing before going to work to raise awareness to the workers
- Etc

The results of interviews with the chair of the gender committee, interviews with women workers obtained information that there were no cases or complaints related to women's issues and there has never been a case of sexual harassment or violence.

6.1.6

Determination of wages that apply at PT Sekarbumi Alamlestari – Tapung Kanan POM based on the Decree of the Governor of Riau Province No. Kpts.1272/XI/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Riau Province for 2022. As for the applicable minimum wage (2022) for Kampar Regency is Rp. 3,047,470.58

The results of interviews and the verification of workers' wages e.g boiler operator with initial AM and EP (worker with same work and same grade), it is known that the company has given the same wages for the same scope of work and in the same grade.

Status: Comply

6.2

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

6.2.1; 6.2.2

Determination of wages that apply at PT Sekarbumi Alamlestari – Tapung Kanan POM based on the Decree of the Governor of Riau Province No. Kpts.1272/XI/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Riau Province for 2022. As for the applicable minimum wage (2022) for Kampar Regency is Rp. 3,047,470.58. In addition, company also showed Decree of the Governor of Riau Province No. Kpts.1783/XII/2022 dated 7 December 2022 concerning Determination of the Minimum Wage for City or Regency in Riau Province for 2023. The minimum wage (2023) for Kampar Regency is Rp. 3,300,258.26. The 2023 wages will be implemented in April. The wages for the January-March 2023 period will be paid (*rape*) in April 2023.

Regarding the wages scale at PT Sekarbumi Alam Lestari, the company showed a Decree regarding the determination of wages, as follows:

- Circular Letter No. 002/SA/Edar/IV/2021 dated 16 April 2021 concerning the wages scale of permanent workers (*SKU*)
- Circular Letter No. 001/SA/Edar/II/2023 dated 9 February 2023 concerning the wages scale of permanent workers (monthly workers)

Company showed Collective Labor Agreement for 2022-2024 between BKS PPS and the Agriculture and Plantation Workers Union. The company shows the 2022-2024 CLA Registration Letter between BKS-PPS and FP.FSP.PP-SPSI No. 77/BKS-PPS/2022 dated 23 March 2022 and was received by the Ministry of Manpower on 2 November 2022. The CLA has explained about working time, wages, overtime, leave etc.

The results of the verification of the labor register documents, work agreement documents, interviews with labor unions, workers, and the Manpower Office known that there is no temporary worker (PKWT) who work at PT Sekarbumi Alam Lestari. Workers who work are daily workers and permanent workers at unit certification. For daily workers, the document that regulates the details of wages and work conditions is contained in the daily workers Agreement. For example, agreement with worker with initial MJ for upkeep work. The agreement has also explained the duties and responsibilities of workers, working time, wages, social security, facilities, and others.

The company shows list of the number of workers for the December 2022 as follows:

- KTK 1 → 230 workers
- KTK 2 → 190 workers

- KTK 3 → 166 workers
- Mill → 94 workers.
- Contractor workers for example PT Trans Jaya Pertama → 10 workers

The auditor team has simulated the calculation of workers' wages by verifying payroll documents for example in December 2022. For example, workers with initial AM (boiler operator). From the verification results, it is known that the company has paid wages according to the applicable regulations. In addition, the company also shows payroll documents that provide information related to compensation for all work performance. Based on interview with workers and labor union representatives known that company has paid wages is accordance with applicable regulation.

6.2.3

The company has shown evidence of compliance with labor provisions, such as:

- Payroll documentation that gives information on compensation for work performance. The results of the simulation of wages and overtime in December 2022 for example with worker with initial AM, known that the company has paid overtime wages according to the workers' overtime hours and has complied with the applicable regulations.
- Employee Attendance document every month which informs the number of attendances, leave, illness and others.
- The results of verification of absences and wage slips for daily workers for 3 consecutive months show that there are no daily workers who work more than 21 days in 3 consecutive months. For example, the results of verification of worker documents with the initial MZ (upkeep) for the period October 2022 – January 2023 show that the worker worked less than 20 days in 3 consecutive months.
- Employee leave forms, such as:
 - Maternity leave form with worker initial IDU on October 26, 2022, until January 24, 2023

Interview with labor union and workers, said that wages paid are in accordance with applicable regulations. Based on that interview also known that deduction for workers such as BPJS deduction, tax and etc has been described in the company regulation and circular letter. Based on interview with contractor and verification of wages of contractor workers (sample) known that contractor workers have given minimum wages by contractor.

6.2.4

The results of field observations in housing areas and interviews with workers and labor union known that the company has provided housing facilities (1 house consists of 2 bedrooms and 1 bathroom), infrastructure and facilities that are decent/in good condition to workers such as houses, clean water facilities, religious facilities, sports, clinic and others. The condition of the house is permanent and has good sanitation. From the interview, also known that in each housing location there are child care areas, trash bins, electrical and others.

6.2.5

Based on the results of interviews with residents of employee housing as well as representatives of the gender committee and labor unions, it is known that access to food can be reached easily. The distance between the housing and the nearest market can be reached within 30 minutes. Periodically there are grocers who enter the residential area. Apart from that, there is also an employee cooperative, one of which is the provision of staple goods (groceries).

Based on this, it can be concluded that the unit of certification has made efforts to improve workers' access to proper, sufficient, and affordable food.

6.2.6

Determination of wages that apply at PT Sekarbumi Alamlestari – Tapung Kanan POM based on the Decree of the Governor of Riau Province No. Kpts.1272/XI/2021 dated 30 November 2021 concerning Determination of the Minimum Wage for City or Regency in Riau Province for 2022. As for the applicable minimum wage (2022) for Kampar Regency is Rp. 3,047,470.58.

Related to Living Wage, the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as Housing, electricity for home, water, education, etc. As for the amount of Prevailing wage is Rp. 4,329,077. Prevailing Wage calculation is based on actual and rational price at certification unit location.

6.2.7 Based on the results of verification of the labor list document, interviews with labor unions and results of field observations it is known that there are no PKWT workers (temporary workers) or daily workers doing permanent jobs (regarding the opportunities for improvement in the previous assessment, it is known that all daily workers in harvest activity have been appointed as permanent workers by the company). There are daily workers which conduct supporting jobs, such as maintenance/upkeep, cleaning and others. For example, agreement with worker with initial MJ for upkeep work. The agreement has also explained the duties and responsibilities of workers, working time, wages, social security, facilities, and others.		
	Status: Comply	
6.3 The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
6.3.1 The company had a policy concerning the rights of workers to establish labor union. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy explained that KLK Group committed to respect and protect human rights including the rights of workers to freedom of association, collective bargaining, to form and join labor unions of their choice. The company has also shown documentation of socialization of company policies including freedom of association policies, such as socialization on December 5, 2022, to workers. The results of interviews with workers such as harvesters, factory workers and others, known that the company has provided socialization related to freedom of association. From the results of interviews with workers, known that there is labor union in the company. The Labor Union of PT Sekarbumi Alam Lestari has been registered at the Manpower Office for example: <ul style="list-style-type: none"> • SPSI → Registration No. 251/DSTK-SPPP-SPSI/2013/12 dated 11 February 2019 • SBSI → Registration No. 251/DSTK-PK FKUI SBSI/2014/16 of Federation of Indonesian Worker's Awakening (KSBSI) PT. Sekarbumi Alamlestari on 1 July 2014 6.3.2 The company shows several records of labor union meetings, such as: <ul style="list-style-type: none"> • Bipartite meeting on December 9, 2021, which was attended by company representatives and labor union representatives • Records of the Minutes of Establishment of the Bipartite Cooperation Institution which were attended by management representatives and labor union representatives. Based on the interviews with labor union representatives, it's known that the labor union held meetings whenever it's needed.		
	Status: Comply	
6.4 Children are not employed or exploited.		
6.4.1 The showed the human rights policy stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy explained that the company committed to protect the children's rights by supporting the children's welfare and protecting children against exploitation, sexual harassment, human trafficking, and children worker. The company has conducted socialization related to company policies including prohibition on employing children under 18 years old, forced labor and workers from human trafficking, such as: Socialization on December 5, 2022, to workers.		

6.4.2; 6.4.3; 6.4.4

The company has shown agreement with contractors that have explained the prohibition on employing children under 18 years of age, for example Agreement Letter No. 006/SA-TJP/PKS/II/2023 dated 9 February 2023 for the CPO transporter. The company also has recruitment procedure that describe in the SOP No. 29 dated 13 January 2021. In the SOP that explains the procedures for recruitment and interviews, the requirements for employee recruitment are 18 years of age. Job applicants are also required to attach ID card (fotocopy) information to ensure the age of the worker.

The results of the verification of the labor list document, interviews with internal and external stakeholders, and field observations revealed that there was no indication of any workers under the age of 18. Based on the results of the interviews with internal and external stakeholders, information was also obtained that the company had provided socialization regarding the age requirements of workers.

Status: Comply

6.5

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

6.5.1

The company showed the policy concerning on sexual harassment, violence, abuse, and reproductive rights stated in the KLK Group Sustainability Policy updated on 30 August 2018 approved by CEO. This policy explained that the company doesn't tolerate any forms of violence, intimidation, and harassment. In terms of that, this policy encourages the workers to report of all sexual harassment experienced by workers.

In addition, company also had a SOP concerning on the procedure in handling sexual harassment No. SOP 27 dated on 10 August 2017. It stated about the mechanism for reporting any forms of violence or harassment from the common case to the severe case.

The company has conducted socialization related to company policies including policy concerning on sexual harassment, violence, abuse, and reproductive rights, such as: Socialization on December 5, 2022, to workers. Based on the results of interviews with the gender committee and female workers, it is known that the company has provided socialization regarding prevention of sexual harassment, sexual violence, and reproductive rights protection policies.

6.5.2

The company has a policy regarding reproductive rights contained in the KLK Sustainability Policy which was approved by management on 30 August 2018. The policy explains:

- Ensuring equal opportunity in the workplace. All decisions regarding hiring, pay, access to coaching, promotion, termination or retirement will be made based on individual business needs, job requirements and qualifications.
- No discrimination based on ethnic origin, caste, disability, nationality, nation, religion, sex, sexual orientation, union membership, political affiliation or age.
- Reproductive rights that are in line with state law must be respected.

The company has conducted socialization related to company policies including regarding the protection of reproductive rights such as: Socialization on December 5, 2022, to workers.

The results of interviews with workers, especially female workers, revealed that the company had provided socialization related to policies to prevent sexual harassment and violence and protect reproductive rights. The company already has a gender committee to handle women's issues or problems. The results of interviews with representatives of gender committee and female workers revealed that there were no cases of violence or sexual harassment in the last 1 year. In addition, from the interviews known that the company has gave permission/maternity leave, menstrual leave and permission to breastfeed for female workers.

6.5.3

The company has identified the needs of new mothers in February 2022. The needs of new mothers based on the identification results are as follows:

1. Young mothers are given space to breastfeed their children, such as child care.
2. Young mothers are given time to breastfeed.
3. Etc

Based on interview with gender committee and female worker known that company has given permission to new mother to breastfeed.

6.5.4

Company showed procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 concerning in handling grievance and consultation for all stakeholders. The procedure explained activities of handling grievances related to workers' and all stakeholder's grievances through each worker's supervisor, grievance logbook, suggestion box, gender committee, labor union, company's hotline number etc. This procedure also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistle-blower if needed. In addition, it was also explained that the response time period is 14 days. The officer responsible for responding to stakeholders is the Manager/Assistant/Administration Head/Public Relations

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. As for complaints related to women's issues can be submitted through the gender committee.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

The results of the verification of the labor register documents, work agreement documents, interviews with labor unions, workers, and the Manpower Office known that there are daily workers and permanent workers at PT Sekarbumi Alam Lestari. From the results of interviews with workers, known that there is no forced labor in the company. All workers who work are in accordance with the mutually agreed agreement or letter of appointment.

For daily workers, they are recruited directly by the company. Based on verification of daily workers agreement, known that the agreement has explained several working conditions, rights and obligations of workers such as working time, wages, social security, facilities and others. The agreement has been signed by both parties. From the results of interviews with workers and representatives of workers through labor unions, it is known that the company has provided a copy of the agreement to the workers. Based on interview with workers and labor union and employment document verification known that workers accept work voluntarily and freely, and following are not found during audit such as retention identity, recruitment fees, involuntarily overtime, lack of freedom to resigns, penalty for termination, debt bondage, withholding wages.

6.6.2

The results of the verification of the labor register documents, work agreement documents, interviews with labor unions, workers, and the Manpower Office known that there are daily workers and permanent workers at PT Sekarbumi Alam Lestari and no temporary workers (PKWT) at unit certification. From the results of interviews with workers, known that there is no forced labor in the company. All workers who work are in accordance with the mutually agreed agreement or letter of appointment.

Status: Comply

6.7

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

6.7.1

The company show the Decree for validation of the OHS Committee Team by the relevant agency in accordance with the OHS Committee personnel, which is listed in the Decree of the Head of the Riau Province Manpower and Transmigration Office Number Kep.40/Disnakertrans-PK/SK-P2K3/II/2022 date February 3, 2022, with organizational structure including the chairman on behalf of MWD (initials) and the secretary on behalf of A.H (initials).

The P2K3 Secretary has participated in the General K3 Expert Certification Training from the Ministry of Manpower of the Republic of Indonesia which was held on October 16 – 27, 2013 with the organizers of OHS Service Company. The company shows Decree of the Minister of Manpower number 5/3038/AS.02.04/III/2020 concerning Designation of General OHS Expert, dated March 6, 2020, which is valid for 3 years. Regarding the expiration of the AK3U license, the company has the opportunity to make improvements related to the replacement of the OHS Expert license which will expire on March 6, 2023. **(OFI)**

OHS Committee meetings have been held routinely every month with discussions of OHS issues and their follow-ups, for example the

OHS Committee meeting on January 11, 2023, with discussions including the December 2022 Accident Report, OHS Socialization and Socialization on the orderly use of PPE.

Based on the explanation above, it is known that an OHS organization has been formed with an adequate number of personnel in accordance with the laws and regulations.

Based on the results of interviews with related agencies, the company's OHS Committee structure has been approved by the relevant agencies in accordance with statutory regulations.

6.7.2

The unit of certification has emergency response procedures and work accidents listed in the Emergency Response Procedures Emergency Response SOP No. SSOP 33 which is effective October 25, 2022. These procedures, among others, regulate the emergency response to Work Accidents, Chemical Spills, Building Fires, Land Fires and Natural Disasters – Floods. In addition, if there is a work accident, First Aid Procedure, Work Accident Reporting Procedure and Work Accident Investigation Procedure in Occupational Health and Safety (OHS) SOP Number SSOP 24, effective date October 25, 2022, revision 4.

The unit of certification has also provided workers assigned to the field and other work locations and has received first aid training. In addition, the certification unit has a *hyperkes* certified medical officer with the number 15,006/PM-I/13. The last first aid related training was held on October 3, 2022, with 53 participants who were a combination of plantations and mill.

The results of field observations at POM and Estate, it is known that the Company has provided a first aid kit at the workplace whose contents refer to the applicable provisions, namely 21 items according to PER.15/MEN/VIII/2008 with an updated monitoring form. First aid kits at POM, such as at security posts, weighing post, sortation areas, power house stations, workshop, hazardous waste warehouse, and warehouses.

The certification unit also provides a first aid bag that is in the field and brought by the field foreman, such as in harvesting, spraying, and fertilizing. From the results of the interview, it was known that the officer who brought the first aid kit had understood the function of the first aid kit. The company shows a list of first aid kit holders for the plantation, for example for the Tapung Kanan I Estate there are 24 personnels and have received regular first aid training.

Based on interviews with management representatives and boiler station officers, if there is an emergency in the Mill area, there are instructions for evacuation routes and gathering points in the POM area. The results of the simulation on the hydrant in the boiler area, it is known that the hydrant is functioning properly, and emergency response officers have been able to implement fire emergency response procedures. Regarding OFI from previous audits activity, the certification holder makes a preventive action such as notifications on the morning circle, training on good and correct harvesting and training on the use of proper PPE so as to minimize work accidents.

6.7.3

Based on information from interviews with employees and a review of documents related to PPE, especially PPE with a short service life that has been damaged used by employees, that the company has replaced damaged PPE according to the replacement procedure for employees with proof of PPE handover. According to opportunity for improvement (OFI) from previous audit, the company has already distributed the PPE to the workers such as:

- Record of replacement of work PPE in Tapung Kanan I Estate on January 10, 2023. PPE in the form of masks, gloves, aprons, boots for pesticide application workers.
- Record of replacement of work PPE at Tapung Kanan III Estate on January 9, 2023. PPE in the form of boots for fertilizer application workers.
- Record of Expenditures for Work PPE at PKS on February 27, 2023. PPE in the form of Ear Plugs for hoisting crane workers.

In line with the results of document verification, the spray workers in Block 95B Division 4B Kebun Tapung Kanan III also explained that employees had received PPE free of charge by the company and understood the mechanism for replacing PPE if PPE was damaged/lost. The PPE used by workers is currently in good conditions.

Based on field observations at the Tapung Kanan I, Tapung Kanan II, and Tapung Kanan III estates, it was found that they had rinse

houses. Based on interviews with spray workers, it was found that after work they cleaned their work tools, PPE used, and cleaned themselves at the rinse house.

6.7.4

The company provided health services such as polyclinics and first aid kit. Based on field observations, it was known that the facilities and infrastructure provided for workers are still functioning properly. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it revealed that all workers (contract workers and permanent workers were registered in the BPJS program, proven as follows:

- BPJS (Health Insurance) payments for all workers in all estates (KTK I, KTK II, KTK III) have been completely fulfilled and the last proof of payment is on February 8, 2023, for period of February 2023 for 831 employees.
- BPJS (Health Insurance) payments for mill workers have been completely fulfilled and the last proof of payment is on February 8, 2023, for period of February 2023 for 94 employees.

Based on the interviews with workers (harvesters, pesticide applicators, and mill operators) and labour's union, they informed that they had the acknowledgement of their involvement in BPJS program, and they also held the BPJS card.

In 2023 there was a work accident that caused death on January 16, 2023, based on based on work accident report documents, number Kb.SGH/07/KTK3/I/23 dated January 16, 2023, it is known that the employee has died with a doctor's diagnosis of Cardiac Arrest (heart attack) and corrective and preventive action plans by conducting periodic physical examinations to know and early detection of employee disease history.

The company made progress in processing BPJS insurance claims for the victim's family by showing PT Sekarbumi Alamlestari's Work Accident Insurance Claim Submission Letter with number 048/KM – TKE/SA/I/2023 dated January 21, 2023, addressed to the Head of the Pekanbaru City Employment BPJS Branch by attaching data from the results of investigations into the causes of accidents and others.

6.7.5

Work accidents are recorded using the Lost Time Accident (LTA) listed in the Accident Statistic Period 2022 document for January – December 2022, which among others explains the number of accident cases, the number of days lost, Frequency Rate (FR) and Severity Rate (SR), among others as follows:

UNIT	TOTAL WORKER	CASE	FR	SR
Estate	831	294 with lost working days 182	29.6	22.0
Mill	102	2 with lost working days 5	14.8	24.7

From the document above, the company has also carried out an investigation into work accidents that occurred as well as processing claims.

In 2023 there was a work accident that caused death on January 16, 2023, based on based on work accident report documents, number Kb.SGH/07/KTK3/I/23 dated January 16, 2023, it is known that the employee has died with a doctor's diagnosis of Cardiac Arrest (heart attack) and corrective and preventive action plans by conducting periodic physical examinations to know and early detection of employee disease history.

Status: Comply

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

7.1

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

7.1.1

The company already has procedures related to OPT observation and control contained in Procedure No. SSOP Number 17 revision 4, effective date May 2, 2020, concerning integrated pest management (IPM). Based on the results of a review of these procedures, it is known that the company prioritizes an early warning system in its population control activities for pests and diseases. Control

using pesticides is carried out if the level of attack by plant pests exceeds the economic threshold set by the company. In addition, the company also seeks biological pest control in order to reduce the use of pesticides.

Based on the census records of rats and caterpillars for the period October 2022, it is known that there are rat attacks, with the attack criteria below the threshold. The results of field visits, for example Block Division 2A Tapung Kanan I Estate, found no signs of rat infestation. In addition to the pest census, the company also conducted a Ganoderma disease census. Based on the census records of Ganoderma disease for the period October 2022, no attacks of Ganoderma disease were found and field visits, for example the Block Division 2A Tapung Kanan I Estate, also found no attacks of the disease.

In addition, the company controls pests using biological agents such as owls. Based on the monitoring documents for owl barn, it is known that the company has used *Tyto alba* as a method of biological pest control with a total of 131 owl barn. The results of field visits, for example in Block 92E Division 3B Tapung Kanan II Estate, it is known that the owl's barn are in good condition and active.

7.1.2

Based on document review and field observations, the Certification Unit applies several biological control practices to suppress pests and diseases such as owls (*Tyto alba*) and manage them properly. The company also has *Turnera ulmivolia* in well-maintained condition. This plant as a predatory host plant for leaf-eating caterpillars, which is an invasive species, refers to LHK Ministerial Regulation No.P.94/MENLHK/SEKJEN/KUM.1/12/2016. The company also shows a plan and monitors its spread by carrying out regular maintenance of beneficial plants on monitoring beneficial document so that the spread can be controlled, such as during a field visit to block 95D Division 3B Tapung Kanan II Estate.

7.1.3

Based on the results of interviews with company management, it is known that the company has never used fire to control pests and diseases. Pest and disease control in the company only uses biological and chemical if it is above the set threshold.

Status: Comply

7.2

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

7.2.1

Based on document review, interviews, and field observations during the onsite audit, it is known that the certification unit already has justification for the application of pesticides in the Tapung Kanan Estate Pesticide List document. The document provides information including active ingredients, pesticide class according to WHO, registration number and distribution permit, LD50 content, and specific weeds to be targeted. For example, the herbicide Supremo 480 SL, with the active ingredient Iso Propylamine Glyphosate 480 g/l, with the WHO class II classification category, with register number RI.01010120093354, the permit period is until May 5, 2024, specific for broad and narrow leaf weeds.

7.2.2

The company has shown documents on the use of pesticides for the period 2022 - 2023. The documents describe the type of pesticide, active ingredient, LD50, active ingredient content, amount of pesticide use, area of pesticide use, and pesticide use per hectare. For example, the use of the pesticide Kenphosate with the active ingredient Triclopyr, dermal LD50 2000 mg/Kg, oral LD50 > 1.378 mg/Kg, total use for the period October 2022 – February 2023 is 1,041 liters with an area of use of 1,865 ha and use/ha is 0.55 liters/ Ha in Tapung Kanan III Estate.

7.2.3

The company also shows records of herbicide use, among others as follows:

Active Ingredients	Unit	Oct. 2021	Oct. 2022
Triclopyr	Litre	1,622.50	1,259.50
Glyphosate	Litre	89.20	70.00
Asefat	Kg	603.00	100.00

Based on the review of pesticide use documents, it is known that there has been a reduction in the use of pesticides such as Triclopyr and Acefat.

Based on the results of a review of pesticide use documents and a field visit to Block 93B Division 3B of Tapung Kanan II Plantation, it is known that the company has utilized beneficial plants and natural enemies of pests as a method of reducing pesticide use.

Based on the census of rats document, ganoderma, and leaf-eating caterpillars in Tapung Kanan I Estate Division 1B; Tapung Kanan II Estate Division 3A; and Tapung Kanan III Estate Division 4A in December 2022, it was found that there were no attacks that exceeded the threshold. Based on monitoring the barn owl box document, it is known that the condition is active, and some have eggs.

Based on the explanation above, it can be concluded that the company already has records of pesticide use and its reduction to a certain extent by substituting environmentally friendly materials/using biological agents for plant maintenance.

7.2.4

Based on the review of pesticide use documents, interviews with company management and results of field visits. It is known that the company does not use pesticides preventively to prevent pests and diseases. Pest and disease control is only carried out based on census results. If it is known that the census results exceed the threshold, then control is carried out.

7.2.5

Based on the results of field observations in Block 95B Division 4B, it is known that the company uses a pesticide with the active ingredient Glyphosate under the Supremo brand. This pesticide is included in the WHO class III criteria. The results of the document review and interviews also revealed that in 2022 until the audit was carried out there was no use of WHO class 1A and 1B pesticides, or in the Stockholm/Rotterdam convention.

This is in line with the company's policy on the commitment to reduce the use of pesticides, which has been stated in the KLK Sustainability Policy document dated 13 August 2018, which explains, among other things, prohibiting highly toxic, bio-accumulative and continuous pesticides, such as class 1A, 1B, the Stockholm convention, or Rotterdam, as well as paraquat.

7.2.6

The company has an SOP for Handling Chemicals / Pesticides in the Sustainability Standard Operating Procedures (SSOP) document SSOP number 18 Revision 2 dated March 25, 2020, concerning the Safe Use and Storage of Chemicals including Hydrocarbons. The SOP describes the handling of chemicals including pesticides as follows: use of chemicals and personal protective equipment (PPE), mixing of agrochemicals in premix areas, spraying techniques, personal hygiene, PPE and work equipment, monitoring doses of chemical use, response plans emergencies at chemical warehouses, health checks for officers related to chemicals and training. Based on the results of interviews with spray workers in Block 93A Division 2B Tapung Kanan I Estate, it is known that these personnel can explain pesticide mitigation policies/procedures.

The company has shown evidence that all workers have received adequate OHS training, which is shown in the 2023 Worker Training Plan and Program (Estate and Mill) document signed by the Factory Manager and Coordinating Manager. In total there are several types of training planned, including:

- Spraying and Fertilizing Training.
- Emergency Response Simulation and Firefighter Training.
- First Aid Kit Holder Training.
- SDS and Chemical Mixing Training.

The last training related to pesticide handling was conducted on June 21, 2022, in the Work Technical and OHS training for Chemical Warehouse Officers with 2 participants and for pesticide applicators in the Spraying and Fertilization training on October 3, 2022 with 53 participants.

As a result of a field visit to the rinse house block 94A Division 3A Tapung Kanan II Estate, it is known that the company already has sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for control devices and PPE.

The results of a field visit to the chemical/pesticide storage warehouse revealed that the chemical storage area had been equipped with an MSDS, this was in accordance with Government Regulation Number 74 of 2001 concerning Hazardous Material Management.

The company provides adequate Personal Protective Equipment (PPE) in accordance with its designation for each worker, which is shown as follows:

- Record of replacement of work PPE in Tapung Kanan I Estate on January 10, 2023. PPE in the form of masks, gloves, aprons, boots for pesticide application workers.
- Record of replacement of work PPE at Tapung Kanan III Estate on January 9, 2023. PPE in the form of boots for fertilizer application workers.

In line with the results of document verification, the spray workers in Block 95B Division 4B Tapung Kanan III Estate also explained that employees had received PPE free of charge by the company and understood the mechanism for replacing PPE if PPE was damaged/lost. The PPE used by workers is currently in good condition and ready to use.

7.2.7

The company has Safety Procedures for the Use and Storage of Chemicals including Hydrocarbons No. SSOP 18 came into force July 1, 2013. The SOP describes the mechanism for storing pesticides in special warehouses, including places for mixing pesticides to be used in the field in special isolated places so that there is no potential for chemical exposure to occur outside the warehouse. Regarding the storage of Chemicals, the procedure regulates as follows:

- Warehouse doors are locked at all times and sealed after the working day is over
- Only authorized persons enter the Warehouse
- Make sure the warehouse has good air circulation and adequate lighting
- Make sure all chemicals are properly labelled for easy identification
- Agrochemical materials must be classified according to their toxic class
- Each agrochemical, diesel, oil and gasoline must be stored in a separate place
- Storage warehouse must be given a symbol of Hazardous and Toxic Materials
- Make sure SDS is available for accident management (first aid)
- Chemicals that have expired must be followed up
- Make sure the Warehouse is clean and tidy to avoid contamination and accidents

Based on field observations at the Tapung Kanan Plantation pesticide warehouse, it is known that pesticides are stored neatly apart from other ingredients. The warehouse has been equipped with SDS, emergency response facilities, adequate ventilation, and is locked due to its limited area.

7.2.8

The company has SOP document No. 23. Management of hazardous and non-hazardous waste issued on May 22, 2020, revision on May 2, 2022, revision 4 which explains the hazardous waste management plan, hazardous waste packaged with used pesticides is stored in hazardous waste storage and then transported by licensed transporters from the government. Base on field visit during audit on toxic & hazardous waste storage on KTK-1 estate found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

7.2.9

Based on field observations and interviews with company representatives, it is known that pesticide application is not carried out by air. Pesticide application using a sprayer, according to the results of the pest and disease census.

7.2.10

Based on field observations and interviews with workers at the circle path spraying activities at Block 93A Division 2A Tapung Kanan 1 Estate, it was found that none of the workers were pregnant or breastfeeding. The workers also explained that if they were over 18 years old and received regular health checks from the company. The results of the document review revealed that the last medical examination of workers was carried out on January 24-27, 2023, and February 8, 2023, at the Thamrin Clinical Laboratory, Pekanbaru with the result are within normal limits and fit to work. The medical examination has conduct in special examination for dealing with chemicals and high-risk work at the Mill and regularly medical examination.

7.2.11

There is a mechanism for women workers who are breastfeeding or pregnant not to work related to the use of chemicals including pesticides in the Occupational Health and Safety Sustainability Standard Operating Procedures Number SSOP 24 Rev 4 dated October 25, 2022, is explained, among others:

- Pregnant women and breastfeeding children are completely prohibited from working in the spraying department and work related to chemicals.
- Female workers who know they are pregnant must report this to the foreman/staff.
- Women who handle chemicals if they are found to be pregnant/breastfeeding will be transferred to non-chemical work or light work.
- She may return to work in the chemicals department if recommended by a doctor.

The company also shows a Work Transfer Decree (Mutation) for workers related to pesticides and fertilization who are known to be pregnant, for example:

- Decree of Transfer of Work (Mutation) dated June 5, 2022, in the name of R.S (initial) as a manuring worker to become a upkeep worker.

Based on field observations and interviews with workers at the circle path spraying activities at Block 94B Division 4A, it was found that none of the workers were pregnant or breastfeeding. The workers also explained that if they were over 18 years old and received regular health checks from the company. The results of the document review revealed that the last medical examination of workers was carried out on January 24 -27, 2023 and February 8, 2023, at the Thamrin Clinical Laboratory Pekanbaru.

Status: Comply

7.3

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

7.3.1

The management unit already has a waste management plan for any waste generated by the management either at POM or at the Estate. Hazardous waste is stored in the Hazardous waste warehouse and then handed over to a licensed transporter. Meanwhile, POM solid waste is used for boiler fuel and applied to plantations, including the application of POME.

All pesticide containers are properly disposed of and/or handled responsibly, in accordance with SSOP 23 on Management of Toxic and Hazardous Waste and Non-Toxic and Non-Hazardous Waste Revision 4 on 2 May 2020. The procedure has explained that chemical and plastic packaging that is contaminated with toxic and hazardous waste (plastic in fertilizer) may not be used for other purposes, and all toxic and hazardous waste must be stored in a designated place.

All hazardous and toxic waste generated is stored at toxic and hazardous waste storage in estate and POM in accordance with Permit of Toxic and Hazardous Waste Temporary Storage PT Sekarbumi Alamlestari for Tapung Kanan Plantation with the Decree number of the Head of Environmental Agency of Kampar Regency No. 660/DLH-PPK/ILB3/2017/13 on 12 May 2017 and is valid for 5 years.

The waste stored in the temporary storage warehouse will then be transported by a licensed party every 3 months. The latest transportation is proven through the Electronic Manifest document and the official report of the transportation carried out on January 23, 2023, by PT Mitra Jaya Pertiwi is a licensed party. The company can show a cooperation agreement with the carrier, which is based on the document of the Cooperation Agreement Number 0284/SPK-MJP/X/2022 which was made on 22 August 2022 and is valid until 8 August 2023. The company can also show the legality of the third party. Carriers such as a valid transportation permit from the Ministry of Environment and Forestry, a valid permit for special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and a licensed processor and/or user.

The results of the field visit to the hazardous waste storage warehouse at Tapung Kanan POM also showed that the company had carried out hazardous waste management quite well. All obligations listed in the waste storage permit have been fulfilled, such as the availability of fire extinguishers, showers, eyewash, coordinates, alarms, first aid kits, oil traps and appropriate labelling. In addition to good lighting and air ventilation, the company also has drainage channels on the outside of the warehouse to anticipate pollution to the surrounding environment.

The company has also reported the results of hazardous waste management which is carried out every quarter with evidence of the

Reporting Document of Hazardous Waste Management Reports of PT SA POM and Estate for the period of Quarter IV 2022 which was reported to the Environmental Service of Kampar Regency on January 10, 2023, and to the Ministry Environment and Forestry on 1 March 2023 with proof of ID TTE 1677662371-647.

Non-Hazardous and Toxic Waste

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

Liquid, Solid and Air Waste

Solid waste from the FFB processing process in the form of shells and fiber is reused by the company as a substitute for fossil fuels (diesel fuel) for power generation in boilers, while for empty fruit bunches, it is used to substitute fertilizer applied to plantation land. Some of the solid waste in the form of shells is also sent or sold, while the empty fruit bunches are used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1. In domestic waste management, the company also has a Domestic Wastewater Disposal Permit for PT SA based on Environmental Agency Decree of Kampar Regency Number KPTS.660/DLH-PPKL/REK-LD/2021/42 on 20 May 2021 valid 5 years.

The company use POME by applying it to the Land Application. The regulation and management of POME are explained in more detail in indicator 7.8.3. As for air waste, the company has not made a common use for air waste, namely the Biogas Plan, so far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

7.3.2

The company has SOP document No. 23. Management of hazardous and non-hazardous waste issued on May 22, 2020, revision on May 2, 2022 revision 4 which describes several waste management's plans, namely:

- Hazardous waste used oil, used rags, plastic and filters contaminated with hazardous, soil and waste contaminated with B3, used batteries, light bulbs, medical waste, used hazardous packaging and hazardous waste PPE contaminated with hazardous such as aprons, shoes, used gloves chemical operators are classified as hazardous waste. The SOP explains that several types of hazardous waste that have been identified in the SOP are stored at hazardous waste storage and then transported by transporters licensed by the government.
- Domestic waste (office and housing) must be carried out: organic Restriction of waste generation and disposal in the trash (landfill) which is 1000 meters from the water source. The processing method in landfill can be done by means of controlled landfills. Inorganic Limiting waste generation and sorting waste consisting of plastic, glass and used cans, sorting containers consisting of 3 separate places.

The company has also conducted outreach activities related to waste management and hazardous waste management, for employees of KTK II KTK III and KTK I conducted on 2 February 2023.

Based on the results of field visits in several locations, for example:

Hazardous Waste

- Used oil, hazardous waste packaging, used lamps, used batteries, chemical packaging covers in the spare parts warehouse at POM.
- Packaging in the form of jerry cans and water purification chemical bags in the belt press area at POM.
- Used hazardous containers in the form of oil drums and jerry cans used for water purification chemicals are used as water reservoirs in around the WWTP ponds at POM.
- The used CBA pesticide packaging is used as a water reservoir, light bulbs, and alum sacks in the POM boiler area.
- Waste of used paint cans and packaging contaminated with hazardous oil, used oil filters, and used oil in the oil trap in the former housing division II A generator house at KTK 1.
- Used pesticide packaging and used oil drums are stored beside the hazardous waste storage in KTK 1
- Hazardous waste of used batteries used oil filter packaging in the workshop storage warehouse at KTK 1.

- Hazardous waste packaging and pesticide spray equipment in the KTK II warehouse
Based on the results of document verification for chemical operators' PPE replacement, there is a chemical operator's PPE replacement, for example:
 - Replacement of PPE for KTK III division 4B pesticide application workers in the form of glasses, masks, gloves, boots on January 9, 2023.
 - Replacement of PPE for the KTK III division 4B fertilizer application workforce in the form of boots on March 10, 2023.
 - Replacement of PPE for KTK I division 2A pesticide application workers in the form of masks, gloves, aprons, boots on January 10, 2023.

Meanwhile, based on the results of verification of the Hazardous waste log book documents from quarters 1 to 4 of 2022, it is known that Hazardous waste PPE contaminated with Hazardous, such as aprons, shoes, gloves used by chemical operators, have not been recorded and stored in Hazardous waste storage on estate and POM.

Domestic Waste

- Domestic waste is disposed of behind the division IIB housing at KTK 1
- Domestic waste is piled up on the outskirts near the WWTP pond at POM.
- Domestic waste is disposed of behind the house and in the ditch in front of the division II A residential house at KTK.
- Organic domestic waste (used palm leaf sticks) disposed of in the swamp area behind the housing division III C at KTK 2.

The company has not been able to show sufficient evidence that the management of Hazardous waste is in accordance with procedures and is fully understood by all workers and managers. **This is indicator become Nonconformity number 2023.01 with minor category.**

7.3.3

The company does not carry out open burning for waste disposal. Base on field observation known waste separation is separated based on the type of wet and dry waste, garbage transportation is carried out routinely, waste separation organic and inorganic are adjusted to the appropriate tub then put into the final waste disposal and closed periodically. Based on the results of field visits, both on land and in housing, there was no evidence of open burning of hazardous and toxic waste or domestic waste.

7.3.2	Status: NCR Number 2023.01 with minor category.
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7.4

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

7.4.1

The company has procedures for managing land as stipulated in the SSOP Sustainability Standard Operating Procedure number 7 revision 3 dated 15 November 2021 concerning Seeding, Planting and Maintenance of Oil Palm Plants. In section C.7 Fertilization is explained based on the results of soil and leaf analysis.

Based on the document review, it is known that the company has applied fertilizer according to the recommendations, for example fertilizing in Tapung Kanan II Division 3A using MOP fertilizer (65,700 kg) in August 2022 at a dose of 1.50 kg/tree.

Apart from using chemical fertilizers, the company also applies EFB and Treated Effluent to Land Application as fertilizer to increase soil fertility, for example in Tapung Kanan I Block 34A as much as 131 Tons of EFB and Treated Effluent to Land Application until December 2022 as much as 65,799 M3 which has been applied to land.

7.4.2

There are records of leaf and soil sample analysis activities on a regular basis to monitor and manage changes in soil fertility and plant health, which are described as follows:

Soil Analysis Results

The Soil Analysis was carried out for the period of August 28, 2022, which was published by PT Applied Agricultural Resources Indonesia for the Tapung Kanan I, II, and III Estates. As an example, there are 3 samples for the Tapung Kanan II Plantation. The parameters analyzed are major and minor elements, which consist of major elements such as pH, Organic C, N, C/N, P, K, Ca and Mg.

Leaf Analysis Results

Leaf Analysis was carried out in the period March 28 – 30, 2022, which was published by PT Applied Agricultural Resources Indonesia for Tapung Kanan I, II and III Estates. As an example, there are 11 samples for the Tapung Kanan II Plantation. The parameters analyzed are major and minor elements, which consist of major elements such as N, P, K, Ca, B, Cu, Zn and Mg.

7.4.3

Companies that utilize waste as evidenced by documents utilizing renewable Mill waste for the 2022 period. Data on the recapitulation of solid waste and POME utilization for fertilizer for the period January - December are as follows:

- FFB Processed 136,743 Tons
- Empty fruit bunch utilized 29,549 Tons
- The POME waste used is 65,799 M3

Based on the results of interviews and document verification, it shows that the empty fruit bunches are used to substitute fertilizer by applying it to the land. The company also utilizes POME waste which is used to substitute fertilizer into the land through Land Application. All of the waste is utilized and data on its use is recorded in detail and traceable.

The results of visits to the application site for empty fruit bunches during the audit process and liquid waste from the Land Application in block 34A, Division II B of the KTK-1 plantation are used as liquid fertilizer.

Based on information from interviews and document reviews, there are already available nutrient recycling strategies, which can include recycling empty fruit bunches, mill POME waste, palm oil residue, as well as optimizing non-organic fertilizers.

7.4.4

The company has shown documents related to the fertilization plan and realization for each estate. The examples are as follows:

Report on Recommendations and Realization of Fertilization for the period October 2021 – September 2022 at the Tapung Kanan III Estate

Estate	Type of Fertilizer	Recommendation (Kg)	Actual (Kg)
Tapung Kanan III	Urea	394,530	394,530
	Ammoniac Sulphate	368,050	368,050
	MOP	545,200	545,200
	Kieserite	201,350	201,350
	BRP	134,550	134,550
	Oxy Zincop	4,200	4,200
	Fertibor	5,525	5,525

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

Based on a semi-detailed soil survey PT Sekarbumi Alamlestari period 2017 in Assessment on Fragile and Marginal Soils in PT Sekarbumi Alamlestari date of Report – January 2020, it was informed that the company's soil classifications, according to FAO, namely Gleyic arenosols, dsytric arenosols, and dystic cambisols so that no peat soil classification was found.

The topographic conditions at PT Sekarbumi Alamlestari based on map of the slope class of PT Sekarbumi Alamlestari's oil palm plantation with a scale of 1:60,000 printed on August 01, 2020, also published by PT AAR Indonesia. The information as follows:

SLOPE CLASS (°)	DESCRIPTION	AREA (Ha)
0-2	Flat	2,196.4
2-6	Undulating	3,535.9

6-12	Rolling	430.4
12-20	Hilly	36.6
20-25	Steep	0.4
>25	Very Steep	0

Based on field observations in the undulating area of Block 94C Division 3A Tapung Kanan 2 Estate, it is known that erosion mitigation efforts are carried out by arranging the transverse midrib and neprolepis at the stacking area. Based on field observations, no oil palm plantations were found on steep slopes.

The company has topographic maps and land surveys in the management of planting areas. This information is used by the company in planning for oil palm plantation development such as the construction of roads, bridges, ditches, and other infrastructure.

7.5.2, 7.5.3

Based on the results of field observations and interviews with management representatives, it is known that the company has not carried out replanting and new plantings. The oldest age of oil palm plantations in the company's operational area, was planted in 1992. The company is still considering replanting because the plant production is still quite good for 2022 which is an average of \pm 18 tons/ha/year. This is in accordance with the SOP on Sustainability Standard Operating Procedures (SSOP) SSOP 9 according to Land Clearing and Replanting Rev 4 on November 2, 2020, explained that one of the criteria for replanting was that the FFB production was below 14 tonnes/ha/year.

Status: Comply

7.6

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

7.6.1, 7.6.2 and 7.6.3

Based on the results of the document review, interviews with management, and field observations, it is known that currently, there is no new land development in PT Sekarbumi Alamlestari, planting Year 2019 is infilling not New Planting however replanting.

Based on a semi-detailed soil survey PT Sekarbumi Alamlestari period 2017 in Assessment on Fragile and Marginal Soils in PT Sekarbumi Alamlestari date of Report – January 2020, it was informed that the company's soil classifications, according to FAO, namely Gleyic arenosols, dsytric arenosols, and dystic cambisols so that no peat soil classification was found.

The topographic conditions at PT Sekarbumi Alamlestari based on map of the slope class of PT Sekarbumi Alamlestari's oil palm plantation with a scale of 1:60,000 printed on August 01, 2020, also published by PT AAR Indonesia. The information as follows:

SLOPE CLASS (°)	DESCRIPTION	AREA (Ha)
0-2	Flat	2,196.4
2-6	Undulating	3,535.9
6-12	Rolling	430.4
12-20	Hilly	36.6
20-25	Steep	0.4
>25	Very Steep	0

Status: Comply

7.7

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

7.7.1 – 7.7.7

Based on the PT Applied Agriculture Resources Indonesia document in January 2020, it is known that the land in PT Sekarbumi Alamlestari consists of Typic Hapludults, Typic Kanhapludults, Typic Paleudults and Typic Endoaquepts soil groups. Based on the data above it is known that there is no peat soil in the PT Sekarbumi Alamlestari area.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The water management plan for PT SA is listed on some document such as environment management and monitoring document and HCV management plan 2021-2022. These documents describe the water source identification, POM and estates water usage monitoring & efficiency, and water catchment area protections.

The company also regularly conducted water quality testing every semester for Tapung Kanan river. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Tapung Kanan also provides clean water access for all workers.

The company shown identification and maps for water courses and wetlands included riparian on 1 : 75,000 scale. HCV identification shown the main watersheds on company areas are tapung river, and other tapung Sub-watersheds including Sepano, Sepahat, and Paloge watershed. Procedures for watersheds protection has been established and listed on sustainability procedures no 22 on 2017.

Based on the results of document verification and field observations to several sampling locations, it shows that the company has carried out activities in an effort to improve water quality, including:

- Conduct outreach to all employees and the surrounding community to maintain water quality.
- Maintain the cleanliness of the environment around water sources so that sources of pollution can be minimized.
- Create a program to improve water quality gradually with the provisions of the applicable laws and regulations.
- Report the results of the examination in accordance with the provisions of the applicable laws and regulations.
- Testing the quality of river water and drilled wells listed in the RKL-RPL report
- Management of erosion and surface water runoff, management of water in the lowlands and monitoring of surface water quality as stated in the implementation of RKL-RPL every semester
- Waste water management using WWTP
- Monitoring of water use for palm oil processing and evaluation of its use.

Based on the test results data for the period Semester 1 2021 to semester 2 2022 there are several parameters that are not in accordance with the intermediate quality standards, namely the river after the factory and before the factory namely for the COD parameter and the value of the pH parameter in the monitoring wells.

The results of interviews with the company as well as the review of the RKL-RPL Semester 2 2022 document, obtained information that the increase in some of these parameters was due to soil characteristics and as explained in the RKL - RPL evaluation section this will, if possible, be submitted to environmental agency to request input and recommendations. Following up on these conditions, the company needs to carry out studies, analyses, and explanations in a long-time frame (compared to the initial outline of the environmental document) so that every fluctuation in the results of the environmental tests that have been carried out can be described.

Based on this, the company has the opportunity to improve by conducting an analysis related to surface water test results that are not in accordance with quality standards as a whole and comprehensively covering all parameters, long time series data, management of potential pollution that might occur, and mitigation measures. **OFI**

7.8.2

Regarding the plan for the management and protection of riparian to avoid negative impacts, it is stated in the document:

- PT SA's HCV identification and management plan report in September 2012 in the recommendation section explained that the company needs to create a buffer zone area on the riparian and not apply chemicals and fertilization along the riparian of river. The report also explains the types of HCV identified, for areas that function as HCV 4, namely:

Riparian Sepano river
Riparian Tapung Kanan river
Riparian Palapian river
Riparian Sepahat river
Riparian Paloge river

In the report it is explained that PT SA already has a policy and commitment to protect one of the areas with conservation value, namely by setting a boundary of 50 meters on either side of the river that crosses the plantation not to be given agrochemical

treatment and allowed to become shrubs.

- Procedure number SSOP 22. Identification, management and monitoring of conservation areas and flora & fauna dated 5 November 2020 revision 3. Demarcation of conservation areas explains as follows:
 - The boundary of the conservation area that has been delineated must be demarcated by placing numbered stakes.
 - List of stake numbers and coordinates available.
 - In areas where there are main trunks of oil palm, a predetermined plate and number is given at a height of 1.5 m from the ground surface.
 - Marking is carried out alternately with the palm trees.
 - The riparian area follows the recommendations in the HCV report or follows the boundaries set by the government or regulations.
- The company shows the 2022 HCV Management Realization Matric (High Conservation Value) which explains several types of management and monitoring activities, such as an example of maintaining mapped demarcation of conservation area markers by continuously maintaining delineation markers.

As the implementation of these procedures, during the audit process, evidence of the implementation of the plan can be shown, which is explained in the PT SA conservation area monitoring and management report dated 14-17 November 2022 explaining several points of management implementation, namely:

- Carry out maintenance of conservation area delineation markers on 22 April and 22 October 2022.
- Monitoring of the HCV boundary markers of the Tapung Kanan River No. 258 and 151 are uprooted, the writing is fade, HCV of the Sepahat River No. 480, HCV of the Palapian River No. 380, HCV of the Sepano River No. 108, HCV of the Paloge River No. 513 & 512, good condition and HCV of the Sepano river No. 17 is lost.
- The results of monitoring the HCV area in KTK II HCV of the Sapano River are in good condition, there is no evidence of the use of chemicals in the area.
- The results of monitoring the HCV area in KTK III HCV Paloge River is in good condition, there is no evidence of the use of chemicals in the area.
- The socialization to all KTK 1 – III employees on 12 January 2022 attended by 167 workers. Information dissemination and evaluation was carried out on KTK II fertilizers and sprayers regarding the management of restricted and boundary HCV areas of fertilizing and spraying in conservation areas. KTK III fertilizers regarding the prohibition and limit of fertilizing around the conservation area. From the results of socialization and evaluation by the MCL team, workers already understand the prohibitions and limits on fertilizing and spraying in conservation areas.
- The socialization to Kota Bangun Village, Suka Maju Village, Kota Baru Village and Kota Aman Village on 23 February 2022 attended by 29 people.

However, based on the results of field visits in the riparian conservation area, which was the scope of the audit, information was obtained that:

- HCV Sepahat river riparian block 1994 A division II A and block 1995 B division II A KTK I estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in block 1994 A and in block 1995 B division II A, the KTK 1 was carried out on January 10, 2023 (block 1994 A) and on January 16, 2023, block 1995 B).
- HCV Sepano River riparian block PM 2005 division III C and block 1995 B division III B KTK II estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. There are also rehabilitation plants such as bamboo and woody plants that were cut down. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in PM 2005 division III C and block 1995 B division III B, the KTK II estate was carried out on 26 January 2023 and 3 January 2023.
- There are pesticide spray marks on the riparian of the Sempano River behind the housing division III C in block 1992 D.

The company has not been able to show evidence of the implementation of the water resources management plan that has been carried out in accordance with the Management plan and SOPs owned, in order to avoid negative impacts on other users in the water catchment area. **This is indicator become Nonconformity number 2023.02 with major category.**

7.8.3

The company has permitted the utilization of POME for applied to land (Land Application) based on decree of Head of capital investment and integrated services, Kampar regent No 503/DPM-PTSP.PEL/LA/2017/02 dated 7 October 2017 valid 5 years. There is a letter from the Kampar Regency Environmental Service No 660/DLH-BID3/593 dated 28 October 2022 regarding the extension of permits for utilizing POME on land. In point 4 of the letter, it is explained that PT SA is not required to extend the permit for utilizing wastewater on land because it has been equated with technical approval in accordance with applicable regulations.

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results period January to December 2022 were accordance with regulation of the environment minister Number. 28/2003. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there are no issues from stakeholders related to land application.

Based on field visit in land application area on lock 34A, Division II B KTK-1 estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially into the river that across the village.

7.8.4

The company already has a Decree of the Minister of Public Works and Public Housing with No. 640/KPTS/M/2018 dated 4 September 2018 and is valid for 5 (five) years. Based on this permit, the maximum debit of water that can be used at the intake in the Tapung Kanan River is 17.04 liters/second for 25 days equivalent to 3,6720 M3/month.

The company has shown proof of payment of surface water tax for the January 2023 period, which was paid on February 20, 2023, at the Regional Revenue Agency. The company already has water usage documents for palm oil processing units. For example, the company has shown the recording of POM water usage in the Water Usage in Mill document for the January-December 2022 period of 120,3471 m3 with an average water usage of 0.98 m3/ton FFB in that period. This value still meets the water use budget set by the company in 2022, which is 1.5 m3/ton FFB.

Status: NCR Number 2023.02

7.9

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

7.9.1

The unit certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2022 POM has produces 1,120,359 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 10.27 kwh / ton CPO. Result Direct fossil fuel used is 0.10 kWh/ ton CPO.

Status: Comply

7.10

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

7.10.1

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

Reduction of fossil fuels in POM has been carried out by using fiber and shells for fuel substitution. The company also uses POME to be applied to land with test results from the monitoring period January – December 2022 which show that all POME testing parameters have met the applicable quality standards.

Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it was found that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2022 is as follows:

Emissions per product	tCO ₂ e/tProduct
CPO	0.42
PK	0.42

Production	t/yr
FFB processed	109,760.00
CPO produced	22455
PK produced	6166

Extraction	%
OER	20.46
KER	5.62

Land use	Ha
Planted area on mineral	5199.00
Planted on peat	0
Total area planted	5199.00
Conservation Area (Forested)	923.00
Conservation Area (Non-Forested)	0
FFB Production per hectare	22.27

Summary of field emission and Sinks

Description	Own crop	3rd	Total
Emissions Sources	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e
Land conversion	8772.08	0.09	0
CO ₂ emissions from fertilizer	4867.13	0.09	0
NO ₂ emissions from peat	0	0	0
N ₂ O from Fertilizer	4818.91	0.05	0
Fuel consumption	272.73	0	0
Peat oxidation	0	0	0
Sinks			
Crop sequestration	-7021.35	-0.07	-7021.35
Sequestration in Conservation area	-7954.87	-0.08	0
Total	3754.63	0.04	612.40
			4367.03

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	7153.14	0.07
Fuel consumption	403.92	0

Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	7557.06	0.07

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0

Based on the data above, it can be seen that the company has a GHG emission increase value of 0.35 tCO₂e/tProduct for the period January to December 2021. There was an increase in GHG emission from the previous period, namely the period January – December 2022 of 0.42 tCO₂e/tProduct. This is due to the high use of chemical pesticides and fertilizers in that period. Based on this, it can be concluded that the company already has GHG calculation results that are in accordance with the supporting data (land conversion data, fertilizer data, pesticide data, fuel use data and others).

7.10.2

Based on hectare statement document, it is known that planting was carried out from 1992 to 2006. Where planting in the 2005 planting area was in May and planting in 2006 was insertion of old plants due to pest attacks. Until RC was carried out, there are no new planting activities or new land clearing after 15 November 2018.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment on a regular basis and POME for land application. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dose, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, implementation of efficient use of electricity and integrated pest control to minimize the use of pesticides.

7.10.3

The company has identified pollutions and emissions sources of Tapung Kanan POM for the period 2022, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2021 and 2022, such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and infectious waste. The plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester I until II the year 2022. Fossil fuel reduction on Tapung Kanan POM have been implemented by fiber/shell usage for the boiler.

Status: Comply

7.11

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

7.11.1

Company has zero burning policy which is contained in the Land Opening SOP No. 31 which among others states that land clearing is carried out using zero-burning method. In addition, in Sustainability Standard Operating Procedure No.9, 2nd revision on 18 January 2018 concerning Land Clearing and Replanting in point A.2, it states that a no-burn policy must be applied for all types of wood waste produced.

Based on the results of field visits to operational area, known that there are no burning activities and based on result visit also known that there has also been a warning about the prohibition and appeal not to burn land.

7.11.2

The company already has fire prevention and control measures, for example:

- Have procedures for prevention and management of land fires No. 24 dated 10 August 2017.
- Monitoring fire facilities and infrastructure owned every month. In addition, based on the results of land fire monitoring, it is known that there have been no incidents of land fires in the company's operational area in the last 1 year
- Has an emergency response team structure that has been trained to deal with fires
- Conduct training simulations on a regular basis. For example, company showed minutes of Socialization emergency response of forest and land fires which were carried out on October 24, 2022
- Monitoring and control of land fires for semester II 2022 was submitted to related Agency of Kampar Regency on January 16, 2023.

The company can show a list of emergency response preparedness equipment along with a recording of its condition monitoring, which is carried out every month, as for the list of emergency preparedness equipment owned by the company as of December 2022 such as :

- Water tank
- Water pump
- Hose
- Nozzle
- Light fire extinguisher
- Hydrants
- First Aid
- etc

The results of an interview with the related Agency of Kampar Regency and communities around known that there is no history of fires or the appearance of hotspots in the company area within the last 2 years.

7.11.3

The company can show recordings of periodic training, for example the Minutes of Socialization emergency response of forest and land fires which were carried out on October 24, 2022.

Based on the results of field observations in the operational activities, it shows that there are no operational activities that use fire. Based on interviews with management, related agency and communities around (such as head of Koto Garo village and *Ninik Mamak* of Koto Garo village), it was stated that all land clearing activities were done mechanically. In addition, based on the interview also known that the company has involved the community in terms of fire prevention and control.

Status: Comply

7.12

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

7.12.1

Based on hectare statement documents, known that the planting is done since 1992 - 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until RC audit conducted, no new planting activities above 15 November 2018.

Based on document verifications, its known if there is new planting in 2019 covering 20 Ha in Tapung Kanan 1 Estate. Those areas located in the scope of certification who previously occupied by the community (dispute area). Based on an interview with management, document verifications and Landsat image analysis it was known previously that area are planted area with a year of planting in 1999. In 2004, those areas claimed and occupied by the community. That dispute has been resolved in 2015 based on decree from the district court of Bangkinang Regency No. 001/KM-KTK/SA/II/2015 about execution notification who described to

owners of buildings, houses, huts, plants will be demolished within one week from 21 January 2015. a part of the area was replanted in 2015 (39 hectares) and the rest was planted in 2019.

The company did not expand and develop plantation areas after 15 November 2018. Based on hectare statement documents, known that the planting is done since 1992 - 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Disclosure of Liability of KKL Group to RSPO has been conducted on 31 July 2014 by email. PT Sekarbumi Alamlestari included in the Zero Liability, and not necessary to perform LUCA.

7.12.2

Based on hectare statement documents, known that the planting is done since 1992 - 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until RC audit conducted, no new planting activities above 15 November 2018, planting activities carried out in 2019 categorized as replanting where the area was previously controlled by the community as described in 7.12.1.

The CH shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor in 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia in June 2008. These identifications indicate there is HCV 1.3, 4, and 6 presences on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About an HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is **923 Ha**. All indicates HCV areas was mapped by 1:75,000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species. The HCS not Applied for this unit, because the company conducted an HCV assessment in 2012 and was RSPO certified prior to the mandatory HCS assessment.

7.12.3

Based on RSPO Principles & Criteria 2018 7.12.3 procedural note, it is stated that Indicator 7.12.3 is not relevant to Indonesia, until further decisions by the RSPO.

7.12.4

The company has presented a management plan containing monitoring of the status of HCV area of PT SA for the period 2021 & 2022. For example, the activity plan is as follows:

- Making Elephant Handling Procedure
- Establish communication with BKSDA and other institutions that understand the management of human-elephant conflict.
- Improved skills for workers, especially for officers dealing with conflicts with elephants.
- Complete data on the distribution of animals in the company
- Monitoring of critically endangered species
- Create a no-maintenance and hunting signboard.
- Maintain HCV stakes and HCV area demarcation.
- Installation of HCV area notice boards
- and the others

In addition, the implementation of HCV management and monitoring plan in 2021 & 2022 is demonstrated in several documents as follows:

- Monitoring checks of conservation area stakes every month.
- Monitoring HCV area warning board every month
- Monitoring spray limit mark every month.
- Socialization of HCV to employees and surrounding communities
- Management of riparian (do not replant the river border area)
- Monitoring flora and fauna every month

Regarding the plan for the management and protection of riparian to avoid negative impacts, it is stated in the document:

- PT SA's HCV identification and management plan report in September 2012 in the recommendation section explained that the

company needs to create a buffer zone area on the riparian and not apply chemicals and fertilization along the riparian of river. The report also explains the types of HCV identified, for areas that function as HCV 4, namely:

Riparian Sepano river
Riparian Tapung Kanan river
Riparian Palapian river
Riparian Sepahat river
Riparian Paloge river

In the report it is explained that PT SA already has a policy and commitment to protect one of the areas with conservation value, namely by setting a boundary of 50 meters on either side of the river that crosses the plantation not to be given agrochemical treatment and allowed to become shrubs.

- Procedure number SSOP 22. Identification, management and monitoring of conservation areas and flora & fauna dated 5 November 2020 revision 3. Demarcation of conservation areas explains as follows:
 - The boundary of the conservation area that has been delineated must be demarcated by placing numbered stakes.
 - List of stake numbers and coordinates available.
 - In areas where there are main trunks of oil palm, a predetermined plate and number is given at a height of 1.5 m from the ground surface.
 - Marking is carried out alternately with the palm trees.
 - The riparian area follows the recommendations in the HCV report or follows the boundaries set by the government or regulations.
- The company shows the 2022 HCV Management Realization Matric (High Conservation Value) which explains several types of management and monitoring activities, such as an example of maintaining mapped demarcation of conservation area markers by continuously maintaining delineation markers.

As the implementation of these procedures, during the audit process, evidence of the implementation of the plan can be shown, which is explained in the PT SA conservation area monitoring and management report dated 14-17 November 2022 explaining several points of management implementation, namely:

- Carry out maintenance of conservation area delineation markers on 22 April and 22 October 2022.
- Monitoring of the HCV boundary markers of the Tapung Kanan River No. 258 and 151 are uprooted, the writing is fade, HCV of the Sepahat River No. 480, HCV of the Palapian River No. 380, HCV of the Sepano River No. 108, HCV of the Paloge River No. 513 & 512, good condition and HCV of the Sepano river No. 17 is lost.
- The results of monitoring the HCV area in KTK II HCV of the Sapano river are in good condition, there is no evidence of the use of chemicals in the area.
- The results of monitoring the HCV area in KTK III HCV Paloge River is in good condition, there is no evidence of the use of chemicals in the area.
- The socialization to all KTK 1 – III employees on 12 January 2022 attended by 167 workers. Information dissemination and evaluation was carried out on KTK II fertilizers and sprayers regarding the management of restricted and boundary HCV areas of fertilizing and spraying in conservation areas. KTK III fertilizers regarding the prohibition and limit of fertilizing around the conservation area. From the results of socialization and evaluation by the MCL team, workers already understand the prohibitions and limits on fertilizing and spraying in conservation areas.
- The socialization to Kota Bangun Village, Suka Maju Village, Kota Baru Village and Kota Aman Village on 23 February 2022 attended by 29 people.

However, based on the results of field visits in the riparian conservation area, which was the scope of the audit, information was obtained that:

- HCV Sepahat river riparian block 1994 A division II A and block 1995 B division II A KTK I estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in block 1994 A and in block 1995 B division II A, the KTK 1 was carried out on January 10, 2023 (block 1994 A) and on January 16, 2023, block 1995 B).

- HCV Sepano river riparian block PM 2005 division III C and block 1995 B division III B KTK II estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. There are also rehabilitation plants such as bamboo and woody plants that were cut down. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in PM 2005 division III C and block 1995 B division III B, the KTK II estate was carried out on 26 January 2023 and 3 January 2023.
- There are pesticide spray marks on the banks of the Sepano river behind the housing division III C in block 1992 D.

The company has not been able to show evidence of the implementation of the HCV management plan for 4 areas that provide natural environmental services that have been carried out in accordance with the HCV Management plan and SOP. **This is indicator become Nonconformity number 2023.03 with Major category.**

7.12.5

Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until RC audit conducted, no new planting activities above 15 November 2018.

Based on interviews with representatives of Kota Aman Village and Koto Garo Village and Ninik Mamak Koto Garo, it is known that there is no overlap between the company's land and the community.

7.12.6

The company already has HCV assessment for entire area of operations which done by RSPO Approve Assessor in 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia in June 2008. This identification indicates that there is presence of HCV 1.3, 4, and 6 in KTK-1, KTK-2, and KTK-3 Estates covered for 1070.3 Ha. There is discrepancy of HCV area between result of identification and area statement which is due to digitization of planted area embedded areas including conservation area. There is no planting in HCV area. Therefore, extent of embedded area is adjusted to digitized results. After re-measuring/ delineating, conservation area in PT SA is 923 Ha. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identification has covered all estates/mill operational areas including surrounding landscape and RTE species.

The company has RTE species protections procedures, listed on sustainability procedures SOP 22 In 2017. Is stated that all workers including contractors are not allowed to hunt, to raise, and to kill all RTE species. To provide protection against those RTE species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency).

Information related to the application of sanctions for employees in the form of disciplinary action in accordance with the provisions of national law is also listed on the HCV signboard which explains that "anyone who violates will be reported to the authorities with the threat of punishment and fines". The sanction is imposed by the company by giving the first warning letter to employees who violate work rules. Based on the results of interviews with company employees regarding animal protection, the company has committed to protecting animals that are within the scope of the company's management area, such as implementing a ban on hunting, killing, and keeping wild animals within the company's environment. The procedure for animal protection also regulates the existence of sanctions or fines for those who violate these provisions.

Indirect socialization is also carried out by installing information boards and brochures warning signs related to conservation areas and the presence of protected rare plants and animals in places that are easily visible, such as area entrances, regional roads that are often crossed by the community, and other places other strategic areas such as offices, and other public facilities. The results of field observations in several conservation areas show that the company has managed protected areas such as replanting local plant species, not logging, not using chemicals, and installing HCV signboards as well as prohibiting hunting and burning to avoid and prevent poaching and/or illegal hunting. Or encroachment on HCV areas. Routine monitoring of HCV areas is carried out by several personnel appointed by the company.

The company also conducts regular inspection for HCV/RTE species protection, for example, inspection which was done on 5 December 2022 indicates there is no wild hunting and no wild animal traps presence on HCV areas. In addition, the management unit periodically increases the understanding of workers and the surrounding community by socializing the prohibition on hunting for animals and protecting HCV areas, an example of socialization activities carried out on 23 February 2022 to the people of Kota Aman

Village.

Based on the results of field visits at the KTK III Division 4B and 4A offices, information was obtained that there was an information board regarding protected species of flora and fauna according to PP 7 of 1999. The company needs to ensure that the information board is updated regarding the most recent regulations governing protected species, namely Ministry of Environment and Forestry Regulation No.106 of 2018. **OFI**

7.12.7

The company have established HCV management plan and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.

HCV identification results also explain there is an RTE species according to IUCN-Redlist namely for example *Elephas maximus* and *Panthera tigris*. PT.SA has established HCV management plan 2022 that includes appropriate management and monitoring to maintain HCV attributes and RTE species.

Company has Presenting specific assessment as feedback of RTE species monitoring result data especially for elephants maximus. Evaluation of RTE species monitoring, result is base home range mapping, population and migration time frame.

The results of monitoring during 2021 are used as evaluation material, added to the results of interviews with stakeholders to determine the plan to manage and monitor 2022. One of the follow-up actions taken is to repair and replace damaged signboards. As for patrolling the HCV area and monitoring wildlife and outreach to workers & the community, it will be maintained.

Company established HCV management plan to maintain the HCV areas in operation area of PT SA, listed on Management plan HCV 2022 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian.

All evaluation results will be reviewed and will be adjusted to the HCV management program in 2023. The evaluation results also indicate an increase in species encounters. In addition, management and monitoring of HCVs has been carried out in a participatory manner by involving communities around the plantations, one of which is an agreement with the community to jointly protect the HCV area.

7.12.8

Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until RC audit conducted, no new planting activities above 15 November 2018.

Based on document verifications, its known if there is new planting in 2019 covering 20 Ha in Tapung Kanan 1 Estate. Those areas located in the scope of certification who previously occupied by the community (dispute area). Based on an interview with management, document verifications and Landsat image analysis it was known previously that area are planted area with a year of planting in 1999. In 2004, those areas claimed and occupied by the community. That dispute has been resolved in 2015 based on decree from the district court of Bangkinang Regency No. 001/KM-KTK/SA/I/2015 about execution notification who described to owners of buildings, houses, huts, plants will be demolished within one week from 21 January 2015. A part of the area was replanted in 2015 (39 hectares) and the rest was planted in 2019.

The company did not expand and develop plantation areas after 15 November 2018. Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Disclosure of Liability of KLK Group to RSPO has been conducted on 31 July 2014 by email. PT Sekarbumi Alamlestari included in the Zero Liability, and not necessary to perform LUCA.

7.12.4	Status: NCR Number 2023.02 with Major category.
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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	PT SA do not use trademark or logo	√
	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	PT SA do not use trademark or logo	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
RC	PT SA do not use trademark or logo	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
RC	PT SA do not use trademark or logo	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Kuala Lumpur Kepong Bhd 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.

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 15 November 2022.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd 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:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour 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
- Based on the results of the auditor's verification, all information related to units that have not been certified have been included in the company's own assessment.
- There is additional information related to several units that are no longer included in the company's timebound plan, for example: Mill1 (Malaysia) and PT Anugrah Surya Mandiri (Indonesia).

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>Positive assurance statement provided, which does include the new mill found in the revised time bound plan.</p> <p>Auditor verification: There is internal audit that has been conducted for uncertified unit :</p> <ul style="list-style-type: none"> - PT Indonesia Plantation Synergy - PT Bumi Makmur Sejahtera Jaya - PT Prima Alumga - PT Pinang Witmas Sejati - PT Karya Bakti Sejahtera Agrotama - PT Menteng Jaya Sawit Perdana - PT Prima Bahagia Permai - PT Sinergi Agro Industri - PT Tekukur Indah - PT Putra Bongan Jaya
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>The Company has conducted HCV assessment for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. Related to the new mills and newly acquired land are waiting for the concept plan to be approved.</p> <p>Auditor verification: Auditor has verified the supporting evidence of above the company statement. The above</p>

		statement in accordance with the supporting evidence provided. The uncertified that follow RaCP is PT Menteng Jaya Sawit Perdana. For other uncertified unit, known that there is no new planting
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted prior to development. There is new planting after January 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p>Auditor verification There is new planting after 2010 in PT Putra Bonga Jaya and this is uncertified unit will follow sanction. For the other uncertified unit, there is no new planting after 1 January 2010.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.</p> <p>Auditor verification The company has procedure to resolve the land conflict which has explain that problem solving of conflict area.</p> <p>There is evidence of documented land dispute resolution for the uncertified units. No issue that obtains by web search.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries. The company has a mechanism for dealing with complaints.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There's uncertified unit that still on HGU process:</p> <ul style="list-style-type: none"> - PT Bumi Makmur Sejahtera - PT Menteng Jaya Sawit Perdana

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-1.3 + ASA-1.4 Onsite Audit

NCR No.	:	2022.01	Issued by	:	Leonada
Date Issued	:	April 8, 2022	Time Limit	:	7 July 2022
NC Grade	:	Major	Date of Closing	:	June 16, 2022
Standard Ref. & Requirement	:	3.6.1 (C) All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented			
Evidence observed (filled by auditor):					
<ul style="list-style-type: none">The company has Procedures related to Personal Protective Equipment in the Sustainability SOP, especially in SOP 24 revision 2 dated 2 May 2020 concerning Occupational Health and Safety (OHS) and Emergency Response which explains:<ul style="list-style-type: none">The company is required to provide PPE to all workers according to their work stations.If the PPE is damaged, the company will replace it.Management must monitor the discipline of using PPE.Have stock of PPE.List of PPE in various POM activities approved by FM, with identification of them:<ul style="list-style-type: none">Boiling Station: helmet, ear muff, leather gloves, safety shoes.Kernel Station: helmet, ear muff, leather gloves, safety shoes.Boiler stations, including face shield helmets, ear muffs, leather gloves, safety shoes, respirator masks, rubber gloves.The list of PPE in various activities of the EM approved Farm, is known as follows:<ul style="list-style-type: none">Harvester: Helmet, egrek holster, boots, glasses.Fertilizer: Mask, cloth/rubber gloves, boots, apron.Sprayers: goggles, mask, apron, rubber and cloth gloves, boots.FFB loader: leather gloves, boots, helmet.Document of Hazard Identification, Risk Analysis and Risk Control dated March 9, 2021 which regulates the identification of PPE with several explanations as follows:<ul style="list-style-type: none">Harvest Activities: Boots and Helmets.Spraying: mask (chemical): cloth and rubber gloves, long sleeves, boots, apron.Fertilization (transport and application): mask (chemical), gloves, apron (chemical), Long sleeve shirt.The management unit shows the monitoring document for the use of PPE in 2018 & 2019, while for monitoring the use of PPE in 2020 & 2021 it has not been shown.The results of field observations and interviews at POM with Wheel Loader operators, grading workers, sterilizers, hosting cranes, Kernels, Engine Rooms, and Boilers, it is known that some workers wear boots for reasons that they are not comfortable wearing safety shoes.The results of interviews and field observations in KTK I, II, and III estates, are known:<ul style="list-style-type: none">Harvest: Not wearing glasses because it is uncomfortable (condensing).Spray application: Do not use a (chemical) mask because it is uncomfortable. Masks (chemical) were brought and shown to the Auditor, but were not worn. (KTK I)Implementation of spraying and harvesting in the same block in Block 94E Afdeling 3A. The supervising officer explained that he did not yet know the risk of spraying being carried out together with harvesting activities. (KTK II)FFB carrier: not wearing a helmet. (KTK I)					
Non-Conformance Description (filled by auditor):					
The company has not fully implemented the risk control mitigation plans and procedures that have been established.					
Root Cause Analysis (filled by organization audited):					
a. Discipline monitoring of the use of PPE was not carried out due to the negligence of the foreman/related staff in implementing SSOP No. 24.					

- b. Workers are not comfortable wearing PPE due to lack of awareness of the dangers arising from their work and lack of monitoring from assistants/staff/foremen and there are no sanctions.
- c. The implementation of spraying and harvesting in the same block is due to staff negligence

Correction (filled by organization audited):

- 1. Disseminate the use of PPE and monitor the discipline of using PPE and apply sanctions.
- 2. Discussion in the OHS Committee meeting about the inconvenience of using PPE, especially harvesting glasses. The glasses are replaced by using a helmet+faceshield.
- 3. Implement signs that are prohibited from entering the spraying area and re-socialize staff about the SOP for Spraying and Division of Work.

Corrective Action (filled by organization audited):

- a. Discussions in OHS Committee meetings related to work accidents, prohibition of spraying work in the same time and block as harvesting.
- b. The Manager Coordinator issues an advisory and evidence of socialization regarding:
 - It is forbidden to do two different work activities in the same block.
 - In order to monitor the discipline of using PPE for all work activities and apply sanctions.
- c. Monitoring compliance with commitments during internal audits regularly.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification May 25, 2022, June 09 2022, and June 16 2022

The company shows some acceptable evidence of improvement, including:

- 1. Minutes of the OHS Committee meeting on May 19, 2022 which was attended by company representatives and worker representatives, with discussions including evaluation of the use of safety helmets equipped with faceshields, improvement plans related to spray work together with other work in the same place and time. It is planned to disseminate information to related staff and foreman, as well as installation of signs prohibiting entering the spraying area. It is necessary to show the realization of the existing plan.
- 2. An example of a checklist for the use of PPE for fertilizing workers at Division 3A Tapung Kanan 2 Estate on 23 May 2022 carried out by the sustainability team.
- 3. An example of a recording of violations of the use of PPE in Tapung Kanan POM in April 2022 along with sanctions in the form of a warning letter.
- 1. Example of a list of participants in the socialization of the use of PPE and sanctions in Tapung Kanan POM on 04 June 2022, with 10 workers participating.
- 2. List of participants in the Socialization of Signs prohibited from entering the PPE spraying and discipline area in Division 4B on 28 April 2022 which was attended by 67 workers consisting of the foreman, maintenance workers, and harvesters.

Socialization of the prohibition of doing 2 activities in the same area and monitoring of PPE Discipline by the Coordinator Manager to the Manager, Assistant Manager, Staff, and Foreman on 04 June 2022.

Conclusion:

The company has shown identification of root cause analysis and correction, as well as evidence of corrections, as well as corrective action plans that have been accepted so that non-conformities are declared to have been met and will be re-observed at the next surveillance audit.

Follow up on next audit (filled by auditor):

Based on verification on the RC assessment, this indicator has been fulfilled in accordance with the corrective actions taken by the company. A more detailed explanation will be presented in the RC summary report.

Verified by	:	Leonada/ Rizki Tanaya
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3.4.2. Identification of Findings, Corrective Actions and Observations at Recertification Onsite Audit

NCR No.	:	2023.01	Issued by	:	Radityo Puspanjana
Date Issued	:	3 Maret 2023	Time Limit	:	Next surveillance
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			

Evidence observed (filled by auditor):

The company has SOP document No. 23. Management of Hazardous and Non-Hazardous waste issued on May 22, 2020 revision on May 2, 2022 revision 4 which describes several waste management plans, namely:

- Hazardous waste used oil, used rags, plastic and filters contaminated with Hazardous, soil and waste contaminated with Hazardous, used batteries, light bulbs, medical waste, used Hazardous packaging and Hazardous waste PPE contaminated with Hazardous such as aprons, shoes, used gloves chemical operators are classified as Hazardous waste. The SOP explains that several types of Hazardous waste that have been identified in the SOP are stored at TPS for Hazardous waste and then transported by transporters licensed by the government.
- Domestic waste (office and housing) must be carried out:
Organic
Restriction of waste generation and disposal in the trash (landfill) which is 1000 meters from the water source. The processing method in landfills can be done by means of controlled landfills.
Anorganic
Limiting waste generation and sorting waste consisting of plastic, glass and used cans, sorting containers consisting of 3 separate places.

The company has also carried out outreach activities related to waste management and Hazardous waste management, for KTK II KTK III and KTK I conducted on 2 February 2023.

Based on the results of field visits in several locations, for example:

Hazardous waste

- Used oil, Hazardous waste packaging, used lamps, used batteries, chemical packaging covers in the spare parts warehouse at POM.
- Packaging in the form of jerry cans and water purification chemical bags in the belt press area at POM.
- Used Hazardous containers in the form of oil drums and jerry cans used for water purification chemicals are used as water reservoirs in vegetable estates around the WWTP ponds at POM.
- The used CBA pesticide packaging is used as a water reservoir, light bulbs, alum sacks
- Waste of used paint cans and packaging contaminated with Hazardous oil, used oil filters, used oil in the oil trap in the former housing division II A generator house at KTK 1.
- Used pesticide packaging and used oil drums are stored beside the Hazardous storage for Hazardous waste in KTK 1
- Hazardous waste of used batteries, used oil filter packaging in the workshop storage warehouse at KTK 1.
- Hazardous waste packaging and pesticide spray equipment in the KTK II warehouse

Based on the results of document verification for chemical operators' PPE replacement, there is a chemical operator's PPE replacement, for example:

- Replacement of PPE for KTK III division 4B pesticide application workers in the form of glasses, masks, gloves, boots on January 9, 2023.
- Replacement of PPE for the KTK III division 4B fertilizer application workforce in the form of boots on March 10, 2022.
- Replacement of PPE for KTC I division 2A pesticide application workers in the form of masks, gloves, aprons, boots on January 10, 2023

Meanwhile, based on the results of verification of the Hazardous waste log book documents from quarters 1 to 4 of 2022, it is known

that Hazardous waste PPE contaminated with Hazardous, such as aprons, shoes, gloves used by chemical operators, have not been recorded and stored in Hazardous waste Hazardous storage estate and POM.

Domestic waste

- Household waste is disposed of behind the division IIB housing at KTK 1.
- Domestic waste is piled up on the outskirts near the WWTP pond at POM.
- Domestic waste is disposed of behind the house and in the ditch in front of the division II A residential house at KTK1.
- Organic domestic waste (used palm leaf sticks) disposed of in the swamp area behind the housing division III C at KTK 2.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that the management of Hazardous waste is in accordance with procedures and is fully understood by all workers and managers.

Root Cause Analysis (filled by organization audited):

1. Hazardous waste
 - Lack of management oversight of Hazardous waste management.
 - Lack of concern for residents and workers about the use of Hazardous waste
2. Domestic Waste.
The frequency of collection of garbage is not sufficient 1 x 1 week so that the garbage is not accommodated in trash cans

Correction (filled by organization audited):

1. Hazardous waste:
 - Conduct a sweep of all Hazardous waste found in the field, quote it again and (attachment 1 - list of combed Hazardous waste identification and photos,
 - Trasporting it in the Hazardous Waste Hazardous storgae and record it in (attachment 2- Hazardous waste log book)
 - Hand over Hazardous waste to a licensed contractor accompanied by a manifest (attachment 3- minutes and manifest).
2. Domestic Waste
Cleaning up all areas where there is trash throughout the KTK housing and POM area and transporting it to the final waste disposal site (attachment 4 - photo evidence before cleaning, during cleaning, photos after cleaning and photos of transporting waste to landfill).

Corrective Action (filled by organization audited):

1. Hazardous waste.
 - Management letter appointing assistant and sustainability team to monitor Hazardous waste management (appendix 5)
 - Monthly monitoring of the number of jerry cans of poison, drums of oil/lubricants, batteries, etc. coming out of the Warehouse Vs receipt of the amount of Hazardous waste. in the Hazardous waste TPS log book (attachment 6)
 - Conduct socialization about SSOP No. 23 and the prohibition of using Hazardous waste in housing and all factory and estate workers, owners of vegetable fields and residents (attachment 7. Socialization materials, minutes and evaluations)
 - A statement from the owner of the vegetable estate about not reusing Hazardous waste (attachment 8. statement).
2. Domestic waste
 - Information dissemination regarding the obligation to dispose of waste in trash bins and evidence of evaluation (attachment 9 of socialization materials, minutes and evaluations)
 - Increasing the frequency of garbage collection from 1 x a week to 2 x a week (attachment of 10 garbage checklists with a frequency of 2 x 1 week) Appendix 11 :
 - a. A management circular regarding the frequency of waste collection from 1 x a week to 2 x a week including the appointment of a sustainability team as the PIC who monitors this can go according to plan.
 - b. Appendix 12 - collection schedule and waste checklist.
 - Weekly mutual cooperation (attachment 13. schedule and photos)
 - Planning to make a fence in the waste pool area so that not just anyone enters. July'23 target (attachment 14. application letter for fencing).

<i>Assessor Evaluation and Conclusion (filled by auditor):</i>	
<i>Follow up on next audit (filled by auditor):</i>	
<i>Verified by</i>	:

NCR No.	:	2023.02	Issued by	:	Radityo Puspanjana
Date Issued	:	3 March 2023	Time Limit	:	1 June 2023
NC Grade	:	Major	Date of Closing	:	19 April 2023
Standard Ref. & Requirement	:	7.8.2 Water courses and wetlands are protected, including the maintenance and restoration of riparian zones and other buffer zones during or before replanting, in accordance with the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (April 2017) and Simplified Guide Management and Rehabilitation of Riparian Reserves (2018).			

Evidence observed (filled by auditor):

Regarding the plan for the management and protection of riparian to avoid negative impacts, it is stated in the document:

- PT SA's HCV identification and management plan report in September 2012 in the recommendations section explains that the company needs to create a buffer zone area on the riparian and not apply chemicals and fertilization along the riparian. The report also explains the types of HCV identified, for areas that function as HCV 4, namely:

Sepano Riparian
Tapung Kanan Riparian
Palapian Riparian
Sepahat Riparian
Sungai Paloge Riparian

In the report it is explained that PT SA already has a policy and commitment to protect one of the areas with conservation value, namely by setting a boundary of 50 meters on either side of the river that crosses the plantation not to be given agrochemical treatment and allowed to become shrubs.

- Procedure number SSOP 22. Identification, management and monitoring of conservation areas and flora & fauna dated 5 November 2020 revision 3 page B.2 Demarcation of conservation areas explains as follows:
 - The boundary of the conservation area that has been delineated must be demarcated by placing numbered stakes.
 - List of stake numbers and coordinates available.
 - In areas where there are main trunks of oil palm, a predetermined plate and number is given at a height of 1.5 m from the ground surface.
 - Marking is carried out alternately with the palm trees.
 - The riparian area follows the recommendations in the HCV report or follows the boundaries set by the government or regulations.
- The company shows the 2022 HCV Management Realization Matric (High Conservation Value) which explains several types of management and monitoring activities, such as an example of maintaining mapped conservation area demarcation markers by continuously maintaining delineation markers.

As the implementation of these procedures, during the audit process, evidence of the implementation of the plan can be shown, which

is explained in the PT SA conservation area monitoring and management report dated 14-17 November 2022 explaining several points of management implementation, namely:

- Carry out maintenance of conservation area delineation markers on 22 April and 22 October 2022.
- Monitoring of the HCV boundary markers of the Tapung Kanan River No. 258 and 151 are uprooted, the writing is starting to fade, HCV of the Sepahat River No. 480, HCV of the Palapian River No. 380, HCV of the Sepano River No. 108, HCV of the Paloge River No. 513 & 512, good condition and HCV of the Sepano river No. 17 Disappeared.
- The results of monitoring the HCV area in KTC II HCV of the Sapano river are in good condition, there is no evidence of the use of chemicals in the area.
- The results of monitoring the HCV area in KKT III HCV Paloge river is in good condition, there is no evidence of the use of chemicals in the area.
- Socialization to all KTK 1 – III employees on 12 January 2022 attended by 167 workers.
- Socialization to the people of Kota Bangun Village, Suka Maju Village, Kota Baru Village and Kota Aman Village on 23 February 2022 attended by 29 people. Information dissemination and evaluation was carried out on KTK II fertilizers and sprayers regarding the management of restricted and boundary HCV areas of fertilizing and spraying in conservation areas. KTK III fertilizers regarding the prohibition and limit of fertilizing around the conservation area. From the results of socialization and evaluation by the MCL team, workers already understand the prohibitions and limits on fertilizing and spraying in conservation areas.

However, based on the results of field visits in the riparian conservation area which was the scope of the audit, information was obtained that:

- The HCV Sepahat river block 1994 A division II A and block 1995 B division II A KTK I estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. Based on the verification results of the foreman's work record book for the application of pesticide chemicals in block 1994 A and in block 1995 B division II A, the KTK 1 was carried out on January 10, 2023 (block 1994 A) and January 16, 2023, block 1995 B).
- HCV Sepano riparian block PM 2005 division III C and block 1995 B division III B KTK II estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. There are also rehabilitation plants such as bamboo and woody plants that were cut down. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in PM 2005 division III C and block 1995 B division III B, the KTK II estate was carried out on 26 January 2023 (spraying small wood) and 3 January 2023 (pesticide spraying).
- There are pesticide spray marks on Sempano river riparian behind the housing division III C in block 1992 D

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

The company has not been able to show evidence of the implementation of the water resources management plan that has been carried out in accordance with the Management plan and SOPs owned, in order to avoid negative impacts on other users in the water catchment area.

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

- Lack of foreman supervision and employee understanding of the management of water sources and signs in areas commensurate with rivers / HCV.
- The signs around the riparian have faded, causing spraying to occur in the water catchment area/HCV.

Correction *(filled by organization audited):*

- Give a warning letter to the foreman who instructs spraying at riparian (attachment 15. Warning Letter for the foreman)
- Repainting riparian boundaries and riparian signs (attachment 16. photo of riparian boundaries and signs already painted)

Corrective Action *(filled by organization audited):*

- Conduct socialization regarding HCV/ riparian boundaries to all maintenance employees (sprayers/fertilizers) including the foreman (attachment 17. socialization, minutes and evaluations)
- Carry out maintenance of existing signs and update according to the provisions in the existing SOP (attachment 18. Schedule for maintenance of signs)

Assessor Evaluation and Conclusion (filled by auditor):

The company shows evidence of improvement in the form of:

- Warning letter for violation of Sepahat River Separation Violation in division 2A of KTK 1 plantation dated 1 March 2023 to the maintenance foreman of divisions 2A/040, AA/056 and 2A/121.
- A warning letter for the violation of the activity of spraying the Sepano River riparian area in division 3B of KTK 2 plantations dated March 1 2023 to spraying 3 people from division 3B.
- A warning letter for the violation of the activity of spraying the Sepano River riparian area in the 3C division of the KTK 2 plantation dated March 1, 2023 to spraying 10 people in the 3B division.
- Documentation of spraying and fertilizing prohibited area boundaries for KTK 1 division 2A and 2A division 3 C estate. The photo of HCV sign boards on the Palapian river KTK 1 plantation, Paloge river KTK 3 and Paloge river KTK 2 estate.
- Minutes of socialization of SSOP N0. 22 HCV management and Remediation Guidelines dated 13 April 2023 in the KTK 1 estate with 30 participants, 15 KTK 2 and 32 KTK 3. Also attached is the list of attendees and the materials presented.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on 14 April 2023 in the KTK 3 division 4 B estate.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on 28 March 2023 in KTK 1 division 2 A plantation.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on March 3, 2023 in KTK 2 division 3 B estate.
- Evidence of performance evaluation for sprayers and fertilizer workers in KTK 1, KTK 2 and KTK 3 estate.

Based on the proof of improvement submitted, it is concluded that this discrepancy has been fulfilled and will be observed again in the next assessment to see the consistency and effectiveness of the corrective actions and corrections that have been submitted

Follow up on next audit (filled by auditor):

Verified by : **Radityo Puspanjana**

NCR No.	: 2023.03	Issued by	: Radityo Puspanjana
Date Issued	: 3 March 2023	Time Limit	: 1 June 2023
NC Grade	: Major	Date of Closing	: 19 May 2023
Standard Ref. & Requirement	7.12.4 HCV and HCS forests after November 15, 2018, peatland and other conservation areas that have been identified, protected and/or enhanced. Integrated management plans to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if needed, and are complemented by monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and covers the area that is directly managed and considers the broader level of the relevant landscape (if the landscape has been identified).		
Evidence observed (filled by auditor): Regarding the plan for the management and protection of riparian to avoid negative impacts, it is stated in the document: <ul style="list-style-type: none">PT SA's HCV identification and management plan report in September 2012 in the recommendations section explains that the company needs to create a buffer zone area on the riparian and not apply chemicals and fertilization along the riparian. The report also explains the types of HCV identified, for areas that function as HCV 4, namely:			

Sepano Riparian
Tapung Kanan Riparian
Palapian Riparian
Sepahat Riparian
sungai Paloge Riparian

In the report it is explained that PT SA already has a policy and commitment to protect one of the areas with conservation value, namely by setting a boundary of 50 meters on either side of the river that crosses the plantation not to be given agrochemical treatment and allowed to become shrubs.

- Procedure number SSOP 22. Identification, management and monitoring of conservation areas and flora & fauna dated 5 November 2020 revision 3-page B.2 Demarcation of conservation areas explains as follows:
 - The boundary of the conservation area that has been delineated must be demarcated by placing numbered stakes.
 - List of stake numbers and coordinates available.
 - In areas where there are main trunks of oil palm, a predetermined plate and number is given at a height of 1.5 m from the ground surface.
 - Marking is carried out alternately with the palm trees.
 - The riparian area follows the recommendations in the HCV report or follows the boundaries set by the government or regulations.
- The company shows the 2022 HCV MANAGEMENT REALIZATION MATRIC (HIGH CONSERVATION VALUE) which explains several types of management and monitoring activities, such as an example of maintaining mapped conservation area demarcation markers by continuously maintaining delineation markers.

As the implementation of these procedures, during the audit process, evidence of the implementation of the plan can be shown, which is explained in the PT SA conservation area monitoring and management report dated 14-17 November 2022 explaining several points of management implementation, namely:

- Carry out maintenance of conservation area delineation markers on 22 April and 22 October 2022.
- Monitoring of the HCV boundary markers of the Tapung Kanan River No. 258 and 151 are uprooted, the writing is starting to fade, HCV of the Sepahat River No. 480, HCV of the Palapian River No. 380, HCV of the Sepano River No. 108, HCV of the Paloge River No. 513 & 512, good condition and HCV of the Sepano river No. 17 Disappeared.
- The results of monitoring the HCV area in KTC II HCV of the Sapano river are in good condition, there is no evidence of the use of chemicals in the area.
- The results of monitoring the HCV area in KKT III HCV Paloge river is in good condition, there is no evidence of the use of chemicals in the area.
- Socialization to all KTK 1 – III employees on 12 January 2022 attended by 167 workers.
- Socialization to the people of Kota Bangun Village, Suka Maju Village, Kota Baru Village and Kota Aman Village on 23 February 2022 attended by 29 people. Information dissemination and evaluation was carried out on KTK II fertilizers and sprayers regarding the management of restricted and boundary HCV areas of fertilizing and spraying in conservation areas. KTK III fertilizers regarding the prohibition and limit of fertilizing around the conservation area. From the results of socialization and evaluation by the MCL team, workers already understand the prohibitions and limits on fertilizing and spraying in conservation areas.

However, based on the results of field visits in the riparian conservation area which was the scope of the audit, information was obtained that:

- The HCV Sepahat river block 1994 A division II A and block 1995 B division II A KTK I estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. Based on the verification results of the foreman's work record book for the application of pesticide chemicals in block 1994 A and in block 1995 B division II A, the KTK 1 was carried out on January 10, 2023 (block 1994 A) and January 16, 2023, block 1995 B).

- HCV Sepano riparian block PM 2005 division III C and block 1995 B division III B KTK II estate obtained information that the buffer zone is not clearly visible (faded) marking the limits of chemical application and there are traces of pesticide spray in the buffer zone. There are also rehabilitation plants such as bamboo and woody plants that were cut down. Based on the results of verification of the foreman's work record book for the application of pesticide chemicals in PM 2005 division III C and block 1995 B division III B, the KTK II estate was carried out on 26 January 2023 (spraying small wood) and 3 January 2023 (pesticide spraying).
- There are pesticide spray marks on Sepano river riparian behind the housing division III C in block 1992 D.

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

The company has not been able to show evidence of the implementation of the HCV management plan for 4 areas that provide natural environmental services that have been carried out in accordance with the HCV Management plan and SOP they have

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

- Lack of foreman supervision and employee understanding of the management of water sources and signs in areas commensurate with rivers / HCV.
- The signs around the riparian have faded, causing spraying to occur in the water catchment area/HCV.

Correction *(filled by organization audited):*

- Give a warning letter to the foreman who instructs spraying at riparian (attachment 15. Warning Letter for the foreman)
- Repainting riparian boundaries and riparian signs (attachment 16. photo of riparian boundaries and signs already painted)

Corrective Action *(filled by organization audited):*

- Conduct socialization regarding HCV/ riparian boundaries to all maintenance employees (sprayers/fertilizers) including the foreman (attachment 17. socialization, minutes and evaluations)
- Carry out maintenance of existing signs and update according to the provisions in the existing SOP (attachment 18. Schedule for maintenance of signs)

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

The company shows evidence of improvement in the form of:

- Warning letter for violation of Sepahat River Separation Violation in division 2A of KTK 1 plantation dated 1 March 2023 to the maintenance foreman of divisions 2A/040, AA/056 and 2A/121.
- A warning letter for the violation of the activity of spraying the Sepano River riparian area in division 3B of KTK 2 plantations dated March 1, 2023, to spraying 3 people from division 3B.
- A warning letter for the violation of the activity of spraying the Sepano River riparian area in the 3C division of the KTK 2 plantation dated March 1, 2023, to spraying 10 people in the 3B division.
- Documentation of spraying and fertilizing prohibited area boundaries for KTK 1 division 2A and 2A division 3 C estate. The photo of HCV sign boards on the Palapian river KTK 1 plantation, Paloge river KTK 3 and Paloge river KTK 2 estate.
- Minutes of socialization of SSOP N0. 22 HCV management and Remediation Guidelines dated 13 April 2023 in the KTK 1 estate with 30 participants, 15 KTK 2 and 32 KTK 3. Also attached is the list of attendees and the materials presented.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on 14 April 2023 in the KTK 3 division 4 B estate.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on 28 March 2023 in KTK 1 division 2 A plantation.
- Documentation of HCV management outreach activities to spray and fertilizer foremen on March 3, 2023 in KTK 2 division 3 B estate.
- Evidence of performance evaluation for sprayers and fertilizer workers in KTK 1, KTK 2 and KTK 3 estate.

Based on the proof of improvement submitted, it is concluded that this discrepancy has been fulfilled and will be observed again in the next assessment to see the consistency and effectiveness of the corrective actions and corrections that have been submitted

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

Verified by : Radityo Puspanjana

i. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	<p>The unit of certification complies with all relevant laws and regulations.</p> <p>Based on the results of the B3 waste TPS permit verification, the permit validity period has expired. The company showed a letter document from DLH Kampar Regency no 660/DLH-TL/135 dated March 3, 2023, regarding directions for permits for the temporary storage of B3 waste. It was explained in the letter that PT SA previously had a B3 waste TPS permit and made changes to B3 waste storage activities or changes that created new environmental impacts, PT SA is required to prepare technical details for storing B3 waste to be integrated into environmental approvals through the process of changing environmental approvals in accordance with the regulations and applicable laws.</p> <p>Based on the results of interviews with the Kampar Regency Environmental Service, it was conveyed that the integration process for LB3 was in the process of being arranged. Companies have the opportunity to complete the process of integrating LB3 storage permits into environmental permits in accordance with applicable regulations.</p>
2	3.6.1	<p>A risk assessment should be carried out to identify Occupational Health & Safety (OHS) issues in all operations. Mitigation plans & procedures should then be established, recorded & implemented.</p> <p>Ensure that all work activities/activities and all risks have been identified in the HIRAC document</p>
3	3.6.2	<p>Monitored the effectiveness of OHS plans to address OHS risks in people.</p> <p>Ensuring the effectiveness of monitoring the storage of PPE and work tools</p>
4	4.2.3	<p>The unit of certification informs the parties of the progress of complaint handling, including the agreed time frame, and the results are made available and communicated to relevant stakeholders.</p> <p>Company has the opportunity to ensure the progress of industrial relations settlement and ensure that all complaints from stakeholders have been recorded in the logbook according to the procedures owned</p>
5	6.7.1	<p>Person in charge of Occupational Health & Safety (OHS) is identified. Records of periodic meetings between the person in charge and the workers are available. The interests of all parties regarding safety, health and welfare were discussed at the meeting. Any issues that arise are recorded.</p> <p>The company already has OHS Expert, but OHS Expert is approaching retirement age and the deadline for authority expires on March 6, 2023, so this is an opportunity for improvement for the company to update the structure of OHS Committee and OHS Expert as the new OHS person in charge.</p>
6	7.8.1	<p>A water management plan is in place and implemented to support the efficient use of water resources and their continuous availability, and avoid negative impacts on other users within the catchment. The intended plan contains the following matters:</p> <p>a. The unit of certification does not limit access to clean water or does not contaminate water used by the community.</p> <p>b. Workers have adequate access to clean water</p> <p>Based on the test results data for the period Semester 1 2021 to semester 2 2022 there are several parameters that are not in accordance with the intermediate quality standards, namely the river after the factory and before the factory namely for the COD parameter and the value of the pH parameter in the monitoring wells.</p> <p>The results of interviews with the company as well as a review of the RKL-RPL Semester 2 2022 document, obtained information that the increase in some of these parameters was due to soil characteristics and as explained in the RKL-RPL evaluation section this will, if possible, be submitted to DLH to request input and</p>

No	Ref. Std.	Description
		<p>recommendations. Following up on these conditions, the company needs to carry out studies, analyzes and explanations in a long-time frame (compared to the initial outline of the environmental document) so that every fluctuation in the results of the environmental tests that have been carried out can be described.</p> <p>Based on this, the company has the opportunity to improve by conducting an analysis related to surface water test results that are not in accordance with quality standards as a whole and comprehensively covering all parameters, long time series data, management of potential pollution that might occur, and mitigation measures.</p>
7	7.12.6	<p>All Rare, Threatened or Endangered (RTE) species are protected, whether identified in an HCV assessment or not. Programs are in place to regularly educate the workforce about the status of RTE species. Disciplinary action is taken and properly documented, in accordance with company regulations and national laws, if any company workers are found to have caught, harmed, kept, traded, possessed or killed these species.</p> <p>Based on the results of field visits at the KTK III Division 4B and 4A offices, information was obtained that there was an information board regarding protected species of flora and fauna according to PP 7 of 1999. The company needs to ensure that the information board is updated regarding the most recent regulations governing protected species, namely Ministry of Environment and Forestry Regulation No. 106 of 2018.</p>

ii. Noteworthy Positive Components



No	Description
1	Commitment to implement the principles of sustainable oil palm plantation management.
2	Presentation of documents is quite good.
3	Participate in the company performance rating assessment program in environmental management for the 2021-2022 period.

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
SPSI and SBSI <ul style="list-style-type: none"> The wage increases for 2023 will be carried out in April 2023 along with the rappel. The company has provided PPE for employees. There is no issue of using child labour. The company has paid wages and overtime according to applicable regulations. The company has conducted regular health checks. Previously there was an industrial relations problem, and it was brought to the industrial relations court. 	<p>The auditor team has carried out verification and the results of verification related to employment have been explained in the report.</p> <p>Industrial relations issues have been further explained in indicator 4.2.3</p>
Gender Committee <ul style="list-style-type: none"> The company has provided socialization regarding policies on preventing sexual harassment and violence and policies on protecting reproductive rights There have been no complaints regarding sexual harassment and violence in the last 1 year The company identifies the needs of new mothers who have given birth. There were no complaints such as discrimination or other complaints. 	<p>There was no negative issue that need further verification.</p>
Employee cooperatives <ul style="list-style-type: none"> Employee cooperatives have real activities in the form of savings and loan activities and shops that provide staple goods Last annual member meeting held in April 2022 (for the 2021 financial year) The company has supported the formation of cooperatives by providing buildings for cooperatives 	<p>There was no negative issue that need further verification.</p>
Head of Koto Garo Village and Ninik Mamak Koto Garo <ul style="list-style-type: none"> Relations and communication between the village and the company are well established. The company provides assistance to villages submitted through proposals. The company has also participated in deliberations with the village Socialization of HCV in the form of installing planks in operational areas There are no problems with land disputes or environmental pollution. There are no complaints from the community The village feels a positive impact from the existence of the company The company has prevented land fires involving surrounding villages. 	<p>There was no negative issue that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
CPO transport contractor <ul style="list-style-type: none"> The company has provided outreach regarding the RSPO and compliance with regulations by contractors. There are no complaints related to payment or others. Implementation of work and payment in accordance with the agreement The daily wage for contractor workers is above the applicable minimum wage. 	<p>There was no negative issue that need further verification.</p>
Produsen Petani Sahabat Lestari Cooperative <ul style="list-style-type: none"> Land status consists of a Freehold Certificate and a Land Certificate The company has provided socialization regarding RSPO. Pricing for FFB is based on the price determined by the plantation agency. All work implementation and payments are in accordance with the agreement and there are no complaints to the company 	<p>There was no negative issue that need further verification.</p>
Manpower Agency of Kampar Regency <ul style="list-style-type: none"> There is one report from worker submitted to agency related to manpower efficiency. During audit conducted, this industrial relation issues is still in process in agency. Company has submitted the manpower report regularly. Company already registers all worker in BPJS. Company already applied the minimum wage in accordance with the newest Minimum Wage of Kampar Regency. 	<p>The auditor team has carried out verification and the results of verification related to employment have been explained in the report.</p> <p>Industrial relations issues have been further explained in indicator 4.2.3</p>
Land National Agency of Kampar Regency <ul style="list-style-type: none"> Company already has land legality document in form of HGU for estate. There is no reduction of HGU area. There is no land dispute issue. There is no abandoned land. Company already submitted Report of HGU Usage to agency regularly 	<p>There was no negative issue that need further verification.</p>
Environment Agency of Kampar Regency <ul style="list-style-type: none"> There is no issue related to environment pollution There is no changes in environment document Company has submitted environment monitoring report. Company already has hazardous waste storage permit and still valid Company already submit HCV report 	<p>There was no negative issue that need further verification.</p>
Plantation agency of Kampar Regency <ul style="list-style-type: none"> There is no complaint from surrounding village against operational activity in PT SA Company already has plantation permit for plantation and for processing and there is no change/revision. Company already submits the plantation progress report, CSR report, and fire control report periodically. 	<p>There was no negative issue that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Kota Aman Village</p> <ul style="list-style-type: none"> • Relations and communication between the village and the company are well established. • The company provides assistance to villages submitted through proposals. The company has also participated in deliberations with the village. • Socialization of HCV in the form of installing planks in operational areas • There are no problems with land disputes or environmental pollution. • There is complaint from community related to administration of company operational area location. • The village feels a positive impact from the existence of the company. • The company has prevented land fires involving surrounding villages. 	<p>There was no negative issue that need further verification.</p> <p>Related to complaint from community, it has explained in indicator 4.8.1, 4.8.2,</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; padding-top: 100px;"> <div style="text-align: center;"> <p>PT Sekarbumi Alamlestari Manager Coordinator</p>  <p><u>Yeoh Gim Khoon</u> Friday, 19 May 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Rizliani Aprianita Hsb</u> Friday, 19 May 2023</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
1	Land Agency	Kampar District	-	Via phone	28 February 2023	✓	
2	Plantation Agency	Kampar District	-	Via Phone	28 February 2023	✓	
3	Environmental Agency	Kampar District	-	Via Phone	28 February 2023	✓	
4	Manpower Agency	Kampar District	-	Via Phone	28 February 2023	✓	
5	Labor union of PT. Sekarbumi Alamlestari	Kampar District	-	Via Phone	27, 28 February 2023	✓	
6	Gender Committee of PT. Sekarbumi Alamlestari	Kampar District	-	Via Phone	27 February 2023	✓	
7	Contractor PT. <i>Trans Jaya Pertama</i>	Kampar District	-	Via Phone	27 February 2023	✓	
8	Tapung Kanan POM <ul style="list-style-type: none"> • 3 loading ramp operators • 1 press operator • 1 warehouse officers • 1 engine room operator • 3 boiler operators • 1 weighbridge operator • 2 securities • 4 grading workers • 1 WTP operator • 2 warehouse officer • 1 hazardous waste warehouse officer • 2 WWTP operators 	Kampar District	-	Direct	27 February 2023	✓	
9	Tapung Kanan Estate-1 <ul style="list-style-type: none"> • 1 fertilizer foreman • 6 fertilizer workers • 1 harvesting foreman • 5 harvesters • 1 foreman of LA • 1 foreman of EFB application • 1 warehouse officer • 1 hazardous waste warehouse officer • 1 HCV officer 	Kampar District	-	Direct	28 February 2023	✓	
10	Tapung Kanan Estate-2 <ul style="list-style-type: none"> • 1 fertilizer foreman 	Kampar District	-	Direct	01 March 2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> • 6 fertilizer workers • 1 harvesting foreman • 5 harvesters • 5 sprayers • 1 sprayers foreman • 1 paramedic 						
11	Tapung Kanan Estate-3 <ul style="list-style-type: none"> • 1 fertilizer foreman • 7 fertilizer workers • 1 harvesting foreman • 5 harvesters • 4 sprayers • 1 sprayers foreman • 2 daycare workers • 1 foreman and 3 of pesticide applicator. • 1 foreman and 3 of fertilizer applicator. 	Kampar District	-	Direct	02 March 2023	✓	
12	Head Of Koto Baru Village and Ninik Mamak	Kampar District	-	Direct	28 February 2023	✓	
13	Head of Kota Aman Village	Kampar District	-	Direct	28 February 2023	✓	
14	World Wide Fund	Indonesia	wwf-indonesia@wwf.or.id	Via email	17 February 2023		✓
15	Wahana Lingkungan Hidup Indonesia	Indonesia	informasi@walhi.or.id	Via email	17 February 2023		✓
16	Sawit Watch	Indonesia	info@sawitwatch.or.id	Via email	17 February 2023		✓
17	AMAN	Indonesia	rumahaman@aman.or.id	Via email	17 February 2023		✓

Appendix 2. Assessment Program

DATE	27 February – 4 March 2023 (Onsite)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 27 February 2023		
06.05 – 07.45 08.00 – 11.00	<ul style="list-style-type: none"> Flight from Jakarta → Pekanbaru (QG 936) Traveling from Pekanbaru → PT Sekarbumi Alamlestari 	All Auditor
11.00 – 12.00	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
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field observation to Tapung Kanan POM: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, WTP, WWTP, etc Best practice, Implementation of Employment Procedure and Mechanism Aspect Audit progress 	AAS TIO RAN/RAH
Tuesday, 28 February 2023		
08.00 – 12.00	Stakeholder Consultation/ interview with: <ul style="list-style-type: none"> Government Agency of Kampar Affected Local Communities surrounding the plantation and previous land owner directly. FFB Supplier Stakeholder interview to worker union, gender committee and contractor Field Observation to Tapung Kanan 1 <ul style="list-style-type: none"> Observation of HGU poles, land demarcation, and HCV Area Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc Observation the activity of harvesting & transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc Observation of workers facilities (housing, school, worship place, domestic waste management, etc 	AAS TIO RAN/RAH
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review Audit progress 	All Auditor
Wednesday, 01 March 2023		
08.00 – 12.00	Field Observation to Tapung Kanan 2 Estate <ul style="list-style-type: none"> Observation of HGU poles, land demarcation, and HCV Area Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc Observation the activity of harvesting & transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc 	AAS RAN/RAH

DATE	27 February – 4 March 2023 (Onsite)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Observation of workers facilities (housing, school, worship place, domestic waste management, etc) 	TIO
12.00 – 14.00	<ul style="list-style-type: none"> Break 	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review Audit progress 	All Auditor
Thursday, 02 March 2023		
08.00 – 12.00	Field Observation to Tapung Kanan-3 Estate <ul style="list-style-type: none"> Observation of HGU poles, land demarcation, and HCV Area Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc Observation the activity of harvesting & transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc Observation of workers facilities (housing, school, worship place, domestic waste management, etc) 	AAS RAN/RAH TIO
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review Audit progress 	All Auditor
Friday, 03 March 2023		
08.00 – 12.00	<ul style="list-style-type: none"> Document review and completing audit checklist. 	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> Break 	All Auditor
14.00 – 15.00	<ul style="list-style-type: none"> Internal Meeting Auditor Team 	All Auditor
15.00 – 17.00	<ul style="list-style-type: none"> Closing Meeting 	All Auditor
Saturday, 04 March 2023		
06.00 – 09.00	Traveling from PT Sekarbumi Alamlestari → Pekanbaru	All Auditor
11.05 – 12.00	Flight from Pekanbaru → Jakarta (GA-175)	