

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

**[✓] Surveillance**

Name of Management Organization : **Gandaerah Hendana Palm Oil Mill – PT Gandaerah Hendana Subsidiary of S&G Biofuel PTE. LTD**

Plantation Name : PT Gandaerah Hendana, Estate 1, Estate 2, and Estate 3

Location : Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia

Certificate Code : **MUTU-RSPO/128**

Date of Certificate Issue : 14 May 2019      Date of License Issue : 14 August 2023

Date of Certificate Expiry : 13 May 2024      Date of License Expiry : 13 May 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	10 – 14 April 2023	Rizliani Aprianita Hasibuan (Lead Auditor), Radityo Puspanjana, Asystasya Aishah Silalahi, Rizki Tanaya.	Hasiholan Sihombing	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	<b>06 August 2023</b>

**TABLE OF CONTENT**
**FIGURE**

Figure 1. Location Map of PT. Gandaerah Hendana	1
Figure 2. Operational Map of PT. Gandaerah Hendana	2
Abbreviations Used	3

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1	Assessment Standard Used	5
1.2	Organization Information	5
1.3	Type of Assessment	5
1.4	Location of Mill and Plantations	5
1.5	Description of Area Statement	6
1.6	Planting Year and Cycle	6
1.7	Description of Mill and Supply Base	7
1.8	Estimate Tonnage of Certified Product	8
1.9	Other Certifications	8
1.10	Time-Bound Plan	9

**2.0 ASSESSMENT PROCESS**

2.1	Assessment Team	10
2.2	Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3	Stakeholder Consultation and Stakeholders Contacted	14
2.4	Determining Next Assessment	14

**3.0 ASSESSMENT FINDINGS**

3.1	Summary of Assessment Report of the RSPO Certification	15
3.2	Conformity Checklist of Certificate and Logo Use	62
3.3	Summary of RSPO Partial Certification	63
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	65
3.5	Summary of Arising Issues from Public, and Auditor Verification	71

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1	Formal Signing of Assessment Findings	75
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**APPENDICES**

1.	List of Stakeholders Contacted in the RSPO Certification Process	76
2.	Assessment Program	78

Figure 1. Location Map of PT. Gandaerah Hendana

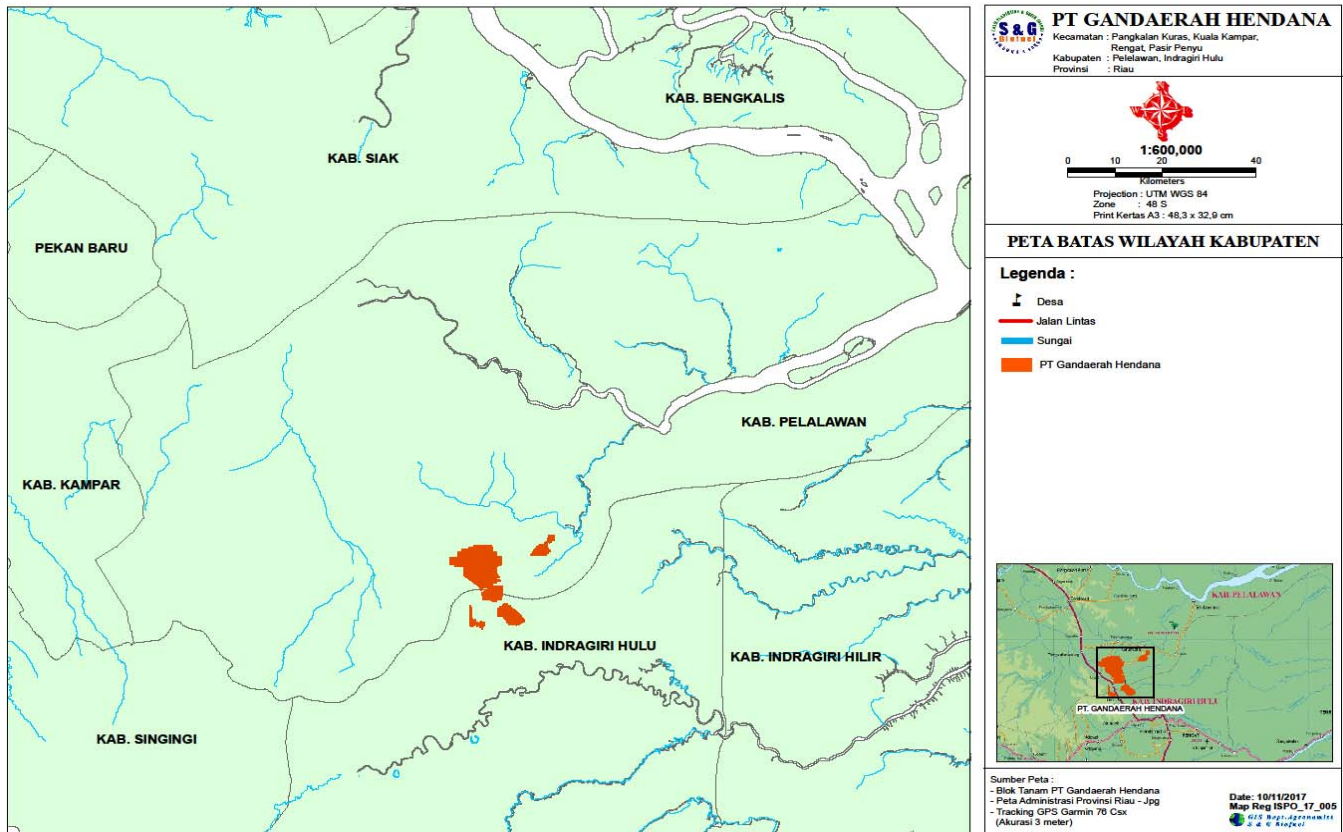
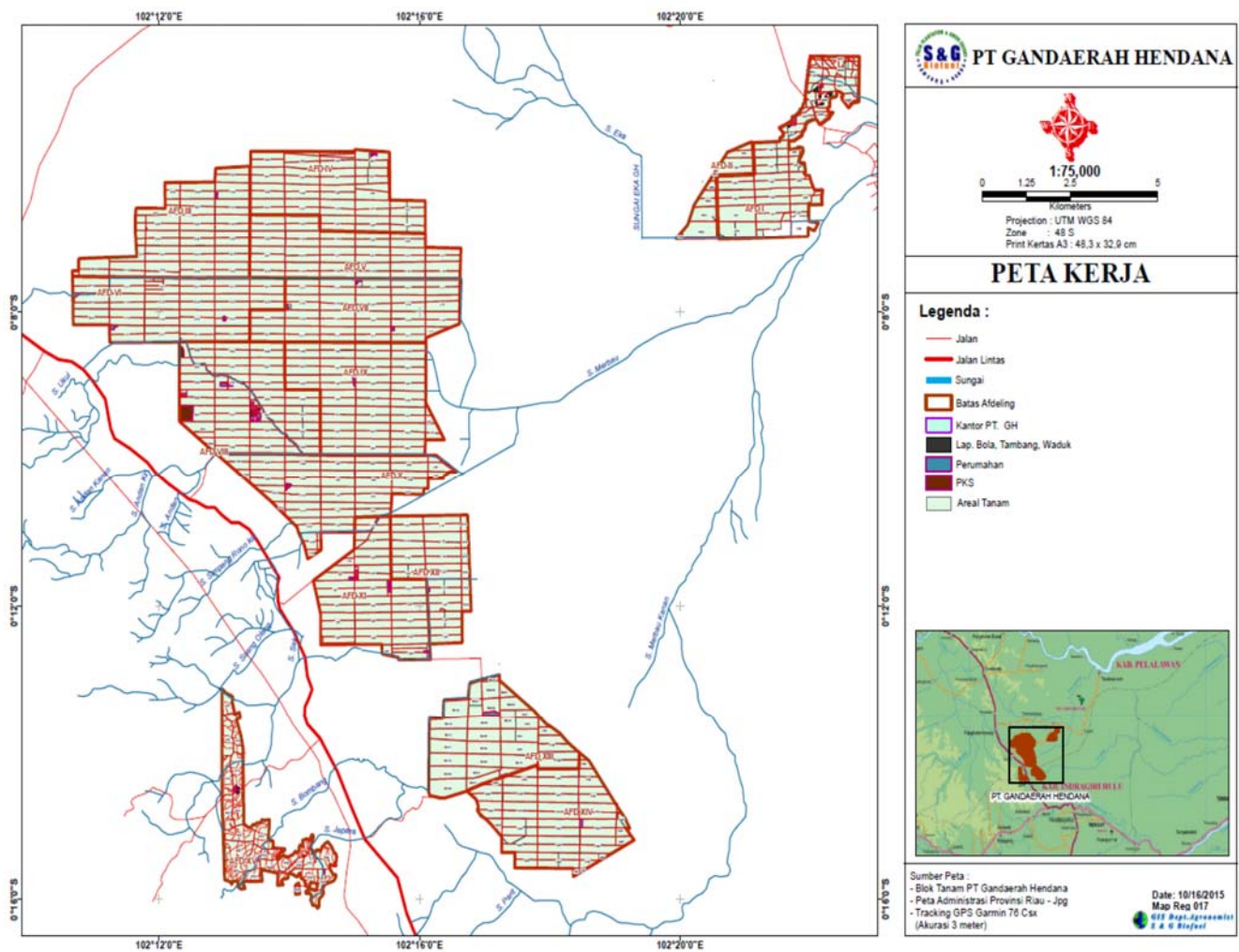


Figure 2. Operational Map of PT. Gandaerah Hendana



**Abbreviations Used**

AKAD	:	Migran Worker or <i>Angkatan Kerja Antar Daerah</i>
ANDAL	:	<i>Analisis Dampak Lingkungan</i>
ASA	:	Annual Surveillance Assessment
BAPEDA	:	<i>Bada Penerimaan Daerah</i>
BKSDA	:	<i>Balai Konservasi Sumber Daya Alam</i>
BKPM	:	<i>Badan Koordinasi Penanaman Modal</i>
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)
BHL	:	<i>Buruh Harian Lepas</i> (Casual Worker)
BUS	:	<i>Bangunan Unit Semprot</i> (Spray Unit Building)
CB	:	Certification Body
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CH	:	Certificate Holder
CITES	:	Convention, International, Threatened, Endangered Species
COO	:	Chief Operating Officer
CPO	:	Crude Palm Oil
CR	:	Collection Road
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
CLA	:	Collective Labour Agreement
DLW	:	Decent Living Wage
DPLH	:	<i>Dokumen Pengelolaan Lingkungan Hidup</i>
DPMTSP	:	<i>Dinas Penanaman Modal dan Perizinan Terpadu Satu Pintu</i>
EFB	:	Empty Fruit Bunches
EHS/K3	:	Environmental, Health and Safety
EIA	:	Environmental Impact Assessment
EMS	:	Environmental Management System
FFA	:	Free Fat Acid
FFB	:	Fresh Fruit Bunches
FPIC	:	Free, Prior and Informed Consent
GH	:	Gandaerah Hendana
GHG	:	Green House Gases
HCV	:	High Conservation Value
HIRAC	:	Hazard Identification Risk Assessment and Control
HRD	:	Human Resources Development
HSE	:	Health Safety and Environment
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISO	:	International Standard Organization
ISPO	:	Indonesia Sustainable Palm Oil
IUCN	:	International Union for Conservation of Nature
IUP	:	<i>Izin Usaha Perkebunan</i>
KA	:	<i>Kerangka Acuan</i>
KER	:	Kernel Extraction Rate
KTPA	:	<i>Kelompok Tani Peduli Api</i>
K3L	:	<i>Kesehatan, Keselamatan, Keamanan, dan Lingkungan</i>

LC	:	Land Clearing
LPUP	:	Plantation Business Progress Report
LSU	:	Leaf Sampling Unit
MCU	:	Medical Check Up
MM	:	Mill Manager
MSDS	:	Material Safety Data Sheet
MUTU	:	Mutuagung Lestari
NGO	:	Non-Government Organization
NIB	:	<i>Nomor Induk Berusaha</i>
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health and Safety Assessment Series
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>
PIC	:	Person In Charge
PK	:	Palm Kernel
POM/PKS	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
OHS committee	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)</i>
<i>PKWT</i>	:	<i>Perjanjian Kerja Waktu Tertentu (Specific Time Work Agreement)</i>
PKO	:	Palm Kernel Oil
PT GH	:	PT Gandaerah Hendana
QC	:	Quality Control
QHSE	:	Quality, Health, Safety and Environmental
RKL- RPL	:	Environmental Management and Monitoring Report
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, threatened or endangered
SCCS	:	Supply Chain Certification System
SIMPEL	:	<i>Sistem Informasi Pelaporan Elektronik Lingkungan Hidup</i>
SIA	:	Social Impact Assessment
SPO	:	Sustainability Palm Oil
SOP	:	Standard Operating Procedure
SSU	:	Soil Sampling Unit
SKU	:	<i>Syarat Kerja Utama (Permanent Worker)</i>
TBM	:	<i>Tanaman Belum Menghasilkan</i>
TORA	:	<i>Tanah Objek Reformasi Agraria</i>
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant



<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>		
		<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organization name listed in the certificate	PT Gandaerah Hendana Subsidiary of S&G Biofuel PTE. LTD	
1.2.2	Contact person	Lesmana Asmiarsa	
1.2.3	Organisation address and site address	RSPO registered company: 3 Church Street, # 21-04 SAMSUNG HUB, 049483, Singapore  Liaison Office: Mega Asri – Green Office, Block B2-8 Jl. Arifin Ahmad, Pekanbaru, Riau, 28282, Indonesia	
1.2.4	Telephone	(0761) 859774	
1.2.5	Fax	(0761) 859247	
1.2.6	E-mail	<a href="mailto:lesmana@gniplantation.com">lesmana@gniplantation.com</a>	
1.2.7	Web page address	<a href="http://www.gniplantation.com/">http://www.gniplantation.com/</a>	
1.2.8	Management Representative who completed the application for certification	Lesmana Asmiarsa	
1.2.9	Registered as RSPO member	1-0238-17-000-00, August 14 <sup>th</sup> , 2017	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Gandaerah Hendana POM) and 3 supply bases: Estate 1; Estate 2; Estate 3	
1.3.2	Type of certificate	<b>Single</b>	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	<b>Location of Mill</b>		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Gandaerah Hendana	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	S 00° 09' 28"      E 102° 12' 21"
1.4.2	<b>Location of Certification Scope of Supply Base</b>		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Estate 1	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau,	S 00° 06' 52"      E 102° 13' 57"

		Indonesia		
Estate 2		Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	S 00° 09' 28"	E 102° 13' 29"
Estate 3		Village of Redang Seko & Banjar Balam, Sub District of Lirik, District of Indragiri Hulu, Province of Riau, Indonesia	S 00° 13' 52"	E 102° 17' 15"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	<div>Tenure</div> <div> <ul style="list-style-type: none"> <li>State</li> <li>Community</li> </ul> </div>			
			11,097.02 Ha	
			- Ha	
1.5.2	<b>Area Statement</b>			
	<b>Description</b>	<b>Estate 1</b>	<b>Estate 2</b>	<b>Estate 3</b>
	<b>TOTAL (Ha)</b>			
	<b>Total area</b>	<b>3,311.89</b>	<b>4,404.21</b>	<b>3,380.92</b>
	<b>11,097.02</b>			
	Mature Plants	2,038.35	3,504.18	3,225.27
	8,767.80			
	Immature Plants	786.42	520.65	-
	1,307.07			
	Land clearing for replanting	264.49	75.09	-
	339.58			
	Placement	6.94	22.83	10.37
	40.14			
	Factory	-	13.75	
	13.75			
	Nurseries	-	15.32	
	15.32			
	Conservation Areas	2.96	34.00	15.11
	52.07			
	Road and Ditch	210.26	218.39	130.05
	558.70			
	Electric Line	-	-	0.12
	0.12			
	Pertamina	2.47	-	-
	2.47			
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	<b>Age profile of planting year</b>			
	<b>Planting Year</b>	<b>Estate 1</b>	<b>Estate 2</b>	<b>Estate 3</b>
	<b>TOTAL (Ha)</b>			
	1993	-	214.02	-
	214.02			
	1994	-	297.42	-
	297.42			
	1995	-	155.42	191.30
	346.72			
	1996	-	4.65	267.32
	271.97			
	1997	-	74.37	138.65
	213.02			
	1998	37.45	37.31	168.74
	243.50			
	1999	-	527.43	51.54
	578.97			
	2000	75.87	34.32	40.95
	151.14			
	2001	-	111.84	121.63
	233.47			
	2002	190.37	628.99	534.52
	1,353.88			
	2003	330.79	262.42	100.63
	693.84			
	2004	497.80	269.26	284.16
	1,051.22			
	2005	72.90	264.09	502.46
	839.45			
	2006	58.09	75.70	606.29
	740.08			
	2007	340.65	36.00	82.76
	459.41			
	2008	47.20	54.24	-
	101.44			
	2009	66.05	38.42	-
	104.47			



	2010	-	16.48	-	16.48			
	2011	-	25.15	-	25.15			
	2013	253.70	-	-	253.70			
	2014	67.48	-	-	67.48			
	2015	-	-	26.02	26.02			
	2016	-	-	9.64	9.64			
	2019	-	186.45	98.66	285.11			
	2020	-	190.20	-	190.20			
	Sub Total Mature	2,038.35	3,504.18	3,225.27	8,767.80			
	2020	152.25	73.58	-	225.83			
	2021	-	38.23	-	38.23			
	2022	448.19	299.77	-	747.96			
	2023	185.98	109.07	-	295.05			
	Sub Total Immature	786.42	520.65	-	1,307.07			
	TOTAL	2,824.77	4,024.83	3,225.27	10,074.87			
1.6.2	New Planting area after January 2010			- Ha				
1.6.3	Planting Cycle			2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	
	Gandaerah Hendana	60	232,483.05	43,547	18.73	11,252	4.84	
	*Production data source from 12 months before assessment (April 2022 to Maret 2023)							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/yr)	Yield (ton/ha/yr)	Supplied to Mill FFB (ton/year)		%
	Estate 1	3,311.89	2,038.35	42,438.36	20.82	42,438.36	100	
	Estate 2	4,404.21	3,504.18	60,672.58	17.31	60,672.58	100	
	Estate 3	3,380.92	3,225.27	71,949.57	22.31	71,949.57	100	
	TOTAL	11,097.02	8,767.80	175,060.51	19.97	175,060.51	100	
	*Production data source from 12 months before assessment (April 2022 to Maret 2023)							
1.7.3	FFB description from other source							
	Name of sources/Organization (RSPO certified / non-certified)	Type of Organization	Number of Smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)			
	Dani Tjahyadi (Non-certified RSPO)	Outgrower	-	-	8,840			
	CV Hasrat Sejahtera (Non-certified RSPO)	Outgrower	-	-	19,871			
	CV Sawit Alam Permai (Non-certified RSPO)	Outgrower	-	-	334			
	Syariah Banjar Sari (Non-certified RSPO)	Outgrower	-	-	10,102			
	Estate I (Non-certified RSPO)	PT Gandaerah Hendana	-	503.2	9,465			

	Estate III (Non-certified RSPO)	PT Gandaerah Hendana	-	193.9	657			
	Evi Panias (Non-certified RSPO)	Outgrower	-	-	9,047			
	Dian Syahputra (Non-certified RSPO)	Outgrower	-	-	4,179			
	Lili Karma (Non-certified RSPO)	Outgrower	-	-	398			
	TOTAL				62,893			
	*Production data source from 12 months before assessment (April 2022 to Maret 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 (Ton)		Actual production from April 2022 – Mar 2023 (Ton)			
	FFB Processed		172,000		175,060.51			
	CPO Production		34,440		33,901.59			
	Palm Kernel (PK) Production		8,610		8,612.64			
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (April 2022 – Mar 2023) (MT)					
	CSPO sold as RSPO certified product		33,834.99					
	CSPK sold as RSPO certified product		8,604.94					
	CSPO sold under another scheme		0					
	CSPK sold under another scheme		0					
	CSPO sold as conventional		0					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)		
	Estate 1		3,311.89	2,488.82	45,000	22.08		
	Estate 2		4,404.21	3,493.24	64,000	18.26		
	Estate 3		3,380.92	3,225.27	76,000	23.56		
	TOTAL		11,097.02	9,207.33	185,000	21.10		
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)	
	Gandaerah Hendana	60	185,000	37,000	20.00	10,175	5.50	MB
*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications							

	ISO 9001:2015	-				
	ISO 14001: 2015	Certificate number EMS210198 for Mill and Certificate number EMS210239 for Estate issued by PT TSI.				
	OHSAS 18001:2007	-				
	ISCC	-				
	Others	ISPO Certified (MUTU-ISPO/074)				
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time bound				
	INDONESIA					
	Gandaerah Hendana POM (PT Gandaerah Hendana)	2018	Estate 1	2018	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	Certified
			Estate 2	2018		Certified
			Estate 3	2018		Certified
			Non HGU Area Estate 1 (538.17 Ha)	2026		-
			Non HGU Area Estate 3 (227.63 Ha)	2026		-
	Inecda POM (PT Inecda)	2018	Estate 1	2018	Village of Tani Makmur, Sub District of Rengat Barat, District of Indragiri Hulu, Province of Riau, Indonesia	Certified
			Estate 2	2018		Certified
			Area covering 135.65 Ha	2026		-
	*Company has submitted revision of TBP to RSPO by email on 29 December 2022, 19 January 2023, and 29 March 2023 and still waiting the approval from RSPO. Therefore, Company has the opportunity to follow up the latest TBP approvals to the RSPO (OFI)					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	There is no associated smallholder and outgrower for certifiable standard					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA 4</b>	<p>1. <b>Rizliani Aprianita Hasibuan (Lead Auditor)</b>. 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 Best Management Practices, OHS, worker welfare, transparency, and social aspects.</p> <p>2. <b>Asystasya Aishah Silalahi (Auditor)</b>. 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. <b>Radityo Puspanjana (Auditor)</b>. 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. <b>Rizki Tanaya (Trainee Auditor)</b>. 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&amp;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>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA 4</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for Remote <b>ASA 4</b>: 5 days</p> <p>Number of working days for Remote <b>ASA 4</b>: 15 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA 4</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by <b>PT Gandaerah Hendana, Gandaerah POM</b> Unit Certification based on:</p> <ul style="list-style-type: none"> <li>RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020.</li> <li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul> <p>The scope of certification of PT Gandaerah Hendana consist of one mill (Gandaerah Mill) and three estates (Estate-1, Estate-2, and Estate-3).</p> <p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an</p>

RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to directly observe the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase Recertification. Improvement of findings from ASA 3 findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 4.

The opening meeting was held on 10 April 2023. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Support Team from Pekanbaru and other staff. Closing meeting was held on 14 April 2023 attended by the same participants as the opening meeting. Management PT Gandaerah Hendana accept all the onsite ASA 4 audit results.

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

Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

Currently there is a change in the extent of the scope related to the occupation area (previous assessment). The company has legally relinquished land rights in the occupied area, this can be seen from the review of the HGU document which has been revised in size in accordance with the release request that has been sent to the Land Agency of Pelalawan and Indragiri Hulu. In detail, the area of land rights owned by the company are:

- HGU No. 1 of 1997 with an area of 900.26 ha.  
There has been a change in the area of HGU (previously covering an area of 1,360 ha) in accordance with the Declaration Letter of Release of Land Rights (No.: 725/BA-HP.01-14.05/XII/2020) on December 8, 2020, which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No. 2 of 1997 with an area of 6,398.25 ha.  
There was a change in the area of HGU (previously covering an area of 6,437) in accordance with the Declaration Letter of Release of Land Rights (No.: 726/BA-HP.01-14.05/XII/2020) on December 8, 2020, which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No.16/1997 with an area of 3,295.51 ha.  
There was a change in the area of HGU (previously covering an area of 6,087) in accordance with the Declaration Letter of Release of Land Rights (No.: IP.02.01/1777-14/XII/2020) on December 8, 2020, which was recognized by the Head of the Land Office of Indragiri Hulu Regency.
- HGU No.14/1996 with an area of 200 ha.
- HGU No.18/2000 with an area of 200 ha.
- HGU No.21/2003 with an area of 103 ha.

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

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA 4	<p><b>Gandaerah Hendana POM</b></p> <ul style="list-style-type: none"> <li>• <b>Security post.</b> Observation and Interview with security related to work procedure, emergency response, worker welfare, OHS implementation in mill, and supply chain aspect.</li> <li>• <b>Weighbridge station.</b> Observation and Interview with worker related to supply chain aspect and worker welfare.</li> <li>• <b>Grading station.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>WTP.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</li> <li>• <b>Empty Bunch Area.</b> Observation of the management of EFB</li> <li>• <b>CPO dispatch station.</b> Observation OHS implementation and supply chain aspect.</li> <li>• <b>Loading Ramp station.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>Hoisting Crane.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>Press station.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>Power House station.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>Boiler station.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in mill.</li> <li>• <b>Simulation Hydrant.</b> Observation and simulation according to readiness of emergency response</li> <li>• <b>Chemical material warehouse.</b> Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.</li> <li>• <b>Workshop.</b> Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management.</li> <li>• <b>Mill Drainage.</b> Observations mill effluent lines, sanitation mill and flow of leaching mill.</li> <li>• <b>Solid Waste.</b> Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.</li> <li>• <b>Spare part Warehouse.</b> Field observations and interview related spare part management, OHS, and environmental aspect.</li> <li>• <b>Quality Laboratory.</b> Observations and interviews related to sampling, testing time and handling related to test results that exceed the standard.</li> </ul> <p><b>Estate 1</b></p> <ul style="list-style-type: none"> <li>• <b>Hazardous waste temporary warehouse.</b> Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.</li> <li>• <b>Fertilizer Warehouse.</b> Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.</li> <li>• <b>Chemical warehouse.</b> Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.</li> <li>• <b>Lubricants Warehouse.</b> Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.</li> <li>• <b>Rinse House.</b> Observation and interview related working tools, PPE spray and manuring teams, used pesticide containers handling, OHS implementation, and environment aspect.</li> <li>• <b>Daycare Afdeling 1.</b> Observation and interview with worker related labor aspect, housing facilities and employment aspect</li> <li>• <b>Landfill block W39 Afdeling 2.</b> Observation related to waste management.</li> <li>• <b>Fire Fighting Equipment Storage.</b> Simulation the function of fire extinguishers and team readiness.</li> </ul>



- **Harvesting. Block V35 Afdeling 1.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Spraying. Block Y33 Afdeling 2.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **FFB Loading. Block Y37 Afdeling 2.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **HGU stakes and land demarcation No. 38, No 39 and No. 37.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HGU stakes and land demarcation No. X39.** Observation of aspect of land demarcation and boundary of certified and non-certified area.
- **HCV Punak River Riparian Area, block AA49.** Observation the implementation of management in HCV of riparian area.

**Estate 2**

- **Hazardous waste temporary warehouse.** Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.
- **Fertilizer Warehouse.** Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.
- **Chemical warehouse.** Observation and interview related to work procedures, OHS implementation, employment aspect and environment aspect.
- **Rinse House.** Observation and interview related working tools, PPE spray and manuring teams, used pesticide containers handling, OHS implementation, and environment aspect.
- **Daycare.** Observation and interview with worker related labor aspect, housing facilities and employment aspect
- **Generator room.** Observation and interview elated to work procedure, OHS implementation and employment.
- **Fire Fighting Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
- **Subsidence and Piezometer Pole. Block K13 and I13 Afdeling 7.** Observation according peat management
- **Beneficial Plant. Block J15/K15 Afdeling 7.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Chemical Wooden Application. Block J11 Afdeling 7.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Spraying. Block F13 Afdeling 6.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Seed Section. Block G3 Afdeling 8.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Harvesting. Block E3 Afdeling 8.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **HGU stakes and land demarcation No. 12, No. 13, No. 08 and No. 05.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV Ukui River Riparian Area, block G6.** Observation the implementation of management in HCV of riparian area.

**Estate 3**

- **Harvesting. Block J24 Afdeling 11.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Manuring. Block J22 Afdeling 11.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Spraying. Block K30 Afdeling 11.** Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.
- **Land Fill. Block J26 Afdeling 11.** Observation related domestic waste management.
- **Fire Tower. Block J24 Afdeling 11.** Observation related land fire facilities and infrastructure.
- **Watergate. Block J21 Afdeling 11.** Observation related water management.
- **HGU stakes and land demarcation No. 04, No.05 No. 31 and No. 30.** Observation of aspect of land demarcation



	<p>and maintenance of HGU pole, and land dispute potency.</p> <ul style="list-style-type: none"> <li>• <b>HCV Seko Hilir River Riparian Area, block R2/R3.</b> Observation the implementation of management in HCV of riparian area.</li> <li>• <b>Harvesting. Block S3 Afdeling 15.</b> Observation and Interview with worker related to work procedure, emergency response, worker welfare, and OHS implementation in estate.</li> <li>• <b>Housing Complex U1.</b> Observation the availability of infrastructure such as housing, water and electricity facilities, fire extinguisher, education facilities, religious facilities, health facilities, daycare domestic waste management, childcare and sports facilities.</li> <li>• <b>Body shower of spraying team and mixing area.</b> Observation the conditions body shower room and PPE handling.</li> <li>• <b>Domestic Waste Landfill, Block U1.</b> Observation on domestic waste management.</li> </ul> <p><b>Office Area</b></p> <ul style="list-style-type: none"> <li>• <b>Workshop.</b> Observation and interview with workers related to workshop condition, manpower aspect, job responsibility, OHS implementation, hazardous waste management, and worker welfare.</li> <li>• <b>General storage.</b> Observation about PPE stock and other material in the storage.</li> <li>• <b>Clinic.</b> Observation dan interview related to emergency response, medical facility, work accident, waste management and medical checkup.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA 4</b>	<p>Consultation of stakeholders for PT Gandaerah Hendana was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website MUTU on 03 April 2023.</li> <li>• Public consultation meeting with government institution (Pelalawan Regency and Indragiri Hulu) on 11 April 2023.</li> <li>• Public consultation meeting with communities (Kerumutan Village and Air Kuning Village) on 11 April 2023.</li> <li>• Public consultation meeting with internal stakeholders and contractor on 10 April 2023.</li> <li>• Public consultation via email (questionnaire) with NGO (AMAN, WALHI, Sawit Watch, WWF Indonesia) on 04 April 2023.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Gandaerah Hendana.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (RC) will be conducted eight (8) months to twelve (12) months after date of annual license.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Gandaerah Hendana POM – PT Gandaerah Hendana subsidiary of S&G Biofuel PTE. LTD** operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were one (1) Nonconformities were assigned against Major Compliance Indicator 7.7.5 and one (1) nonconformity were assigned against Minor Compliance Indicator 7.7.2; and five (5) opportunities for improvement were identified.

Further explanation of the non-conformities raised, and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc). Those corrective action(s) taken that consist of word (number) Major non-conformity(s) and one (1) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Gandaerah Hendana POM – PT Gandaerah Hendana subsidiary of S&G Biofuel PTE. LTD** 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	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The company already has a list of information/documents that can be accessed by stakeholders such as government agencies and NGOs presented in letter No. 4 / HMS / GH / Ukui / XI / 2017 dated November 17, 2017, regarding the transparency of company documents. The publicly available documents are:</p> <ul style="list-style-type: none"> <li>• HGU certificate</li> <li>• ANDAL document</li> <li>• RKL-RPL report, hazardous management report and POME management report</li> <li>• HCV (High Conservation value)</li> <li>• POME permit</li> <li>• Hazardous storage permit</li> <li>• Social Impact Assessment</li> <li>• Vision and mission of the company</li> <li>• Sustainability policy</li> <li>• Environmental Policy</li> <li>• OHS policy, quality and CSR</li> <li>• HCV policy</li> <li>• Environmental work program</li> <li>• OHS work program</li> <li>• Logbook information.</li> </ul>	

**1.1.2**

Company provides information for stakeholders in form of mandatory report and submitted to relevant stakeholders, for example:

- Report of HGU Utilization in 2022 PT Gandaerah Hendana submitted to Land National Office of Indragiri Hulu Regency on 31 January 2023.
- Report on the progress of the plantation business for Semester II 2022 submitted to Plantation Agency of Riau Province on 31 January 2023.
- Investment Activity Report for the 4<sup>th</sup> quarter of 2022 which was submitted to the Ministry of Investment/BKPM by online on 11 January 2022.

Those documents are provided in appropriate language. Based on explanation above, company has provided information in appropriate language and accessible to relevant stakeholders.

**1.1.3**

The company records requests for information from stakeholders in documents of Incoming and Outgoing Letters of External Stakeholders. The book informs about the date of the incoming letter, subject matter, and the date of the letter's response. Based on the review of these documents, incoming letters from stakeholders related to requests for assistance or submission of proposals. Then, the company shows examples of responses to incoming mail, for example incoming letter from Kelurahan Kerumutan on 23 December 2022 about proposal of assistance for office needs and company has responded by giving the equipment on 8 February 2023.

Based on interviews with representatives of Kerumutan Subdistrict and agencies related in Pelalawan and Indragiri Hulu Regency, it is known that the company has conducted outreach to the stakeholder regarding the mechanism for requesting information from the company. If there is a request for information, the stakeholder will send a letter to the company and the company will respond.

**1.1.4**

Company has a SOP of Communication, consultation and participation with document number 004-SOP-ISP revised: 00 with an effective date on January 2, 2014, which was approved by the COO (Chief Operation Officer). In this procedure, communication is divided into internal communication and external communication. The external communication procedures are as follows:

- The HSE officer identifies each environmental and OHS information that will be communicated to the relevant external parties.
- The estate/ POM manager decides whether communication of information will be communicated to third parties or not.
- If the environmental or OHS information is decided to be communicated to the company's external parties, then the legal / public relations department will act to communicate with the company's external parties.
- The HSE officer together with the legal / public relations department staff are obliged to document all records that arise in the implementation of the communication.
- If there are input / complaints / communication from external parties, the company:
  - Estate / POM HSE Officer or company legal / public relations staff are in charge of receiving and submitting input / complaints / communication from external parties to the company management.
  - Management forms a team to resolve input / complaints / communications from external parties.
  - Management can provide information openly and adequately to the public (stakeholders) matters relating to environmental management, Occupational Safety and Health management systems and management of the company's social environment, as long as it does not involve confidential information that is commercial in nature.
  - Management through the relevant departments provides answers to requests for information to external parties no later than 10 (ten) days from the date of receipt of the information request.
  - HSE Officer / legal / public relations staff are obliged to monitor the resolution of complaints / input or communication from the external party

PT Gandaerah Hendana has been carried out socialization those procedure to stakeholders. For example, socialization of consultation and communication procedures to representatives of surrounding community (i.e. Lirik District, Banjar Balam Village, Pasir Ringgit Village, Rendnag Seko Village, Seluti Village, Air Molek Village, etc.) and employees of PT Gandaerah Hendana on 23 February 2022 which has been participated by 47 participants. Based on stakeholder consultation obtained information if the affected parties / stakeholder known the mechanism of consultation and communication with the company.

**1.1.5**

Company already has a stakeholder list update until March 2023, which contains the names, positions, and telephone numbers of the local Sub District, Village Head, Sub-Village Head, Police, Health Facilities, Government Agencies of Pelalawan and Indragiri Hulu Regency, NGOs, educational institutions, Suppliers, and contractors. Internal stakeholders that listed in the documents such gender committee and worker union. Auditor checks by calling the numbers recorded in the document, from the results of checking that the phone numbers are in accordance with the existing list.

<b>Status: Comply</b>
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**1.2**

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

**1.2.1**

The management representative explained that the company already has a code of ethics that contains integrity and anti-corruption. This statement is stated in the CEO Compliance Letter and the Company's Code of Ethics Policy, which was stipulated on August 4, 2018, by the CEO of PT Gandaerah Hendana. In the policy, it is explained that:

- Not engaging in bribery and other practices that are inconsistent with ethical business practices.
- Record all transactions and practices with the company in detail.

The company has shown a record of dissemination of the code of ethics. For example, socialization on August 1, 2022, to 40 workers. The results of interviews with representatives of labor unions and contractors found that the company had provided socialization regarding the company's code of ethics policy.

**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 21 – 22 April 2022. And from the results of the internal audit conducted, there is no indication of a violation of ethical behavior.

<b>Status: Comply</b>
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**PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**
**2.1**

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

**2.1.1**

The certification unit is under the company PT Gandaerah Hendana, in fulfilling compliance, the company has complied with several relevant regulations, namely by having the following documents:

Legal Aspect

**HGU**

Based on the results of a review of land rights documents, the total area of the company is 11,097.02 ha. the details are as follows:

- HGU Certificate No. 1 of 1997. Number: 9119/SLN/1997, dated 11 December 1997 issued by the Head of the Kampar District Office covering an area of 900.26 ha. Valid for 35 years.
- HGU Certificate No. 2 of 1997 Number: 9120/SLN/1997 dated 11 December 1997 by the Head of the Kampar Regency Office covering an area of 6,398.25 ha valid for 35 years.
- HGU Certificate No.16/1997 Number: 13/1995 dated 4 June 1997 issued by the Head of the Indragiri Hulu District Office with an area of 3,295.51 ha valid for 35 years.
- HGU certificate number 14 of 1996 Number: 01/1995 dated 2 August 1995 issued by the Head of the Indragiri Hulu District Office covering an area of 200 Ha is valid for 35 years.
- HGU certificate number 21 of 2003 Number: 249/Redang seko/2000 dated 19 June 2000 issued by the Head of the Indragiri Hulu District Office covering an area of 103 Ha and is valid for 35 years.

- HGU certificate number 18 of 2000 Number: 248/Redang seko/2000 dated 19 June 2000 issued by the Head of the Indragiri Hulu District Office covering an area of 200 Ha and valid for 35 years.

### **IUP**

Plantation Business Permit (IUP) in accordance with the Decree of the Head of Integrated Licensing Service Agency of Riau Province No. Kpts.10/BP2T-IR/II/2014 dated 28 February 2014 with a total area of 14,387 Ha including a processing unit with an installed capacity of 60 tons of FFB/hour with oil palm commodities in Indragiri and Pelalawan Regencies.

### **Compliance with manpower Regulation:**

The determination of wages at PT Gandaerah Hendana is based on the minimum wage in Indragiri Hulu Regency based on the Decree of the Governor of Riau No. Kpts.1783/XII/2022 on December 7, 2022. The Minimum Wage for Indragiri Hulu Regency in 2023 is Rp. 3,364,511.42.

### **Environmental Regulation**

- EIA document of Oil Palm and Rubber Plantation and Palm Oil Mill of PT. GANDAERAH HENDANA has obtained approval from the Secretary General / Chair of the AMDAL Commission at the Ministry of Forestry and Plantation Center No. 636 / Menhut-II / 2001 dated May 1, 2001. Scope of AMDAL studies covering the area of PT Gandaerah Hendana's plantation 13,884 Ha based on No. HGU 1 covering 1,360 Ha, No. HGU 2 covering an area of 6,437 Ha and No. HGU 16 covering an area of 6,087 Ha. Besides that, PT Gandaerah Hendana will collaborate with the planting of oil palm covering an area of 5,500 Ha with a Cooperative Village Usaha Damai located in Pangkalan Kuras District, Pelalawan Regency, Riau Province. For a total plant capacity of 60 tons FFB / hour.
- Environmental Management Document 503 Ha Oil Palm Plantation Activities PT Gandaerah Hendana Division XV Redang Seko Village, Lirik District, Indragiri Hulu Regency in 2015, has been ratified by Decree of the Head of the Environmental Agency of Indragiri Hulu Regency No. 08 of 2015 dated March 9, 2015.
- Environmental Management Document (DPLH) Conversion Activities for Rubber to Palm Oil Plantations covering 689.56 Ha in Kerumutan District and Lyrics Sub district (HGU No.1 & No.2) and Core Oil Processing (Kernel Oil) with a capacity of 3.5 Ton / Hour PT Gandaerah Hendana in 2014. Scope of study includes Pelalawan Regency and in Indragiri Hulu Regency and acquire endorsement accordance decree of the head integrated licensing office Province Riau Number Kpts.26/DPMPSTP/2019 date December 2019.
- The company has demonstrated efforts to extend permits for the utilization of liquid waste to land as shown in the following evidence:
  - Minutes of Coordination regarding the extension of permit for the utilization of liquid waste from PT Gandaerah Hendana with the DLHK of Riau Province on January 17, 2021. Based on the document, it is explained that the old permit is still valid as long as there are no changes.
  - Letter No. 564/LGL/GH-PKU/XI/2021 dated November 10, 2021, regarding the Application for the Extension of the Wastewater Utilization Permit, which was received by DLH Pelalawan Regency on November 11, 2021, and DPMPSTP Pelalawan Regency on November 11 2021.
  - The results of interviews with the DLH of Pelalawan Regency are in line with the results of coordination between the company and the Riau Province DLHK which stated that the old permit was still valid as long as there were no changes.
- The company already has Permits for Temporary Storage of Hazardous Waste from the government, namely in 4 locations, namely in PKS, Plantation 1 and 2 TPS in Plantation 3, namely in plantation 3 and Redang Seko Village and in plantation 3 (Banjar Balam Village) which are valid.

### **2.1.2**

The certification unit has SOP to comply with regulations & other requirements (No. : 002 – SOP - ISP, dated 2 January 2014). Procedure of legal requirement which presented in document, the procedure explaining personnel (HSE Officer) who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. In general, the list will be updated every year but can also be revised if there are new regulations that have been applied. List of rules such as related a labor, legality, environment and OHS. The document describes the company's compliance with the regulations in the Republic of Indonesia, for example the fulfilment of the latest regulations such as the Decree of the Governor of Riau regarding the Provincial Minimum Wage. The company has made the latest update in March 2022, the document contains the latest regulations, for example related to the minimum wage in Indragiri Hulu Regency based on the Decree

of the Governor of Riau No. Kpts.1783/XII/2022 on December 7, 2022.		
In order to ensure compliance with regulations, the company has also carried out internal audit activities carried out on January 18, 2023. This activity also ensures compliance with regulations for contractors and other third parties who cooperate with the company.		
<b>2.1.3</b>		
Based on the results of field visits to HGU stakes in Estate 1, 2 and 3, several HGU stakes have been found and there are no indications of planting outside the HGU stakes. However, there are several monitoring results that do not match the actual conditions in the field. For example, for stake number 12 in Estate 2 and HGU stakes No. 31 and 30 in Estate 3, it is known that the stakes are in poor condition. The company has made improvements to this benchmark. Related to this, the company has the opportunity to ensure that the results of monitoring the HGU stake are in accordance with the actual HGU conditions in the field (OFI).		
<b>2.1.1</b>	<b>Status: Comply</b>	
<b>2.2</b>		
<b>All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.</b>		
<b>2.2.1</b>		
The company already has a list of contractors included in the stakeholder list. The list of contractors includes all third parties working with PT Gandaerah Hendana such as hazardous waste transport contractors, FFB transport contractors, upkeep contractors, replanting contractors, and others. The list of stakeholders informs the name of the agency, contact name, field of cooperation, address and contact number.		
<b>2.2.2; and 2.2.3</b>		
The company has shown examples of agreement with contractors and supplier that have contained clauses regarding legal compliance obligations, such as:		
<ul style="list-style-type: none"> <li>• Agreement for shell transport No. 018/ATBS/KBN-GH/CV.PIP/XII/2022 dated December 21, 2022.</li> <li>• Agreement with FFB supplier No. 106/PTBS/GH-CV.DS/MKT/XII/2022 dated on December 26, 2022.</li> </ul>		
In the agreements have been explained about:		
<ul style="list-style-type: none"> <li>• Obligation to use PPE.</li> <li>• Prohibition of employing children under 18 years old.</li> <li>• Obligation to register all workers with BPJS.</li> <li>• Prohibition of employing children, forced labor practices.</li> <li>• Obligation to provide PPE to workers.</li> <li>• Etc.</li> </ul>		
The company has shown documentation of legal compliance by the contractor, for example:		
<b>PT Macan Cahaya Sejahtera</b>		
<ul style="list-style-type: none"> <li>• Number of workers: 235.</li> <li>• Salary slips for of January 2023 for contractor workers. For example, with initial PR. The wages are in accordance with the Minimum Wage for Indragiri Hulu Regency in 2022.</li> <li>• Evidence of BPJS Employment for March 2023, Payment on March 27, 2023.</li> <li>• Evidence of BPJS Health for March 2023, Payment on March 25, 2023.</li> <li>• Worker agreement, for example worker with initial 165/MSC-PTGH/III/2023 dated 24 February 2022.</li> </ul>		
The company also shows the contractor evaluation record for 2023 which informs the name of the contractor, accuracy of completion schedule, completeness and eligibility of HR, compliance with company rules and support for Management System Implementation, discipline in using PPE, ability to reach Zero Accident, etc.		
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.		
	<b>Status: Comply</b>	



**2.3**
**All FFB supplies from outside of the unit of certification are from legal sources.**
**2.3.1**

Based on data on FFB suppliers to the Gandaerah Hendana POM, POM receives FFB from direct and indirect suppliers. The only direct FFB supplier is DT. The company has shown examples of legal documents from DT's direct suppliers, including SHM and geolocation from DT's plantation, namely S 0°10'01.998" / E 102°11'28.207".

**2.3.2**

Based on data on FFB suppliers to the Gandaerah Hendana POM, POM receives FFB from direct and indirect suppliers. The company shows examples of legality documents, trade permits, and the geolocation of one of its indirect suppliers, for example one of the SBS Cooperative farmers, including:

SHM No. 1403 for an area of 2 Ha issued on 26 May 2005.

The company shows documents permitting the operation of the SBS Cooperative, including:

- Banjar Sari Syariah Cooperative trading business license issued through the OSS Institute on June 24, 2021, with NIB 1261000622827.
- Banjar Sari Sharia Cooperative NIB No. 1261000622827 issued through the OSS Institute on June 22, 2021.
- Decree of the Minister of Cooperatives and Small and Medium Enterprises No. 012069/BH/M.KUKM.2/II/2019 concerning Ratification of the Deed of Establishment of the Banjar Sari Sharia Cooperative which was stipulated on 11 February 2019.

**Status: Comply**

**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**
**3.1**
**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**
**3.1.1**

The company shows a record of long-term planning in the PT Gandaerah Hendana Long-Term Plan document for the 2022-2026 period which was approved by the Senior Manager in February 2022. The document contains plantation business information including projected FFB, CPO, Kernel Oil, CPO and Kernel extraction projections, throughput, and replanting.

	2022	2023	2024	2025	2026
Production (ton)	194,836	178,212	174,201	165,402	160,353
CPO (ton)	46,823	45,074	45,322	43,562	45,179
OER (%)	19.5	19.4	19.4	19.3	19.0
PK (ton)	11,992	11,611	11,710	11,270	11,768
KER (%)	5.0	5.0	5.0	5.0	5.00
Throughput (Ton/Hour)	55	56	57	58	59
Replanting (Ha)	821.13	858.54	847.43	817.20	821.70

Based on the description above, it is concluded that the company has a record of long-term planning and monitoring of plantation business.

**3.1.2**

The Company have replanting plan for PT Gandaerah Hendana which is described in the following table:

Estate	Program Replanting (Ha)				
	2022	2023	2024	2025	2026
1	525.21	151.78	-	-	188.32
2	295.92	291.91	847.43	434.49	381.37
3	-	414.85	-	382.71	252.01
<b>Total</b>	<b>821.13</b>	<b>858.54</b>	<b>847.43</b>	<b>817.20</b>	<b>821.70</b>



The company has a monitoring plan and realization of replanting activities every year, from the document it can be seen the area, Crop standard per Hectare (*SPH*) and total crops from the plan and realization of replanting from 2018 - 2021, for 2022 onwards only the plan is recorded, while the realization will be inputted after implementation replanting has been completed in accordance with the planned area. In year of 2022 has been done of replanting for 634.60 Ha.

### 3.1.3

Management review towards plantation and operational activities had consistently conducted by the unit of certification periodically, as presented in several documents, for example as follows:

- Monthly Report Mill Manager.
- Monthly Estate Manager Report.
- Sustainability Internal Audit Report for RSPO period 2022. The audit is conducted on February 13 – 16, 2023. Based on the results of the internal audit, there is 11 non-conformity, and the non-conformity has been fulfilled in April 5, 2023.
- Management Review of year 2022 is conducted on March 27, 2023. Management review report discusses all operational activities in the company, such as the discussion of internal audit results and follow-ups from previous management reviews.

**Status: Comply**

## 3.2

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

### 3.2.1

The management unit has developed and implemented an action plan for continuous improvement, and it is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification, such as:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable fuels and the use of fertilizers and pesticides are in accordance with the recommendations to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP Management, testing the quality of the effluent and reporting it to the Environmental Agency of Pelalawan Regency.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to the Pelalawan District Environmental Service.
- Management and monitoring of groundwater through testing ground water quality and reporting it to the Environment of Pelalawan Regency.
- Hazardous waste management through Hazardous and Toxic Waste Storage and Hazardous and Toxic Waste management and monitoring.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy, utilization of EFB, shells and fiber as renewable energy, regular engine maintenance, and regular emission quality tests.
- Mechanical fertilization using an *emde* fertilizer spreader, which speeds up fertilization activities and saves on the use of fertilizer workers.
- Mechanization in the transportation of FFB using a grabber when transporting FFB from the *TPH* and placing it in a truck bin.

### 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 RSPO metric template Version 2.1 period January – December 2022, the information has been matched with others document, such as supply chain record, demographic workers, work accident, etc.

**Status: Comply**

## 3.3

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

### 3.3.1

The company shows 121 items of SOP master list documents, including 42 items of K3 SOP, 45 items of Agronomy SOP, 2 items of CSR SOP, 5 items of Legal SOP, 10 items of HRD SOP, 17 items of Mill SOP. Examples of SOP Agronomy, namely: SOP *survey*

*kesesuaian lahan (001-SOP-AGR), SOP pembibitan – persiapan dan pemilihan lokasi (002-SOP-AGR), SOP pembibitan – pemesanan kecambah (003-SOP-AGR), SOP pembukaan lahan dan tanam ulang (015-SOP-AGR), SOP penanaman kacang (017-SOP-AGR), SOP konservasi tanah dan air (018-SOP-AGR), SOP pengelolaan air (019-SOP-AGR), SOP pengelolaan air tanggul (020-SOP-AGR), SOP pengendalian gulma TBM (021-SOP-AGR), SOP pengendalian gulma TM (022-SOP-AGR), SOP hama dan penyakit (023-SOP-AGR), SOP pengendalian secara biologi (024-SOP-AGR), SOP pengelolaan pestisida (025-SOP-AGR), SOP panen (033-SOP-AGR), SOP pengelolaan lahan gambut (041-SOP-AGR). Examples of SOP Palm Oil Mill, namely: SOP penerimaan TBS (001-SOP-POM), SOP penetapan harga TBS (002-SOP-POM), SOP perebusan (003-SOP-POM), SOP pemipilan (004-SOP-POM), SOP pemurnian CPO (006-SOP-POM), SOP pengukuran kualitas CPO (009-SOP-POM), SOP pengukuran kualitas kernel (010-SOP-POM), etc.*

Based on observations and interviews with workers (spray, harvesting, and fertilizing), it was concluded that workers understood their work procedures well.

Based on observations and interviews with 1 operator in the engine room and 1 operator at the sterilizer station, it was concluded that the workers understood and were able to describe their work SOPs well.

### **3.3.2**

The company has a system that ensures consistent implementation of SOPs, such as Work Quality Checks or Inspections by Operational Internal Audits (Plantations and Mills), ISPO, and RSPO Internal audits, which check whether company procedures have been carried out by company units, as well as Financial Audits conducted by the company and external parties to ensure the use or costs used are in accordance with the rules set by the company. Daily internal supervision is carried out by supervisory levels starting from the Foreman, Divisional Assistant, and Assistant head to the Estate Manager. Operational audits are conducted once a month. They evaluate the operational and administrative implementation of plantations and mills. Meanwhile, an internal RSPO audit is conducted every six months to evaluate the implementation of sustainability procedures in plantations and mills. Furthermore, management representatives (assistant, manager, and related superiors) periodically visit the inspectorate to control the implementation of procedures. All operational activities of the company are recorded in the form of Monthly Reports for plantations and mills. The operational activity report is a recap of daily activities. This report is a routine report prepared by the plantation and mill management units and submitted to top management Companies.

The company has also conducted its last Sustainability Internal Audit Report for the RSPO period of 2022. The audit is conducted on February 13–16, 2023. Based on the results of the internal audit, there are 11 non-conformities, and the non-conformity has been fulfilled as of April 5, 2023.

In addition to internal audits, the management review of 2022 is conducted on March 27, 2023. The management review report discusses all operational activities in the company, such as the discussion of internal audit results and follow-ups from previous management reviews.

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

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

#### 3.4.1

##### **Environmental document.**

EIA document of Oil Palm and Rubber Plantation and Palm Oil Mill of PT. GANDAERAH HENDANA has obtained approval from the Secretary General / Chair of the AMDAL Commission at the Ministry of Forestry and Plantation Center No. 636 / Menhut-II / 2001 dated May 1, 2001. Scope of AMDAL studies covering the area of PT Gandaerah Hendana's plantation 13,884 Ha based on No. HGU 1 covering 1,360 Ha, No. HGU 2 covering an area of 6,437 Ha and No. HGU 16 covering an area of 6,087 Ha. Besides that, PT Gandaerah Hendana will collaborate with the planting of oil palm covering an area of 5,500 Ha with a Cooperative Village Usaha Damai located in Pangkalan Kuras District, Pelalawan Regency, Riau Province. For a total plant capacity of 60 tons FFB / hour.

Environmental Management Document 503 Ha Oil Palm Plantation Activities PT Gandaerah Hendana Division XV Redang Seko Village, Lirik District, Indragiri Hulu Regency in 2015, has been ratified by Decree of the Head of the Environmental Agency of Indragiri Hulu Regency No. 08 of 2015 dated March 9, 2015.

Environmental Management Document (DPLH) Conversion Activities for Rubber to Palm Oil Plantations covering 689.56 Ha in Kerumutan District and Lyrics Sub district (HGU No.1 & No.2) and Core Oil Processing (Kernel Oil) with a capacity of 3.5 Ton / Hour PT Gandaerah Hendana in 2014. Scope of study includes Pelalawan Regency and in Indragiri Hulu Regency.

The environmental document (DPLH) for the rubber to oil palm plantation conversion activities covering 689.56 ha and Kernel Oil (PKO) plant with a capacity of 3.5 tons/hour by PT Gandaerah Hendana, acquire endorsement accordance decree of the head integrated licensing office Province Riau Number Kpts.26/DPMPTSP/2019 date December 2019.

##### **Social Impact Assessment document**

The Social impact assessment conducted PT. Sonokeling Akreditas Nusantara in September 2017. Results of social impact assessment presented in social impact assessment report, describing the social issues, negative and positive impacts, scope of assessment, assessment methods. 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.

SIA appendix on year 2017 describes the evidence of participatory activities that have been conducted, i.e register of attendance, photos, maps and a list of participants during the assessment including from all the surrounding villagers and employee representatives. This is consistent with the results of interviews with local people from Village of Banjar Balam, Village of Redang Seko (Sub district of Lirik), Village of Ukui 2 (Sub district of Ukui), Village of Kerumutan (Sub district of Kerumutan) and internal stakeholders when public consultation. Regarding consultation with stakeholders, there are no issues that need to be verified further, all social impacts have been identified.

In the company's operational area there is an issue of community-owned cattle (cattle) that enter the company's operational area. In this regard, the social impact has been anticipated, while the management plan for this issue is to carry out outreach regarding livestock cultivation and submit pesticide spraying schedules so that the community does not release livestock during the pesticide spraying process, the activity was carried out on January 3, 2023. Several community parties who were around the company have been involved in these activities. As for monitoring, this is by installing chips on cattle and registering cattle ownership with the company so that the population can be limited, 1 family can only register 2 cows. Thus the company can monitor social issues from

the impact of livestock entering the company's operational area, so that the company has followed up on the previous OFI.

### 3.4.2

#### Environmental Impact Assessment

Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (RKL-RPL) report for PT Gandaerah Hendana. The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly. The significant impacts that are managed and monitored based on AMDAL Documents (KA, ANDAL, RKL and RPL) include the new environmental documents.

Company is consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per the sixth month regularly. This report described the realization of monitoring and management of the environment in accordance with environmental parameters in the RKL-RPL based on document verification semester 2 the year 2022 no negative effect arising from the monitoring result. Public consultation with the Environmental agency of Pelalawan indicates that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

Based on verification, RKL-RPL report semester 2 of 2022 has already contained adequate environmental management and monitoring component such as noise, air quality, soil fertility, land fire, hazardous & domestic waste, aquatic biota, groundwater levels, water quality, vegetation, wildlife, plant pests and diseases, complaints and public unrest, acceptance of labor and community income, and public health problems.

As explained in the results of this assessment, the company also has an environmental impact assessment document as well as a management and monitoring plan, evidence of environmental management and monitoring is explained in the RKL-RPL report for semester 2 of 2022, significant impacts that are managed and monitored is still the same with previous assessment. While the development of management and monitoring plans for the impact of complaints and public unrest, acceptance of labor and community income, and public health problems, methods for monitoring carried out are interviews and questionnaires to affected communities.

#### Social Impact Assessment

The plan of social monitoring and management included in social impact assessment conducted in 2017. 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.

Company shown the Management and Monitoring SIA Implementation of 2022 on Social Impact Report for period January to December year 2022. Management and monitoring of SIA in 2022 has been in accordance with its program including 8 components of natural capital, 3 components of human capital, 3 components of financial capital, 3 components of social capital, 1 component of physical capital. SIA program evaluation in 2021 document that explains the evaluation of each SIA management activity. For example, the management of external social impacts, namely for natural resources, human resources, economic resources, physical resources, social and cultural resources, while for management social internal includes recruitment, OHS, recruitment, health, OHS guidelines and OHS implementation, PPE, payroll, housing complex, transportation, work equipment, education, worker competence, discrimination and worker unions. This review has been involving external parties including representatives of surrounding villages (e.g., Redang Seko, Banjar Balam, Ukui Satu, Ukui Dua) as well as internal stakeholder of PT Gandaerah Hendana (e.g. Gender Committee, labor union, etc.). Management and monitoring SIA of 2022 evaluation has been used for developing management and monitoring of SIA program of 2023. Components managed and monitored consist of 2 components of natural capital, 1 components of human capital, 5 components of financial capital, 2 components of physical capital.

Based on interview with Ukui Head village known that SIA, as well as management and monitoring plan has been conducted in participatory manner with all affected village with questionnaire method. This has been in accordance with result of SIA questionnaire documents showed by the company which has been held on 14 November 2022. The participant for SIA adequate compares their operational activities because this activity has been attended by representatives from affected parties such as village representatives as well as internal company employees, namely Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantations and mills such as Village of Ukui, Ukui Dua, Banjar Balam, Rendang Seko, etc.

Results of field visits and interviews with residents of housing complex in POM and estates, there are livestock (such as chickens,

cows, and goats) roaming in the company. Company has presented the following documents:

- PT Gandaerah Hendana's Social Impact Management Program (SIA) 2022, as well as the 2021 Social Impact Management Program and Evaluation (SIA) which includes the management and monitoring of external and internal impacts, including the components of natural, human, economic, social, and cultural resources, physical, recruitment, OHS, social insurance, payroll, housing, vehicles, work equipment, education, etc. However, there has been no discussion regarding the presence of livestock in the company.
- Social Aspect Monitoring Questionnaire to representatives of surrounding communities and workers in November 2021.
- Letter No. 145/LGL/GH-PKU/IV/2020 dated April 14, 2020, regarding the company's appeal to control livestock at PT Gandaerah Hendana.

In the ASA-4 activities, the auditor has verified the social issues that have arisen in the previous assessment, the company has included social impact management and monitoring programs from the presence of livestock in and around the company into social impact management and monitoring programs however regarding the social management and monitoring plan owned by the company, it has conducted a review which is conducted every two years and monitoring once every year. Determination of the 2022 SIA management and monitoring plan through the forum group discussion method made on 16 July 2022 and evaluation of PT GH's social impact management in 2022.

Based on the results of a review of the 2023 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner by involving relevant stakeholders, for example external stakeholders with attention to women, internal stakeholders, migrant communities, local residents, youth leaders, contractors and for internal stakeholders with attention to broader representation of workers such as local workers, migrants, women, new workers including contract workers.

Based on the results of the document review, information was obtained that all social issues had been identified and managed, so companies were encouraged to document participatory SIA evidence that had been carried out by PT GH's cross departments, for example HRD, legal, and sustainability in one unit so that they could easily assess social impacts that continued to develop in an integrated and comprehensive manner. Based on this explanation, it is concluded that this indicator is an **Opportunity for improvement number 2**.

### 3.4.3

The company has shown the Management and Monitoring (RKL-RPL) Report for Second Semester of 2022 which have been delivered to Environmental Agency of Pelalawan Regency and Forestry and Environmental Agency of Riau Province on 2 March 2023, and Environment Ministry through environmental electronic reporting system (SIMPEL) with ID number of 1677738759-1660. Based on the document review, Management and Monitoring (RKL-RPL) Report of Second Semester of 2022 has contained result of several impact management and monitoring such as ambient air quality, noise level and wastewater quality.

Company has shown the Recapitulation of Socialization/Consultation Result document regarding action plan and monitoring of social and environmental impacts in 2022 which were carried out on November 2022 and involved representatives of surrounding villages (e.g., Redang Seko, Banjar Balam, Ukui Satu, Ukui Dua) as well as internal stakeholder of PT Gandaerah Hendana (e.g., Gender Committee, labor union, etc.).

<b>Status: Comply</b>	
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## 3.5

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

### 3.5.1

The company has Human Resources System as follows:

- Employee recruitment procedures with document number 001-SOP-HRD revision number 01 effective April 1, 2018, are approved by the Chief Finance Officer (CFO) and the Chief Operation Officer. This SOP aims to ensure that the recruitment process is good in order to meet the needs of qualified human resources as expected by the company.
- Employee Performance Assessment Procedure SOP No. 003-SOP-HRD revision 00 dated January 2, 2014. The procedures for evaluating employee performance in general are as follows:
  - Employee performance assessment is carried out on every permanent employee who has worked continuously for 1 year which is carried out periodically once every year.
  - The head of each department/manager conducts an annual employee appraisal.



- The results of the annual performance appraisal will be used in evaluating employees and determining the provision of compensation or other benefits.

The company also has a Collective Labor Agreement which also explains the HR Management System, including:

- Appointment of permanent employees (article 12)
- Promotion (article 14)
- Termination of Employment (CHAPTER XII), which consists of:
  - Termination due to retirement
  - Termination due to violation of rules
- And others.

The system regarding human resources system available to their workers and representatives. The human resources system also in accordance with applicable regulations as well as for retirement and termination of employment has been described in collective labor agreement.

### 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 (factory and estate).

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

#### **Recruitment and Appointment as permanent worker**

- Letter of appointment of permanent worker No. 225/SK/GH-KBN/III/2023 dated March 20, 2023, with initial RD. Recruitment documentation also has been shown such as job application letters, results of health checks, ID cards, diplomas, Family card and others.
- Letter of appointment of permanent worker No. 244/SK/GH-KBN/III/2023 dated March 30, 2023, with initial ES. Recruitment documentation also has been shown such as job application letters, results of health checks, ID cards, diplomas, Family card and others.

#### **Promotion**

- Promotion Letter No. 3195/HRD/GH-KBN/IX/2022 dated 20 September 2022 worker initial JS to harvester foreman.
- Promotion Letter No. 1078/HRD/GH-KBN/I/2022 dated 14 January 2022 worker initial RW to harvester foreman.

#### **Work Termination**

A Collective Agreement on Work Termination of Employment. For example, a worker with the initials HRS dated 4 April 2022 which has been signed by both parties.

The results of interviews with workers and 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.

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

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

##### 3.6.1

The company shows SOP 001-SOP-ISP regarding Identification of Impact Aspects, Risk Hazards, and impact evaluation. The SOP describes hazard assistance, environmental impact analysis, and all activities/activities/work, work processes, work methods/methods, work places/locations, work equipment, and materials/materials with Hazard Identification Forms, Environmental Impact Analysis, and K3L Risk Assessment, considering things like routine activities, normal conditions, abnormal conditions, and emergencies. The preparation of Hazard Identification, Environmental Impact analysis, and K3L Risk Assessment is made before work is carried out in all sections and departments and must be reviewed (evaluated and corrected) at least once a year.

The company shows the Hazard Identification Form, Environmental Impact Analysis, and K3L Risk Assessment, which were realized on January 2, 2023, and were prepared by the K3 Expert and approved by the Plantation Manager, Workshop Manager, Agronomy Manager, and Senior Manager. At the time the audit activity took place, it showed the company's records of Hazard Identification, Environmental Impact Analysis, and K3L Risk Assessment in each work unit, including the Plantation, enlarged on January 2, 2023, with work activities and processes including land clearing, nursery, planting, land care, harvesting and transportation, fertilizing, spraying, warehouse, fuelling station, LB3 warehouse, polyclinic, electrical installation, generator house, lawn mower, infrastructure (heavy equipment, road maintenance), infrastructure (civil), Estate office, workshop, harvest mechanization, housing, fire patrols, and environmental monitoring.

Based on the results of interviews with spraying workers in Block K30 Afdeling XI Estate 3, it is known that workers already know and understand the hazard supply documents, risks, and control plans and are able to implement them in the field. Based on the explanation above, it is known that there are results of risk identification and implementation plans that are disseminated to management and workers during the morning rally.

Based on the description above, it shows that the company's all operational activities are assessed for risk to identify OHS problems, and mitigation plans and procedures are documented and implemented. Related to OFI's previous surveillance regarding the update of hazard and risk identification documents, the company has shown the latest document which has added activities covering workers commuting through heavy traffic roads.

### 3.6.2

The company carries out activities to monitor the effectiveness of the OSH plan such as:

- Regular monthly meetings for each OHS Committee in each unit in the context of the effectiveness of the OHS plan that has been prepared in the beginning of the year. Last OHS Committee meeting on March 30, 2023 that talk about work safety, occupational health, training and socialization.
- The company simulates land fires per semester.
- Hold a First Aid Simulation for each management unit.
- Examination of fire extinguishers every month in preparation for the existence of hotspots in each unit.
- Providing PPE and its replacements to all employees for free.
- PPE checking every morning by supervisor in each unit.

**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 staff, workers, smallholder and contractors. 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
- Census training
- OHS training
- Peat Management training
- Firefighting emergency response training
- First aid training
- LSU training
- And others.

#### 3.7.2.

The company already has training records, such as:

- OHS training on 20 December 2022 was attended by 60 participants.



- First aid training on 25 March 2023 was attended by 29 participants.
- Peat Management training on 18 October 2022 attended by 35 participants.
- Manuring training on 30 August 2022 attended by 30 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 contractors such as SOP socialization and training related to OHS. From the results of interviews with workers and contractor, known that workers and contractors can explain the training that has been obtained such as work procedures and OHS implementation.

### 3.7.3

The latest SCCS training was conducted on 24 February 2022 which was attended by 15 employees from security guards, weighbridges, sorting and grading divisions, staff, to administration. Based on interview with weighbridge operator in GH POM, it is known that they already understand the mechanism of supply chain and also can identified the FFB source from uncertified area.

**Status: Comply**

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1, 3.8.2

Gandaerah Hendana POM received FFB from uncertified source, therefore POM implements module E (MB) in its supply chain system.

#### 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 Palmtrace.

Product	Last Year Projected Certified Volume (Ton)	Actual production from April 2022 – Mar 2023 (Ton)	Projection certified volume (Ton) (12 months)
FFB	172,000	175,060.51	185,000
CPO	34,440	33,901.59	37,000
PK	8,610	8,612.64	10,175

Actual production of CSPO and CSPK is actual production plus opening stock in March 2022.

#### 3.8.4

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

- Member Name: GANDAERAH HENDANA PALM OIL MILL
- License ID: CB86129
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000004138
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

All certified product sales have been registered through the RSPO IT system (Palmtrace).

**3.8.5**

Gandaerah Mill had procedure for SCCS with MB or IP model in SOP supply chain procedure no. 016-SOP-POM rev 04 dated 1 July 2020 that has been authorized by CFO and COO of PT Gandaerah Hendana. The procedure rules all element related SCC aspect for example:

- Inform flow chart of mill business process starting from FFB acceptance to CPO dispatch, assigned PIC, internal audit, document retention period, certified CPO selling, logo and trademark use, business communication, product complaint mechanism and management review.
- Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.
- Procedures for receiving and processing certified and non- certified FFBs.

The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Based on interview with weighbridge operator, they understand the mechanism of supply chain such as the technical acceptance of certified FFB, sales of CPO/PK and also the reporting mechanism if there is an error in recording information.

**3.8.6**

The Procedure to conduct annual internal audit are describe in SOP for internal audit No. 036 – SOP - ISP issued on 10 April 2021 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The latest RSPO internal audit was conducted on 21 – 23 April 2022 and based on internal audit, there was no nonconformity against RSPO standards and SCCS.

**3.8.7**

The company has recorded FFB from certified and non-certified sources for the last 12 months. Following are details of receipt of FFB from certified and non-certified sources.

Month	FFB (ton)		Total
	Certified	Non-Certified	
April 2022	13,608.20	3,885.65	17,493.85
May 2022	13,477.60	4,812.27	18,289.87
June 2022	17,189.50	6,137.89	23,327.39
July 2022	16,377.78	4,915.37	21,293.15
August 2022	19,068.23	5,458.75	24,526.98
September 2022	17,862.90	5,377.54	23,240.44
October 2022	16,829.19	4,045.32	20,874.51
November 2022	15,510.27	4,987.36	20,497.63
December 2022	14,288.19	5,185.54	19,473.73
January 2023	11,918.19	4,212.15	16,130.34
February 2023	9,479.33	3,917.04	13,396.37
March	9,451.13	4,487.66	13,938.79
<b>Total</b>	<b>175,060.51</b>	<b>57,422.54</b>	<b>232,483.05</b>

The company also shows the actual volume of certified products over the last 12 months, including:

Product	Last Year Projected Certified Volume (Ton)	Actual production from April 2022 – Mar 2023 (Ton)
CPO	34,440	33,901.59
PK	8,610	8,612.64

Actual production of CSPO and CSPK is actual production plus opening stock in March 2022. Actual production without opening stock is 33,771.55 MT for CSPO and 8,576.04 MT for CSPK. Based on the table above, it is known that there has been no overproduction between the license quota and the actual production. Related for handling non-conforming oil palm products, has been set in SOP of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020).

### 3.8.8

Gandaerah Hendana Mill showed the example of delivery document of certified product during licenses period. The documents showed such as weighbridge card, delivery order, delivery note, and transport document. These documents have informed about certified product, such as names and address of the buyers and sellers, delivery dates, product descriptions, quality, quantity, member ID, and others. For example:

- Delivery order CSPK No. 101/DO/PK/GH/XII/2022 for PK delivery to PT Pelita Agung Agrindustri from 10 – 17 December 2022. The document has informed RSPO certificate number, transportation information, and quantity. Company also showed Weight Bridge Slip Document No. A1202212000520 on 15 December 2022 and also informed contract number and transportation identity.
- Delivery order CSPO No. 102/DO/CPO/GH/XII/2022 CPO delivery to PT Pelita Agung Agrindustri from 9 – 16 December 2022. The document has informed certificate number, quantity, name and address of seller and buyer, delivery date, and shipping delivery. Company also showed Weight Bridge Slip document number A1202212000518 on 14 December 2022 and also inform contract number and transportation identity.

Shipping announcement number of those selling document can be seen in indicator 3.8.16.

### 3.8.9, 3.8.10, 3.8.11

The physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK, except the transportation of product to third party, which bonded by the agreement. The company has a list of contractors for transporting oil palm products from Gandaerah Hendana POM which informs the name of the contractor, owner, address, work agreement number and validity period. There are 7 contractors for CPO and PK Transporter. Based on interview with CPO transporter CV Mestika Jaya and PK transporter CV Mitra Sarana Sejahtera, it is known that the contractor has understood the obligations towards supply chain standards and is willing to be accessed by CB.

### 3.8.12

During assessment, GH 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	Other Scheme	Noncertified
Opening stock	130.04	1.97	-	-	
April 2022	2,617.47	647.42	2,278.55	-	610.80
May 2022	2,589.72	806.86	2,721.23	-	750.00
June 2022	3,260.50	1,036.88	3,447.89	-	1,000.00
<b>Subtotal</b>	<b>8,569.73</b>	<b>4,463.47</b>	<b>8,447.67</b>	-	<b>2,360.80</b>
July 2022	3,116.18	842.93	3,080.73	-	838.34
August 2022	3,695.54	936.5	3,695.20	-	943.18
Sept 2022	3,482.71	921.52	3,498.60	-	1,000.00
<b>Subtotal</b>	<b>10,294.43</b>	<b>2,700.95</b>	<b>10,274.53</b>	-	<b>2,781.52</b>
Oct 2022	3,140.36	691.91	3,167.66	-	723.30
Nov 2022	3,116.47	851.48	3,082.95	-	776.70
Dec 2022	2,833.63	884.93	2,750.00	-	750.00
<b>Subtotal</b>	<b>9,090.47</b>	<b>2,428.32</b>	<b>9,000.61</b>	-	<b>2,250.00</b>

January 2023	2,337.77	720.09	2,389.62	-	861.21
February 2023	1,813.15	669.1	1,860.38	-	638.79
March 2023	1,768.05	765.68	1,862.18	-	777.57
<b>Subtotal</b>	<b>5,918.97</b>	<b>2,154.87</b>	<b>6,112.18</b>	<b>-</b>	<b>2,277.57</b>
<b>Total</b>	<b>33,901.59</b>	<b>9,777.27</b>	<b>33,834.99</b>		<b>9,669.89</b>

Based on table above, there is no CSPO sold as conventional product.

**Kernel Palm Oil**

Month	PK Production (MT)		PK Delivery (MT)	
	Certified	Uncertified	Certified	Noncertified
Opening stock	36.60	1.97		
April 2022	648.28	182.04	456.14	100.00
May 2022	599.48	226.42	743.86	200.00
June 2022	800.72	290.73	800.00	300.00
<b>Subtotal</b>	<b>2,085.08</b>	<b>701.16</b>	<b>2,000.00</b>	<b>600.00</b>
July 2022	759.80	226.46	734.05	295.13
August 2022	924.30	250.82	867.97	165.03
Sept 2022	898.48	247.65	997.98	282.12
<b>Subtotal</b>	<b>2,582.59</b>	<b>724.92</b>	<b>2,600.00</b>	<b>742.28</b>
Oct 2022	863.05	187.68	867.58	257.72
Nov 2022	847.35	232.34	832.42	200.00
Dec 2022	754.31	241.78	700.00	200.00
<b>Subtotal</b>	<b>2,464.71</b>	<b>661.80</b>	<b>2,400.00</b>	<b>657.72</b>
January 2023	611.99	196.66	720.00	200.00
February 2023	458.84	183.36	384.84	200.00
March 2023	409.44	210.49	500.10	200.00
<b>Subtotal</b>	<b>1,480.26</b>	<b>590.51</b>	<b>1,604.94</b>	<b>600.00</b>
<b>Total</b>	<b>8,612.64</b>	<b>2,678.39</b>	<b>8,604.94</b>	<b>2,600.00</b>

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 18.73% and PK is 4.84%. 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**

The Mill only applying RSPO Supply Chain Module of Mass Balance.

**3.8.16**
**Shipping announcement**

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

- Shipping announcement No. TR-2923e80e-e4af for CSPK MB with DO No. 101/DO/PK/GH/XII/2022 amount 100 MT. This contract has been shipped based on Weight Bridge Slip Document No. A1202212000520 on 15 December 2022. Shipping announcement was created on 21 December 2022.
- Shipping announcement No. TR-96bec882-cc92 for CSPO MB with DO No. 102/DO/CPO/GH/XII/2022 amount 250 MT. This contract has been shipped based on Weight Bridge Slip document number A1202212000518 on 14 December 2022. Shipping announcement was created on 19 December 2022.

#### **Removed stock.**

There is no CSPO and CSPK sold as conventional product.

#### **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 has a human rights policy as stated in the Human Rights of PT Gandaerah. The policy covers the protection of people's rights, respect for human rights, respect for human rights, overcoming the impact of human rights and recovery. Based on the document review and consultation with the Trade Union Management, it was found that there were no complaints related to human rights violations.

The company has conducted socialization related to company policies. For example, the company shows documentation of socialization related company including Human Rights and others on April 5, 2022, attended by 49 participants.

Based on interviews with employees and contractor, 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**

The company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date 1 September 2020 and ratified by management. The last revision was carried out on June 30, 2021. The procedure has outlined several systems related to resolving disputes, complaints and complaints effectively, timely and properly, which are briefly explained as follows:

- The complainant can ask the company to keep his/her identity confidential.
- The company will maintain anonymity/identifying information.
- Provide protection to complainants, human rights defenders, community representatives and also to whistleblowers/reporters.
- The company will try to prevent any retaliation or intimidation that will be carried out by the company in any form.

In addition, the company also has a Grievance Handling Procedure, document number 007-SOP-HRD, and revision number 02, effective date of March 20, 2018, which was ratified by the management. These procedures, among others, also explain the protection of the identity and security of the reporter. If the settlement at level 3 has not been reached, then the parties can take it to the RSPO Complaints System.

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.

#### **4.2.2**

The company has an External Party Complaints Procedure, document number 005-SOP-LGL Revision 01 (30 June 2021), effective date of 1 September 2020, which explains:

- The Public Relations Section or the Team appointed by the unit leader, must ensure that the socialization of the procedures. carried out has been agreed upon and can be understood by stakeholders / affected parties including those who cannot read and write.
- Submission/socialization to parties who cannot read and write is carried out using the method of utilizing visual abilities and hearing abilities.

#### **4.2.3**

The company already has an External Complaints Procedure and External Conflict Handling Procedure (document number 005-SOP-LGL Revision 01 (30 June 2021), effective date 1 September 2020). Based on these documents, it is explained that the certification unit will also inform the parties about the progress of handling complaints, including the agreed time frame, and the results are available and communicated to relevant stakeholders through Public Relations, namely by informing about the progress or progress of the complaints submitted by affected parties.

The company showed documentation of worker complaints, such as:

- Complaint dated 17 January 2023 related to roof damage of the house and has been responded and also followed up by company.
- Complaint dated 21 January 2023 related to toilet damage and has been responded and also followed up by company.

Based on the results of interviews with contractors, it is known that there have been complaints submitted verbally regarding the scheduling of FFB transportation and have been responded to by the company. Based on the results of the complaint documentation verification, it is known that the complaint has not been recorded. In this regard, the Company has the opportunity to ensure that all complaints and responses are recorded, including complaints submitted verbally. **(OFI)**

Based on interviews with stakeholders and documentation verification of external complaints, it is known that there have been complaints submitted by the Fishermen Group of Air Kuning Hamlet regarding the large amount of water hyacinth in the river due to the company's operations which affect fishermen's income. In this regard, the company has provided documentation of follow-up complaints as shown in the Minutes of inspection of the water hyacinth cleaning work in March 2023.

In addition, the results of interviews with representatives of labor unions obtained information that workers' complaints have been responded to by the company. As for the complaint from workers such as housing maintenance, etc. 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**

The company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date 1 September 2020 and ratified by management. The procedure has outlined several systems related to the resolution of disputes, complaints and grievance in an effective, timely and appropriate manner. Including conflict resolution mechanisms to obtain legal and technical assistance from independent parties, where the reporting party has the freedom to choose people or groups who can support it and/or act as observers. The parties may choose the option of involving a third-party mediator.

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**

Contributions to community development that have been realized during 2022 include:

- Request for material assistance for school development
- Partnership with local contractor
- Worker recruitment from surrounding community
- Local purchasing
- Etc.

Implementation of this contribution to community development is listed in the 2022 CSR program and realization. The CSR programs are prepared based on the results of consultations with local communities, for example through proposals submitted to companies or participating in village development planning meetings. Based on the results of interviews with representatives of Kerumutan Subdistrict, it is known that the company has provided CSR assistance to village communities, such as building houses of worship.

**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**

Company can demonstrate their legal ownership land as documents follow:

A. Forest area released.

Forestry Ministry Decree Ref No. 806/Kpts-II/1993 dated on 20 November 1993 concerning to provision for some forest area released from S. Jelurung – S. Merbau Kanan and S. Merbau Forest group located in Kampar District, Riau Province for 14,000 hectares to PT. Gandaerah Hendana.

B. Location permit

Land Office Head of Kampar District Decree Ref No. KPTS.04/KP/1994 dated on 16 April 1994 concerning to provision of location permit for oil palm plantation development on behalf PT. Gandaerah Hendana covering area ± 7,160 Ha located in Ukui Satu Village, Ukui Dua and Pangkalan Tampoi, Pangkalan Kuras and Kuala Kampar Sub District, Kampar District, Riau, Indonesia.

Land Office Head of Indra Giri Hulu District Decree Ref No. 03 tahun 1994 dated on 5 Mei 1994 concerning to provision of location permit for oil palm plantation development on behalf PT. Gandaerah Hendana covering area ± 6,500 Ha located in Redang Seko, Pasir Penyus Sub District, Indragiri Hulu District, Riau, Indonesia.

C. Plantation business permit

Integrated License Services Head of Riau Decree Ref No. Kpts.10/BP2T-IR/II/2014 dated on 24 February 2014 concerning to provision of plantation business permit for oil palm plantation on behalf PT. Gandaerah Hendana covering area +/- 6,590 ha in Indragiri Hulu District, +/- 7,797 ha in Kampar District and Mill with 60 tonnes FFB/hour capacity.

D. Land cultivation right title (*Hak Guna Usaha/HGU*)

There are 6 certificate HGU as follow:

- HGU No. 1/1997 with area 900.26 ha.

There was a change in the area of the HGU (previously an area of 1,360 ha) in accordance with the Declaration Letter for the Release of Land Rights (No.: 725/BA-HP.01-14.05/XII/2020) on December 8, 2020, which was acknowledged by the Head of the Land Office of Pelalawan Regency.

- HGU No. 2/1997 with area 6.398,25 ha.

There was a change in the area of the HGU (previously an area of 6,437) in accordance with the Declaration Letter for the Release of Land Rights (No.: 726/BA-HP.01-14.05/XII/2020) on December 8, 2020, which was acknowledged by the Head of the Land Office of Pelalawan Regency.

- HGU No.16/1997 with area 3,295.51 ha.

There was a change in the area of the HGU (previously an area of 6,087) in accordance with the Declaration Letter for the Release of Land Rights (No.: IP.02.01/1777-14/XII/2020) on December 8, 2020, which was acknowledged by the Head of the Land Office of Indragiri Hulu Regency.

- HGU No.14/1996 with area 200 ha.

- HGU No.18/2000 with area 200 ha



- HGU No.21/2003 with area 103 ha.

Based on the results of the review of the land rights document, the total area of the company's scope after being revised based on government approval (reduction of occupation area) is **11,097.02 ha**.

### 4.4.2, 4.4.4, 4.4.5, 4.4.6

There is no new development area in PT Gandaerah Hendana. The company has a recapitulation of land acquisition documents which were carried out in the last year of 1994. Recapitulation of land acquisition landowners' names, addresses, land area, amount of compensation money, year of compensation. Documents of compensation are documented in Bahasa included maps for each land that compensated. The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. It also known that compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion. Based on interview with representative of Redang Seko Village and Kerumutan Subdistrict, it is known that might be few of previous land owner still live in village, however they are elderly person which might have difficulty to be interviewed. From interview with previous land owner that can be interviewed, the compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion.

### 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.

**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 document review and public consultation with related agency (BPN Pelalawan Regency) there has been no new development and planting by PT Gandaerah Hendana since the previous surveillance. The land compensation process has been completed with a map signed by the village and the landowner. The land compensation process was carried out on 1993.

**Status: Comply**

### 4.6

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

### 4.6.1, 4.6.2

The Company has the Technical Guidelines for Land Preparation on "*Prosedur Pembebasan dan Ganti Rugi Lahar*" (No. 001-SOP-LGL, dated 2 January 2014). Procedures include explaining the land identification process, outreach to the community, physical inventory, to the compensation process. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right.

Based on interviews with representatives of Redang Seko Village and previous land owner, it is known that the land release process was preceded by socialization and then negotiations and after an agreement was reached, a compensation process would be carried out. The company also respects communities who do not want to relinquish land ownership rights. There was never intimidation and coercion in the whole process.

### 4.6.3, 4.6.4

The Company has no new land acquisition. The entire compensation process was carried out in 1993 - 1994. The results of compensation documents verification and interview with communities are 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. Company showed example of land compensation such as:

- Statement letter of release of land rights on behalf AA signed on 30 April 1994.
- Statement letter land release and received compensation on behalf AA signed on 30 April 1994 by land owner, Head of Redang Seko Village, and known by Head of Pasir Penyau Subdistrict.

Based on interviews with representatives of Redang Seko Village and previous land owner, it is known that the land release process was preceded by socialization and then negotiations and after an agreement was reached, a compensation process would be carried out. The company also respects communities who do not want to relinquish land ownership rights. There was never intimidation and coercion in the whole process.

**Status: Comply**

#### 4.7

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

##### 4.7.1, 4.7.2

The land compensation process was completed by the company in 1993. There is FPIC Procedure "*Prosedur Pembebasan dan Ganti Rugi Lahar*" (No. 001-SOP-LGL, dated 2 January 2014). It explains that all stages in the process of compensation for land must be informed, communicated, and carried out openly to all stakeholders by prioritizing deliberation and consensus and eliminating the element of coercion on one party. Besides that, the amount of compensation for the release of community rights is adjusted to the applicable laws or according to the results of deliberation and mutual agreement of the parties.

##### 4.7.3

Based on interview with one of previous land owner in Redang Seko Village, it is known that company provides access to worker recruitment and partnership with local contractor. Company also received FFB from surrounding independent farmer.

**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 related agency in Pelalawan Regency, there are land claims from the community and are still in the process of being resolved. The final settlement process has involved stakeholders such as district heads, national land agency, Plantation agency and others. The community in Kerumutan Ward claimed land  $\pm 750$  Ha and to be developed a smallholder by PT Gandaerah. Company has showed the documentation of resolution of this dispute which involved related agency in Pelalawan Regency. The latest resolution is:

On 20 February 2023 there was a mediation conducted in Pelalawan Police Office with result:

1. The community demands the handing back of 750 hectares of land that was previously surrendered according to the Minutes of the 2021 Mutual Agreement.
2. Legal-Public Relations said that according to the data and documents available at the company, the activity report of the 2001 Mutual Agreement had been cancelled and revoked by a statement in 2004.
2. The Pelalawan District Police gave advice to take legal action, or the community could go to the regent to ask for directions for settlement.

On 6 April 2023 there was continuation of mediation conducted by One stop integrated service and investment service Pelalawan Regency with result:

1. The claimant meets the Regent of Pelalawan after a mediation meeting at the police office.
2. The Regent of Pelalawan instructs the Investment and One-Stop Service Office to hold another meeting.
3. Community demands decreased to 288 Ha (20% of the company's total land in Kerumutan)
4. Legal-Public Relations said that the 20% obligation is being submitted for the release of a forest area of 108 hectares. For the plasma obligation of 20% for HGU that expires in 2032, another partnership pattern can be used if there is no plantation can be developed. The results of the meeting will be conveyed to the management of PT GH.

The resolution of this dispute is still processing. Company can show each of documentation from this meeting.

**Status: Comply**

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**
**5.1**

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

**5.1.1 & 5.1.2**

Gandaerah Hendana POM accept FFB from smallholders and collectors, such as grower namely Danny Tjahyadi and Evi Panias. Based on an interview with the Manager Mill, the pricing is an agreement between the management of supplier and the FFB supplier. Pricing is fluctuated in accordance with the development of FFB prices and CPO prices on the world market.

Based on the results of interviews with the FFB supplier, it is known that the company always communicates to him every day regarding changes in FFB prices. The company also informs the FFB on the notice board at the factory, so that it can be seen by FFB suppliers.

**5.1.3**

The management representative explained that the company has been documenting the Plantation Office's Monthly FFB Price Determination Letter for the past 1 year. To determine the price for non-partners, refer to SOP 002-SOP-POM regarding FFB pricing, which was approved by the COO and effective on 5 May 2014. The company does not have partner plantations/KKPA (Scheme Smallholder).

The company shows the FFB purchase price fixing document listed in the Pricing Formula of Outsourcing FFB, which explains that pricing is based on a formulation between CPO value per ton FFB, PK value per ton FFB and others. Then the company will announce the price determined for a period of 3 days based on fruit criteria (large fruit > 10 kg, medium fruit 8 – 9.99 kg and small fruit 6 – 7.99 kg) and competitor prices around the Gandaerah POM through verbal, written or phone messages. This has been stated in Article 6 of the FFB Sale and Purchase Agreement regarding the price of goods that the price determination is in accordance with the Administrator's decision for a period of 2 times a week. The total FFB price paid by the first party to the second party is based on the weight received at the first party's PKS after sorting or cutting using the first party's PKS scales. The company shows an example of proof of payment to Danny Tjahyadi through MANDIRI Bank which informs the date period of the FFB paid and the total tonnage of FFB.

**5.1.4**

PT Gandaerah Hendana has obtained SPUP in February 2008 which was issued by the Head of the Plantation Office of Riau Province with No. 503/Disbun-Prc/034. Based on Agricultural Minister Decree No. 98 of 2013 it is known that the company has no obligation to develop plasma plantations/partnerships (Scheme Smallholder).

**5.1.5 & 5.1.6**

Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by the unit of certification in accordance CPO price trends and it's stipulated in work agreements. Based on contract agreement verification such as contract number 106/PTBS/GH-CV.DS/MKT/XII/2022 dated 26 December 2022 valid until each party terminates the agreement and known that the FFB trading is conducted fairly, transparently and based on both party agreement. Has been observed, the FFB payment process has been carried out transparently and there has never been a grievance related to the payment. An example of payment verified by the auditor is invoice and proof of payment for period for 11 April 2023 for FFB supplier namely Danny Tjahyadi, where the calculation of payment is in accordance with the amount of FFB acceptance in Mill and the price set. Furthermore, into the local contractor the company can demonstrate that the payment is in accordance with the agreed agreement.

**5.1.7**

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in 22 September 2022 and valid until 22 September 2023 by legal metrology department Pelalawan Regency (No.: 730.3/DKUKMPP-UM/SKHP/2022/178).

**5.1.8**

PT Gandaerah Hendana has obtained SPUP in February 2008 which was issued by the Head of the Plantation Office of Riau Province with No. 503/Disbun-Prc/034. Based on Agricultural Minister Decree No. 98 of 2013 it is known that the company has no obligation to

develop plasma plantations/partnerships (Scheme Smallholder).

#### 5.1.9

The unit of certification shows the SOP for Handling Complaints and Dissatisfaction on "*Prosedur Keluh Kesah Pihak Eksternal*" (No. 005-SOP-LGL, dated 1 September 2020). In the SOP, it is explained that the Social Officer receives letters of complaint and dissatisfaction directly from the reporter or indirectly through the suggestion box. Protection of whistle blowers is contained in the document, point 6.3-part c, which states that the Company guarantees the anonymity of whistle-blowers and whistle-blowers with the aim of reducing the risk of revenge and intimidation.

Based on document review of complaint book during period 2022 until 2023, there is no complaint from contractor or vendors.

**Status: Comply**

#### 5.2

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

##### 5.2.1, 5.2.2, 5.2.3, 5.2.4 and 5.2.5

The company has an improvement program for farmers around the company in the context of economic empowerment and the welfare of the surrounding community which is contained in the "Corporate Social Responsibility Program" which is made annually based on the identification of the needs of the surrounding community. One of the programs is training in sustainable oil palm cultivation. The training provided an understanding for farmers to be able to fulfil sustainable principles starting from land legality to pesticide management. The auditor conducted an interview with the village head of Kerumutan Village and Air Kuning Village, and he acknowledged that the company had provided training on the cultivation of the oil palm plant in the village. The record of training has been recorded on "*Laporan CSR Semester II PT Gandaerah Hendana*". The report also submitted to BAPEDA Pelalawan Regency on 2 February 2023.

**Status: Comply**

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

#### 6.1

**Any form of discrimination is prohibited.**

##### 6.1.1

The company has a No Deforestation, No Peat, No Exploitation (NDPE) Policy document signed by the Chief Operational Officer, Chief Financial Officer, and Chief Executive Officer on 2 May 2019. At point 3.3 explain There is no exploitation, discrimination and sexual harassment against workers, women and children, indigenous peoples and other communities.

The company shows documentation of socialization of NDPE policies in the form of Minutes of socialization of NDPE, human rights, code of ethics, protection from sexual harassment and the prohibition of employing children under the age. For example, socialization document on April 5, 2022, attended by 49 participants.

##### 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, Malay 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 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 (factory and estate).

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

**Recruitment and Appointment as permanent worker**

- Letter of appointment of permanent worker No. 225/SK/GH-KBN/III/2023 dated March 20, 2023, with initial RD. Recruitment documentation also has been shown such as job application letters, results of health checks, ID cards, diplomas, Family card and others.
- Letter of appointment of permanent worker No. 244/SK/GH-KBN/III/2023 dated March 30, 2023, with initial ES. Recruitment documentation also has been shown such as job application letters, results of health checks, ID cards, diplomas, Family card and others.

**Promotion**

- Promotion Letter No. 3195/HRD/GH-KBN/IX/2022 dated 20 September 2022 worker initial JS to harvester foreman.
- Promotion Letter No. 1078/HRD/GH-KBN/II/2022 dated 14 January 2022 worker initial RW to harvester foreman.

The results of interviews with workers and 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.

**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 to deal with women's issues. The gender committee structure consisting of male and female administrators. The structure of the gender committee consists of an advisor, coach, chairperson, vice chairman, secretary etc.

The work program of the gender committee consists of:

- Conducting outreach/socialization related to the gender committee and regulations governing gender equality.
- Following up on harassment cases.
- And others.

The results of interviews with female workers such as spraying worker, and daycare officers, known that the workers already know the gender committee and the functions of the organization. Workers are also aware of gender committee if there are complaints or complaints related to women's problems or issues. The results of interviews with representatives of women's committee and women workers, it was found that there were no complaints related to women's issues in the last 1 year.

**6.1.6**

The determination of wages at PT Gandaerah Hendana is based on the minimum wage in Indragiri Hulu Regency based on the Decree of the Governor of Riau No. Kpts.1783/XII/2022 on December 7, 2022. The Minimum Wage for Indragiri Hulu Regency in 2023 is Rp. 3,364,511.42.

The results of interviews and the verification of workers' wages (e.g., harvesters) such as worker with initial UD and SY, 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**

The determination of wages at PT Gandaerah Hendana is based on the minimum wage in Indragiri Hulu Regency based on the



Decree of the Governor of Riau No. Kpts.1783/XII/2022 on December 7, 2022. The Minimum Wage for Indragiri Hulu Regency in 2023 is Rp. 3,364,511.42. Regarding the determination of wages at PT GH, the company showed a Decree regarding the determination of wages based on Decision Letter No. 094/HRD/INC-PKU/IV/2023 dated 1 April 2023.

The company has a Collective Labor Agreement for 2022-2024 based on the Decree of the Head of the Riau Province Manpower and Transmigration Office No. Kpts.1289/V/2022 dated May 3, 2022. In the CLA it is explained about work relations, promotions, demotion, working days and working hours, overtime work, rest and leave leaving work obligations, wages, BPJS employment, BPJS health, training, complaint resolution and others.

Based on interview with workers and labor union representatives known that company has paid wages is accordance with applicable regulation and has socialized Collective Labor Agreement to the workers.

### **6.2.2**

The company has a Collective Labor Agreement for 2022-2024 based on the Decree of the Head of the Riau Province Manpower and Transmigration Office No. Kpts.1289/V/2022 dated May 3, 2022. In the CLA it is explained about work relations, promotions, demotion, working days and working hours, overtime work, rest and leave leaving work obligations, wages, BPJS employment, BPJS health, training, complaint resolution and others.

For temporary workers, the document that regulates the details of wages and work conditions is contained in the temporary workers Agreement. For example, agreement No.4341/HRD/GH-KBN/VIII/2022 dated 13 August 2022 for upkeep work (valid until 20 June 2023). The agreement has also explained the duties and responsibilities of workers, working time, wages, social security, facilities and others. The company has registered temporary worker agreement at the Labor Agency for example, Letter No. 2232/HRD/GH/VI/2022 dated 10 June 2022.

Based on interview with representatives of labor union and workers, known that the company has also socialized the CLA to workers.

The company shows list of the number of workers for February 2023 as follows 1,123 permanent workers and 209 temporary/contract workers.

The auditor team has simulated the calculation of workers' wages by verifying payroll documents for example on February 2023. For example, workers with ID 0801013 and ID 06046. From the verification results, it is known that the company has paid wages according to the applicable regulations. Based on the document verification and interview with labor union and workers also known that deduction for workers such as BPJS deduction, tax and etc has been described in the company regulation. 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 February 2023 for example with worker ID 06046, 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.
- Employee leave forms, such as:
  - Annual leave form with worker initial NR on March 16, 2023, for 1 day.
  - Menstruation leave form with worker initial NM on March 31, 2023, for 2 days.
  - Maternity leave form with worker initial SN on February 1, 2023, until April 30, 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 that 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.



Based on the results of interviews with generator and also water operator, it is known that these workers must be on standby if the engine is running, so that sometimes worker work more than working hours. Related to this, the company showed documentation of payment of workers' wages and payments of workers' overtime. The company also shows the job description of generator and also water operators which informs that workers do not have to be on standby if the engine is running. In this regard, the Company has the opportunity to ensure an understanding of the job description for generator and water operators **(OFI)**.

#### 6.2.4

The results of field observations in housing areas and interviews with workers and labor union known that the results of field observations in housing areas and interviews with workers and labor union known that the company has provided housing facilities, 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, generator rooms/houses (to provide electricity), bore wells and others.

#### 6.2.5

The results of interviews with employees and labor union, known that there are sellers of foodstuffs especially for vegetables and side dishes that enter the plantation area on a regular basis. Based on the results of interviews with residents of housing and workers, it was stated that workers had obtaining adequate food sources at competitive prices.

#### 6.2.6

The determination of wages at PT Gandaerah Hendana is based on the minimum wage in Indragiri Hulu Regency based on the Decree of the Governor of Riau No. Kpts.1783/XII/2022 on December 7, 2022. The Minimum Wage for Indragiri Hulu Regency in 2023 is Rp. 3,364,511.42.

In relation 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, education, etc. As for the amount of Prevailing wage is Rp. 4,065,699. Living Wage calculation is based on actual and rational price at certification unit location.

#### 6.2.7

Based on the results of verification of employment documents, interviews with management and labor unions and field observations, it is known that workers for the main jobs such as harvesting and factory operations, have been carried out by permanent workers. For contract workers/temporary work agreement (PKWT) who are recruited directly by the company to carry out tasks such as upkeep. All temporary workers have been registered with the Manpower Office. Example of temporary agreement:

- Agreement No. 2621/HRD/GH-KBN/VII/2022 dated 21 July 2022 and valid until July 20, 2023, for upkeep work.
- Agreement No. 4323/HRD/GH-KBN/VIII/2022 dated June 20, 2022, and valid until June 20, 2023 for upkeep work.

<b>Status: Comply</b>
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### 6.3

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

#### 6.3.1; 6.3.2; 6.3.3

The policy regarding organization and association is available in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer, and Chief Operational Office, dated April 1, 2014, at point 6 which states that the company will always provide opportunities for every employee to organize and associate in accordance with applicable regulations.

The company has also shown documentation of socialization of company policies including freedom of association policies, such as socialization on April 5, 2022, attended by 49 participants.

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 Gandaerah Hendana has been registered at the Manpower Office for example:

- SPSI → record number 40/DISNAKERTRANS.04/PHI.BP/V/2016 dated 25 August 2016 (Indragiri Hulu Regency).
- HUKATAN → record number 800/DTKPEN/SP-SB/003 dated 01 July 2010 (Pelalawan Regency).

Based on interview with labor union known that company has given socialization related to guarantee freedom of association for workers/employees.

The company shows several records of labor union meetings, such as recording of the meeting of the minutes of mediation negotiations on March 3, 2023, which discussed how checkers work which is resulted in losses to harvest employees.

Based on interview with labor union known that company has given socialization related to guarantee freedom of association for workers/employees. Based on interview with labor union also known that there is no intervention related to election of workers representatives or in the implementation of any activities.

**Status: Comply**

#### 6.4

#### **Children are not employed or exploited.**

##### 6.4.1

The company has a policy regarding the age of workers which is explained in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer, and Chief Operational Office, dated April 1, 2014, at point 7 which states that the company will not employ children under the age of 18 years.

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. For example:

- Socialization on April 5, 2022, attended by 49 participants.
- Socialization on March 14, 2023, attended by 36 workers.

##### 6.4.2; 6.4.3; 6.4.4

The company has a mechanism for recruiting workers which explains that evidence to ensure the age requirement for workers is to ask for a photocopy of the ID of the prospective worker. In addition, for contractor workers, the company has conducted periodic evaluations to ensure that the contractor has complied with applicable regulations, one of which is the age of the worker.

The company has also shown agreement with contractor that have explained the prohibition on employing children under 18 years of age, forced labor and workers from human trafficking. For example:

- Agreement for shell transport No. 018/ATBS/KBN-GH/CV.PIP/XII/2022 dated December 21, 2022.
- Agreement with FFB supplier No. 106/PTBS/GH-CV.DS/MKT/XII/2022 dated on December 26, 2022.

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 that interview also known that company has socialized company policy including policies about the prohibition on employing children under 18 years of age, forced labor and workers from human trafficking to the stakeholders.

**Status: Comply**

#### 6.5

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

##### 6.5.1; 6.5.2

The policy regarding the protection of decency and sexual harassment on December 16, 2017, was approved by the Director of Operations, Director of Finance and President Director. The company's management is committed and will take the necessary actions to prevent the occurrence of violations of moral norms and sexual harassment and act promptly and fairly on reports of sexual harassment in a prudent manner by maintaining confidentiality. If it is proven that there is a violation of moral norms and sexual harassment experienced by employees, the perpetrator will be given strict sanctions regardless of rank in the company. Company policy related to the protection of reproductive rights was described in Collective Labor Agreement chapter 23 and 24 about Maternity Leave and Menstruation Leave.

The company has conducted socialization related to company policies including protection against sexual harassment and the

protection of reproductive rights. For example, Socialization on November 10, 2022, attended by workers including female 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 January 2023. The needs of new mothers based on the identification results are as follows:

- Discussion about the appropriate time for young mothers who are given permission to breastfeed.
- Provide lactation room at the specified location.
- etc.

The results of interviews with female workers and gender committee revealed that the company had given permission or time to breastfeeding mothers. Based on field observation at daycare also known that the company provides breastfeeding rooms for breastfeeding mothers.

### 6.5.4

The Company has a complaint mechanism that guarantees the anonymity and protection of the complainant when requested, which is stated in the Grievance Handling Procedure document, document number 007-SOP-HRD, revision number 02, effective date of March 20, 2018. The procedure explains that the Company will protect the identity of the complainant (anonymity) relating to the security of each complainant and also relating to information provided by the reporter to the company against unfair actors, perpetrators of corruption and perpetrators who oppose the rules and code of ethics within the company.

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.

<b>Status: Comply</b>
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## 6.6

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

#### 6.6.1; 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 revealed that there were no casual daily workers in the company. There are only permanent workers, temporary workers/ PKWT (for upkeep and supporting) which is directly recruit by PT Gandaerah Hendana. There are also outsourcing worker which is work in PT Gandaerah Hendana (such as security). From the results of interviews with workers including outsourcing 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.

Regarding the recruitment mechanism for contract workers (temporary worker), the company has a recruitment procedure no. 001-SOP-HRD revision number 01 effective April 1, 2018, which explains that the company does not charge fees and does not hold workers' documents.

In addition, the company also shows temporary work agreement, for example Agreement No. 2621/HRD/GH-KBN/VII/2022 dated 21 July 2022 and valid until July 20, 2023, for upkeep work. The agreement has been signed by both parties.

Based on verification of agreement documentation, 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.

<b>Status: Comply</b>
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**6.7**

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

**6.7.1**

The company already has an OHS organization in the form of OHS Committee (Occupational Health and Safety Committee) in each unit that has been approved by related Manpower and Transmigration Agency, including:

- Head Decree of the Manpower and Transmigration Agency of Riau Province with the number Kep.105/Disnakertrans-PK/SK-OHS committee/IV/2021 concerning the Ratification of the Occupational Health and Safety Committee of PT Gandaerah Hendana – Ukui. Ratified on April 14, 2021, for plantation. The organizational structure of OHS committee consists of: Trustees, Chairperson, Deputy Chairperson, Secretary and Members. General OHS Expert on behalf of S.A (initial) as Secretary with Reg No. 21187/P3K/AJ/14/2021/P2 on 30 June 2021 with status still valid until June 2024.
- Head Decree of the Manpower and Transmigration Agency of Riau Province with the number KEP.105/Disnakertrans-PK/SK-OHS committee/IV/2021 concerning the Ratification of the Occupational Health and Safety Committee of PT Gandaerah Hendana – Ukui. Ratified on April 14, 2021, for Mill. The organizational structure of OHS committee consists of: Trustees, Chairperson, Deputy Chairperson, Secretary and Members. General OHS Expert on behalf of IFR (initial) as Secretary with No Reg. 49686/P3K/AJ/14/2021/P1 on 30 June 2021 with status still valid until June 2024.

In the OHS program, there are regular OHS Committee meetings every month to discuss issues and evaluation of the OHS work program, for example, the discussion at the OHS committee meeting on March 30, 2023, including Occupational Safety, Occupational Health and Training Programs, Training and Socialization.

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.

**6.7.2**

The company shows the established OHS procedures, including:

- Procedure for Handling and Investigation of Work Accidents, document number 033-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.
- Emergency Preparedness and Response Procedure, document number 024-SOP-ISP, revision number 00, effective January 2, 2014, is reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- Procedure for the Management of Personal Protective Equipment, document number 019-SOP-ISP, revision number 00, effective January 2, 2014, is reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- The Log Out Tag Out procedure, document number 010-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.
- Work Permit procedures, document number 008-SOP-ISP, revision number 00, effective January 2, 2014, are reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- Procedure for Handling and Investigation of Work Accidents, document number 033-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.

The company also shows the structure of the Emergency Response Team that has been trained and has a first aid certificates, totalling 10 people. The Emergency Response Team structure consists of two teams, namely:

- The Emergency Response Committee at PKS for the period 2021 – 2024 which was ratified by Decree No.018/PKS.GH/SPO/TKD/III/2022 by the Chair of the Emergency Response Committee on 20 February 2022. The organizational structure consists of the Chair, Deputy Chair, Secretary, Fire Team, Evacuation Team, Recovery Team, Medical Team, and Asset Security Team.
- Emergency Control Team in Estate for the period 2021 – 2024 which was ratified by Decree No. 602/SK/GH-PKU/XI/2021 by the Director of Operations on 24 November 2021. The organizational structure consists of the Chair, Deputy Chair, Deputy Chair II, Treasurer, Field Coordinator, Secretary, Deputy Secretary, Fire Fighting Task Force, Emergency Evacuation Task Force, Medical Task Force, Security Task Force, Communications Task Force, Inventory Task Force and Repair & Repair Task Force Recovery.

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of a first aid bag. The foreman has also been given training on March 15, 16, and 20, 2023 and can explain how to use the contents of the first aid kit. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations any accident records all accidents are kept and

periodically reviewed by OHS Committee.

Based on field observation about the simulation of the use of emergency response infrastructure its known that hydrant is functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher), also it is known that the contents of first aid box are available as determined by the company. The auditors also found evacuation routes both at the factory site and at the estate office, where in this condition the evacuation route could be seen clearly and easily found by workers in the event of an emergency response.

Based on interview with the spraying team foreman also equipped himself with a first-aid kit with complete contents and can explain related to its function on the field.

### 6.7.3

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore, based on interview with personnel, it is known that the management unit has provided PPE for personnel in good conditions. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with manuring and harvesting personnel is revealed that company would substitute or replace the PPE if there is a damage or broken on the old one.

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

- Records of PPE handover on March 14, 2023. PPE in the form of helmets for 29 workshop employees.
- Records of PPE handover on March 7, 2023. PPE in the form of Face Shields for 4 harvest employees of Afdeling XII.
- Records of PPE handover on March 21, 2023. PPE in the form of Chemist Helmets for 12 Afdeling V spraying employees.

The auditor made field observations at the PPE Warehouse at the PKS, knowing that the company had provided spare PPE, including:

- PPE Ear Muff Total of 55 pcs.
- PPE Safety Shoes Total of 25 pairs.

Based on interview with management representative that informed that the supply of PPE stock was at least 20% of the total number of workers but based on a visit to the PPE Mill warehouse it was found that the PPE stock was less than 20% and the unit of certification showed the application document for purchasing PPE to the head office and was in the process of processing the application. This makes companies have the opportunity to ensure the availability of PPE stock Mill in accordance with established procedures. (OFI)

### **Sanitation Facilities**

Based on the results of the field visit, it is known that the company already has sanitation facilities for workers with chemicals that can clean themselves as well as the equipment used and change clothes, which is also equipped with a storage area for controlling devices and PPE, this is in accordance with the results of interviews with spray workers for example in block K30 Afdeling XI Estate III.

### 6.7.4

The company has shown a list of employees participating in the Social Security Employment and Health program along with proof of payment, including:

Social Security of Employment program

- Proof of payment for BPJS Employment for the February 2023 period paid on March 15, 2023, for 1,332 workers.
- Proof of payment for BPJS Employment for the January 2023 period paid on February 15, 2023, for 1,343 workers.
- Proof of payment for BPJS Employment for the December 2022 period paid on December 30, 2022, for 1,413 workers.



**Social Security Health program**

- Proof of BPJS Health payment for the January 2023 period paid on January 10, 2023, for all workers and their spouses.
- Proof of BPJS Health payment for the February 2023 period paid on February 10, 2023, for all employees and their spouses.
- Proof of BPJS Health payment for the January 2023 period paid on March 10, 2023, for all workers and their spouses.

The workers who are included in Social Security payments are in accordance with the list of workers in the month of payment.

Based on the results of interviews with unions and plantation and factory workers, it is known that the company has included all workers in the Social Security Employment and Health program.

Based on the foregoing, it can be concluded that the company already has a list of employees participating in the Employment and Health Social Security Administration Agency (BPJS) program along with proof of payment every month.

**6.7.5**

Work accidents are recorded using the Lost Time Accident (LTA) listed in the Accident Statistic Period 2022 document, 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: following:

UNIT	TOTAL WORKER	CASE	FR	SR
Estate	1,458	172 Cases with no cause of fatality	601	1.253
Mill	144	Zero Accident	-	-

From the results of a review of work accident records during the 2022 period, it is known that there were no major accidents and cause fatality that required the company to make a claim to the Social Security.

**Status: Comply**

**PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**
**7.1**

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

**7.1.1**

The company has a Pest and Disease Control Procedure (Document No. 023-SOP-AGR Rev. 1 dated 05 September 2018) and a Biological Pest Control Procedure (Document No. 024-SOP-AGR). These two procedures aim to determine the basic principles of countermeasures, life cycle, identification of deployment locations, effective control strategies, and conservation of natural enemies. To determine the condition of pests in the field, detection is carried out routinely, rotating 2 times per month for Fire Caterpillars and Bag Caterpillars, as well as attacking rats and owl cages once a month.

Pests and Diseases found in PT-GH are Caterpillars that eat palm leaves (fire caterpillars and bagworms), mouse pests, Horn Beetle (replanting area) and Ganoderma disease.

The company already has a record of the implementation of pest monitoring and control, by showing evidence such as:

- The company shows the recorded documents from the results of the pest census in March 2023, such as the rat census with an attack rate of 0.9%, the *Setothosea asigna* census with an attack rate below the threshold (mean caterpillar/midrib <2) was 0.06 caterpillars/midrib, the *Ptero plagiophleps* census with an attack rate below the threshold (mean caterpillar/midrib <2) was 0.87 caterpillar/midrib.
- Planting of beneficial plant, the company has planted a beneficial plant by showing a beneficial plant monitoring document, based on a document review it is known that the company has planted a beneficial plant from 2019-2022, namely *Antigonon leptopus* of 8,488 Mtr, *Turnera* of 10,938 Mtr and *Cacclatoria* of 25,463 Meters. Based on field observations on Block J24 Afdeling XI Estate 3, it is known that there are *Cacclatoria* plants for *Limacodidae* and *Psychidae* predator hosts.
- Development of Owls as natural predators of rats. The results of the study on the report on the condition of the owl cages in March 2023, it was found that in PT Gandaerah Hendana there were 78 active cages and 279 inactive cages. The results of field



observations revealed that there are active owl cages, such as in Blok J24 Afdeling XI Estate 3.

- The results of field observations in block K13 Afdeling VII Estate 2 found the use of trap nets to control *Oryctes rhinoceros*.

From the results of field visits, interviews, and document review, it is known that the company already has and has implemented SOPs for pest monitoring and control.

### 7.1.2

The company does not use the invasive species mentioned in the regulation of the Minister of Environment and Forestry No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016 concerning Invasive Types. This is based on the documents monitoring of planting/maintaining beneficial plants, such as *Turnera subulate*, *Cacciatore*, and *Antigonon leptopus* both at Estate I, II, and III to deal with attacks of *Limacodidae* and *Psychidae*. The results of the field visit, for example in Block J24 Afdeling XI Estate III, there is a *Cacciatore* type beneficial plant that is planted and in well-maintained condition.

The company also uses the *Tyto alba* species for biological control of rat pests. Based on the monitoring documents for the owl cages, it is known that the company has used *Tyto alba* as a biological pest control method with a total of 78 cages. The results of field visits, for example in Block J24 Afdeling XI Estate 3, it is known that the owl cages are in good condition and active.

### 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. From the results of field observations to harvesting activities, no burn marks were found in the areas visited by the auditors.

Status: Comply

## 7.2

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

### 7.2.1

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Pesticide Use Policy which was approved by the Director of Operations on July 10, 2018. This policy is a refinement of the Management Instruction dated December 19, 2016, regarding the termination of the purchase and use of Gramoxone. This pesticide policy states, among other things, that the IPM program, if possible, will use more environmentally friendly and more efficient use of biological and non-chemical methods.

The company has shown a list of pesticides used by the company. In the document, it has been explained about the target of the pesticides used. The list of pesticides used by the company is as follows:

No.	Name	Active Ingredients	Target	LD50 (mg/Kg)		Class
				Acute Oral	Acute Dermal	
1	Metsulindo 20 WP	Metil metsulfuron 20 %	Broadleaf weeds: <i>Chromolaena odorata</i> , <i>Ageratum conyzoides</i> , <i>Clidemia hirta</i> .	>5000	>5000	U
2	BM Vesfosate 480 SL	Glyphoste Isopropilamine 480 g/l	Broadleaf weed <i>Mikania micrantha</i> , <i>Synedrella nodiflora</i> ; narrow-leaved weed <i>Digitaria ciliaris</i> , <i>Axonopus compressus</i> , <i>Ottocloa nodosa</i>	>5000	>5000	III
3	Amcopyr 670 EC	Triklopir Butoksi etil ester 480 g/l	To control common weeds in oil palm cultivation	710	710	II

The company has SOP and work instructions on weed management, guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison cases. To ensure pesticides used are in accordance with the target, the company conducted an identification the type of weed found in operational area. Based on an interview with a management representative the economic threshold of 5% according to the procedure is being implemented. The company is currently optimizing the usage of *Turnera* and *Antigonon* to tackle caterpillar pest.

Based on observations and interviews conducted with spray workers in block K30 Afdeling XI Estate III, it was concluded that workers knew about the function of chemicals used and were selective when spraying activities. Such as for example for Methyl Metsulfuron and Glufosinate materials used for circle and path spraying.

### 7.2.2

The company has documented records of pesticide toxicity in the document Monthly Pesticide Toxicity Data. The document is recorded the product name, active ingredients, LD<sub>50</sub>, the area treated, the amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by the Estate Sustainability Officer every month. For example, the use of herbicides with the active ingredient Glyphosate, dermal LD50 5,000 mg/Kg, oral LD50 > 5,000 mg/Kg, total use in up to December 2022 was 11,811 liters with an area of use of 7,874 ha and usage/ha was 1.5 – 3 liters/ha on PT Gandaerah Hendana.

### 7.2.3

The Certificate Holder has the program to reduce pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat such as using an Owl (*Tyto Alba*) and planting the beneficial plant. The company also controls caterpillar pests by planting and maintaining host plants for natural enemies of pests such as *Turnera subulata*. Based on field observations, it can be seen that the *Turnera subulata* plants along the main road and collecting road are already well developed.

The company shows records of herbicide use for the 2021-2022 period, among others as follows:

Pesticide	Unit	2021	2022
<i>Regent 50 EC</i>	Liter	5	5
<i>Deltamethrine</i>	Liter	232	620
<i>Dipel SC</i>	Liter	20	20
<i>Asefat</i>	Kg	9,290	2,071
<i>Cypermethrin 100 EC</i>	Liter	1,538	2,170

Based on a review of the pesticide use documents, it was found that there was a reduction in the use of Asefat type pesticides and an increase in the use of Deltamethrin and Cypermethrin due to replanting on site and horn beetle attacks.

Based on the results of document review and field visits, 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 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 upkeep.

### 7.2.4

The Certificate Holder has the program to reduce pesticide usage by replacing pesticides with biological controls such as using natural predators to control rats such as using an Owl (*Tyto Alba*) and planting the beneficial plant. The company also controls caterpillar pests by planting and maintaining host plants for natural enemies of pests such as *Turnera subulata*. Based on field observations, it can be seen that the *Turnera subulata* plants along the main road and collecting road are already well-developed.

There is no prophylactic method in the use of pesticides by companies. The company also only conducts chemical control if the results of the pest attack census have exceeded the threshold. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars and developing owls for rats. The use of insecticides is carried out if the level of pest attack is above the threshold (> 2 caterpillars/midrib). The company shows the recorded documents from the results of the pest census in December 2022, such as the rhino beetle census with an attack rate of 2.0% dated December 15, 2022, and carrying out pest control dated December 26, 2022.

### 7.2.5

The Certificate Holder has justification for the use of selective pesticides according to pest specifications, both in pest, disease and weed control procedures, as well as a management commitment to update 2023. The document contains the type and name of the pesticide, physical form, active ingredient, group according to WHO, LD50, working method, target selective, dose, manufacturer,

register number at the Pesticide Commission, and distribution permit. From the review of the document, it is known that the pesticides used do not fall into categories 1A, 1B, the Stockholm/Rotterdam Convention, and there is no paraquat.

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Pesticide Use Policy which was approved by the Director of Operations on July 10, 2018. This policy is a refinement of the Management Instruction dated December 19, 2016, regarding the termination of the purchase and use of Gramoxone. This pesticide policy states, among other things, that the IPM program, if possible, will use more environmentally friendly and more efficient use of biological and non-chemical methods. With this concept, the use of pesticides that are limited in nature such as paraquat is not used. Based on document verification, the company will not use paraquat and WHO Class 1A or 1B, or those registered by the Stockholm or Rotterdam Convention applications.

#### **7.2.6**

Pesticide Management Procedure (Document No. 025-SOP-AGR). This SOP is intended as a guide in handling work related to pesticides including storage, mixing, application, handling of used pesticide containers, handling of pesticide poisoning and mandatory use of PPE (personal protective equipment).

Procedures for Management of Used Agrochemicals and Agrochemical Contaminated Water (Document No. 014-SOP-ISP, 02 January 2014) are approved by CFO and COO. The procedure explains, among others:

- Administration, warehouse officers receive used fertilizer sacks and used pesticide packages and carry out calculations and records received from the foreman or Division assistant. After the used sacks are cleaned, the used sacks are tied up per 10 sheets or according to a certain amount and neatly arranged in a predetermined storage place. Meanwhile, used pesticide packaging is submitted to the Hazardous Waste TPS Warehouse at the Mill and recorded in the Hazardous waste balance.
- Implementation of Washing Used Agrochemical Packaging.

Based on interviews with workers, explained that the workers have received training in accordance with the procedure about spraying techniques, for example the workers can explain width of circle in accordance with procedure and risks that may occur in the spraying activities include toxicity, skin irritation up to the environmental pollution. Workers also explained that pesticide mixing is conduct in the special place and after work, all of equipment and PPE was washed and stored in a special place that is in the house of premix area. The spraying team foreman also equipped himself with a first-aid kit with complete contents. Based on that interview and field observation, its known that there's no pesticide with aerial spraying.

In order to ensure this works, the company carried out training on the use of pesticides for pest/weed spraying activities which was held simultaneously on January 19, 2022, which was attended by 61 workers consisting of the foreman and workers related to pesticides and spraying techniques and on March 9, 2023, which was attended by 55 workers.

Based on field observations, it is known that workers have carried out work in a trained and according to procedures, use of appropriate PPE, areas related to chemicals equipped with Hazardous Waste warnings, limited area warnings, warnings on the use of PPE, emergency response facilities such as fire extinguishers, HIRAC, washroom, spill control area and cleaning equipment.

#### **7.2.7**

The results of the field visit to the Spray Unit Building Division 5, it was found that the company already had sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for work tools, and PPE, milk drinking rooms, no pesticide was found in the building.

The results of the field visit to the chemical/pesticide storage warehouse, it is known that the chemical storage area has been equipped with closed and labelled containers, and the fertilizer storage area is equipped with ventilation and is lined with pallets.

Based on this explanation, it is concluded that the company has stored the chemical materials in accordance with the applicable regulations.

#### **7.2.8**

The company can show the procedures for managing used agrochemical packaging and agrochemical contaminated water Document Number 014-SOP-ISP which has been approved by the Chief Operation Officer (COO) effective January 2, 2014. In addition, the

company also has SOP for Pesticide Management Number 025-SOP- AGR. The SOP explains, among others:

- As a guide in the management of used chemical packaging and used fertilizer sacks produced.
- Reuse (reuse) of waste water from washing and used chemical packaging and washing sacks, the aim is to minimize the impact of environmental pollution on the soil and water media at the activity location.
- There is no longer any practice of mixing chemicals in the field by workers, this is to minimize the impact of environmental pollution.
- Make sure all used pesticide containers are returned to the warehouse after the work day is over, then the warehouse staff is obliged to manage the pesticide packaging waste.
- Management of used pesticide packaging can also be done by handing over the used packaging to the supplier.
- Pesticides should not be loaded, stored and placed in containers commonly used for household use, such as used mineral water bottles.

Based on field observations at agrochemical warehouses and hazardous waste storage areas, it is known that pesticide storage areas are well managed, oil traps are available, and air ducts are quite an isolated. The large packages of used pesticides are partly reused as a place for mixing pesticides and some are returned to the hazardous waste warehouse, while the small ones are not reused and stored in a well-monitored hazardous waste storage warehouse which is then handed over to a licensed collector. Unit of certification shows last hazardous waste was transported by PT Mitra Jaya Pertiwi did as a licensed hazardous waste transporter. Based on interviews with pesticide application officers, it was found that all small pesticide packaging containers were returned and sent to the Hazardous Waste Warehouse and were not used for any other purpose other than pesticide application activities. All used packaging containers, work tools and work clothes are stored in a special storage area, so that no contaminated items are taken home. The results of observations in the employee housing area showed that there was no reused pesticide packaging.

#### 7.2.9

Based on the review of pesticide use documents and interviews with company management also spray workers, it is known that the company does not carry out pest control by spraying pesticides through the air.

#### 7.2.10

The company already has a health check plan for all employees, which is contained in the P2K3, and Environment Program document dated January 2, 2023. The document informs plans for carrying out periodic and special health checks for all employees. For examinations for the 2022 period, which will be conducted on December 12–17, 2022, the examination will include cholinesterase, spirometry, medical check-up (general), and audiometry. The number of employees who took part in periodic (general) and special health checks totalled 1,217, including inspections of workers in the field and PKS, and from the results of the checks, there were no employees who experienced health problems (fit to work).

#### 7.2.11

The company shows an Internal Memorandum about its reproductive policy, which, among other things, regulates that pregnant and lactating workers are prohibited from being employed for all types of work related to chemicals.

Based on the results of interviews with spray workers, it is known that pregnant and lactating women are not allowed to participate in spraying activities. This has been socialized with workers through morning briefings or socialization provided by the gender committee.

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

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

#### 7.3.1, 7.3.2 and 7.3.3

Company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visits EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduces the carbon emission from the combustion of fossil fuel.
- POME use for fertilizer, based on field visit the condition of flatbed has been maintained well and no environmental pollution potential.

- Hazardous waste has been managed in licensed temporary hazardous waste storage and transported by licensed parties.

All waste products and sources of pollution have been identified and documented in the waste management and identification document period of 2022. Based on document verification shown company has implemented waste management accordance with waste identification source and management plan for examples are:

- Estates, waste source: chemist activities, waste type: ex pesticides containers (toxic and hazardous waste), managed by stored in optimalization store and sent to related transporters.
- Mill, waste source: FFB process, waste type: shell and fiber (non-toxic/hazardous waste), managed by renewable energy usage for boiler.
- Mill, waste source: FFB process, waste type: palm oil mill effluent, managed by the effluent pond and land applications as nutrient cycle.
- Estates, waste source: pruning activities, waste type: oil palm frond (organic waste), managed by frond stacking.

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

Based on field observation to Hazardous Waste Storage in Gandaerah Hendana POM and estates, hazardous waste from each unit has been stored to hazardous waste storage which has been equipped with emergency response facilities such as fire extinguisher, alarm, spill kit, emergency shower, secondary containment and first aid kit. Hazardous waste has been stored based on toxicity and hazardous characteristics, e.g., clinical, and chemical storage waste are stored in different containers. Meanwhile, domestic waste from housing area is disposed into landfill in each unit.

Based on interview with management representative, solid waste management, e.g., in housing area of Estate 1, Estate 2, and Estate 3, is collected by waste management officer and delivered to the landfill. Based on interview result with residents of housing complex, there is prohibition of burning for waste disposal in the company.

**Status: Comply**

#### 7.4

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

##### 7.4.1, 7.4.2,

The company has fertilization procedures, such as Fertilization Procedures in Nurseries (code 011-SOP-AGR), Inorganic Fertilization (code 026-SOP-AGR), Organic Fertilization (code 027-SOP-AGR), and Land Application (028 -SOP-AGR). The procedure includes, among others, Fertilization Planning based on soil and leaf tissue analysis, program preparation, application, and monitoring. The goal is to meet the nutritional needs of plants, good plant growth, contribute organic matter to the soil, and good production. The fertilization program is compiled based on the results of the leaf and soil tissue analysis.

The company has analyzed leaf and soil tissue samples number 1222/CPS/VIII/2022, which were carried out by PT. Central Alam Resources Lestari on August 23, 2022, with as many as 129 leaf tissue samples and 129 soil samples. For soil analysis, several items were examined, including pH H<sub>2</sub>O, Organic C, Total N, P Bray II, Al+H, K, Mg, Ca, and CEC. For leaf analysis, the items examined included N, P, K, Mg, Ca, B, Cu, and Zn. The results of the analysis of leaf and soil tissue are used as the basis for making fertilization recommendations.

##### 7.4.3

The company shows a record of the realization of empty bunch at PT Gandaerah Hendana 2022, with details:

Location	Empty Bunch 2022	
	Areal (Ha)	Tonnage
PT. Gandaerah Hendana	10,209.76	37,050



The company also shows a record of the realization of palm oil liquid waste (POME) applications in December 2022 of 15,233 M3 and in March 2023 of 12,135 M3.

#### 7.4.4

The company shows the recording of the recommendation report and the realization of fertilization for the January - December 2022 period is in accordance with the dose. For example, in the Fertilization Recommendation and Realization Report for the period January – December 2022 at PT Gandaerah Hendana as follows:

Type of Fertilizer	Recommendation	Realization	Achievement
	Kg	Kg	(%)
NPK 15	299,188	257,750	86.17
NPK 12	318,134	245,850	77.28
Rock Phosphate	76,936	62,200	80.85
Dolomite	67,811	73,650	108.61
Kieserite	5,205	5,250	100.87
Borate	5,716	6,300	110.22

From the results of document verification of the realization of PT Gandaerah Hendana fertilization, it was concluded that the realization of fertilization was in accordance with the recommendations and the fertilization plan for 2021 had been completed by the company as a whole based on the fertilizer recommendations set.

**Status: Comply**

#### 7.5

##### Practices minimize and control erosion and degradation of soils.

##### 7.5.1 – 7.5.3

Same as previous assessment, based on a semi-detailed soil survey Map of PT Gandaerah Hendana updated on January 22, 2022, with a scale 1:80.000 that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are not suitable for planting. Based on general field observations, it is known that the area in PT Gandaerah Hendana is entirely flat. There is no steep area planted with palm oil. At the time of the audit activity, there were no new planting activities in the area of the company's management.

**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 and 7.6.2

Based on a semi-detailed soil survey Map of PT Gandaerah Hendana updated on January 22, 2022, with a scale 1:80.000 that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are not suitable for planting. Based on general field observations, it is known that the area in PT Gandaerah Hendana is entirely flat. There is no steep area planted with palm oil. At the time of the audit activity, there were no new planting activities in the area of the company's management.

##### 7.6.3

The company shows the Minutes of Payment for the results of the work of land clearing to replanting No.2021-KBN 1 RPL-BAPP II dated November 8, 2021, at Estate 1, with a mechanical system that includes chipping, root removal and hole making (hole in hole), trenching, stacking and compacting, construction of 55,672 Mtr field drains, and 55,062 Mtr close ended conservation trenches and hole in hole planting holes.

The results of field observations in the *TBM 1* Planting Year 2022 area block I17 Division 7 Estate 2, it is known that ditches have been made and planting nuts and, in some TM, and *TBM* areas have been equipped with water management such as water gates 28 units, water reservoirs 22 units, and box culverts 43 units.

Based on document review and field observations, it is known that the company has implemented soil management principles with best practices when replanting.

**Status: Comply**



## 7.7

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

#### 7.7.1

Based on a semi-detailed soil survey Map of PT Gandaerah Hendana updated on January 22, 2022, with a scale of 1:80.000 that identifies marginal and fragile areas, topographic maps that explain land slopes, and maps of peat areas, The map is used to identify areas that are not suitable for planting. Based on general field observations, it is known that the area in PT Gandaerah Hendana is entirely flat. There is no steep area planted with palm oil. At the time of the audit activity, there were no new planting activities in the area of the company's management. From the statement area data shown, it is known that the PT Gandaerah Hendana oil palm plant has entered the second cycle. No new plantings were carried out on peatlands after November 15, 2018.

#### 7.7.2

Based on 2018 Peat Soil Survey of PT Gandaerah Hendana, dated June 11, 2018, stated that the peat area at PT Gandaerah Hendana was 7,186.63 Ha and Peat Inventory data for 2021, which was reported to the RSPO GHG unit on May 18, 2022, it was announced that the Peat area of PT Gandaerah Hendana was 5,718.64 ha, with details of the peat ecosystem cultivation function of 3,455.03 Ha and the peat ecosystem protection function of 2,263 ha.

However, based on a review of the 2018 Peat Soil Survey documents and the 2021 Peat Inventory that was reported to the RSPO, there is a difference of 1,467.99 Ha and based on an interview with the PIC regarding peat, it was stated that there was a difference because there were different perceptions regarding the peat area with the review conducted by the consultant, but the company had not been able to show the basic data as a Peat Inventory Report, which was reported to the RSPO.

This makes a **non-Conformities no 2023.01** related to the company not being able to provide basic peat area data in the managed area to become a Peat Inventory Report to the RSPO secretariat.

#### 7.7.3, 7.7.4 and 7.7.6

The company shows records of settlement arrangements for high peat soil layers, including the following:

- The mechanism for regulating the subsidence of high peat soil layers is contained in the Peatland Management SOP document No. 041-SOP-AGR, effective August 1, 2014. In brief, the document explains peat soil subsidence and water management.
- Based on a study of the distribution map documents for subsidence markers, piezometers, water gate/stop bunds, and water levels, it is known that the company already has a total of 24 subsidence markers, 1,610 piezometers, 120 water level sticks, and 28 water gates.
- Based on the results of field visits (subsidence markers, piezometer, water gate/stop bund, water level), for example, in block I21 Afdeling XI Estate 3, it is known that the infrastructure is in good condition.
- Based on the results of interviews with water management officers, it is known that these personnel understand and can explain the mechanism for regulating the subsidence of peat soil layers.

The company shows records of peatland management, including:

- Monitoring subsidence for the 2014–2022 period, it is known that the subsidence of peat soil layers in the 2022 period averages a decrease of 1.6 cm in subsidence of peat soil.
- By monitoring the water level for the period 2017–2023, it is known that the water level in March 2023 was 49.28 cm.
- Through piezometer monitoring for the 2017–2023 period, it is known that the peat ground water level in the March 2023 period was 40 cm.

Based on the results of interviews with the peat area registrar in block K13 Afdeling VII Estate 2, it is known that the officers make periodic reports of water level and soil subsidence.

Based on the results of field observations in block I21, Afdeling XI Estate 3, the subsidence stakes are in good condition and functioning as they should according to the SOP set by the company. Based on the results of field visits, interviews, and document review, it is known that the company has documented the recording of the application of planting on peatlands by observing and adjusting the water level according to the standard threshold that has been set.

**7.7.5**

Based on the Peat Internal Drainability Study of PT Gandaerah Hendana for preparation for replanting in 2021 (for Blocks H19, H21, H23, I19, I21, I23, J11, J19, J21, and J25), which was conducted on December 27, 2020, The study covered a peat area of 337.95 ha, but the study has not been reported and approved by the RSPO and Peat Internal Drainability Study of PT Gandaerah Hendana for preparation for replanting in 2022 (for Blocks I29, I27, I25, I23, J29, J25, H19, H21, H23, I19, I21, I23, J19, J21, H31, H29, H27, J29, K25, K27, G19, G21, G23, G25, H25, J23, K23, J33, I33, and I31) on April 22, 2022. The study covered a peat area of 1,204.84 Ha, but this study has not been reported and has not received approval from the RSPO.

Based on the 1:80,000 Scale Land Type Distribution Map dated January 22, 2022, it explains that the peat area is located in PT Gandaerah Hendana, for example, Block X29 Afdeling I Estate 1, Block K15 Afdeling VII Estate 2, and Block L18 Afdeling XII Estate 3, and the Long-Range Replanting Program document for replanting on peat areas in 2022, covering an area of 634.60 ha, and the Replanting Program for 2023 and above, covering an area of 4,827.24 Ha. However, the Drainability Assessment Report for Replanting Activities has not yet been shown, and the Request for Replanting Phase III of 2022 (LC September 2022) was sent to Top Management on August 23, 2022. Afdeling VII K15 37.26 Ha and Afdeling VII K17 37.83 ha.

PT Gandaerah Hendana work agreement Replanting with PT Harapan Utama Putra Pelalawan No. 120/RPL/KBN II-GH/PT.HPP/VIII/2022 With the working locations of Estates II Afdeling VII Block K15 with an area of 37.26 Ha and Estates II Afdeling VII Block K17 with an area of 37.83 ha and Based on a field visit to Block K15 Afdeling VII Estate 2, it was found that the block had been replanted on peat land.

Based on the explanation above, information was obtained that the company had replanted in the peat area for planting years 2022 and 2023 without prior drainage Assessment by following the RSPO Drainability Assessment Procedure or other methods recognized by RSPO for at least five years or in accordance with the provisions in the RSPO Drainability Assessment Procedure Version 2 October 2021 on Section 1.1 Requirements for DA. "A DA report needs to be prepared prior to the clearing or replanting of oil palm cultivated on peatland. No replanting can take place until the DA report has been submitted, reviewed, and approved by the RSPO. Companies must complete all the requirements specified in the Submission Checklist (Section 6) prior to replanting.

This makes the **non-conformities no. 2023.02** related to the fact that the company has not conducted a drainability assessment on plantations planted on peat lands by following the RSPO Drainability Assessment Procedure or other methods recognized by the RSPO (at least five years or in accordance with the provisions in the RSPO Drainability Assessment Procedure Version 2) prior to replanting and obtaining approval from the RSPO for replanting plans in 2023 and above. The company has carried out replanting activities on peat areas in 2021 and 2022, but the drainability assessment has not been reported and approved by the RSPO.

**7.7.7**

From the results of field observations, it is known that everything planned has been planted, the areas that were not planted from the start become HCV areas.

<b>7.7.2</b> <b>7.7.5</b>	<b>Status:</b> <b>Non-conformities No. 2023.01</b> <b>Non-conformities No. 2023.02</b>	
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**7.8**
**Practices maintain the quality and availability of surface and ground water**
**7.8.1**

The company has identification on water course within its operational area in HCV document and there is also water management plan covered in HCV management plan, environmental management plan document (RKL/RPL document) and procedure no. 022-SOP-ISP dated 10 February 2015 revision 1. Among other the plan covers determination of riparian area border, protection of riparian area by not conducting chemical spraying and tree enrichment. The action taken among other by testing periodically river water quality, monitoring volume of water use, applying treated mill effluent to permitted land application.

The results of interviews with workers from Estate Mill and nearest community (Kerumutan village and Aur Kuning village) stated that there were never any complaints about river water, and not limited access to its use they only used the water for fishing and not for consumption or daily needs, while for other rivers it was not used specifically. The results of interviews with the community around the company and related agencies also did not reveal any negative issues related to the condition of the river water. In addition, the

company has also made efforts to control potential pollution through protection of the entire water border by designating it as an HCV area and prohibiting the application of chemicals in all water border areas.

### 7.8.2

Based on field visit results in Ukui Riparian Block G2 Estate 2 and Seko Hilir riparian block R2/R3 Estate 3, acquired information that company showed proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with a 1:50.000 scale. HCV identification document showed there is some river flow on estates such as Simpang Rono River, Soni River and Seko Hilir River.

Company has been managing and monitoring river conditions by marking riparian and testing river water quality every 6 months. There are thirteen locations for water quality monitoring at namely:

- Soni River, 100 m upstream & downstream
- Soni River, 100 m
- Merbau River left
- Kerumutan River upstream & downstream
- Tobe River upstream & downstream
- Bombang River upstream & downstream
- Seko River upstream & downstream
- Andan River upstream & downstream

Based on document verification, all the parameters of surface water testing accordance of environmental quality standards as stipulated in Government Regulation No. 22 of 2021.

### 7.8.3

All palm oil mill effluent produced by Gandaerah Hendana Palm Oil Mill are processed at waste water treatment plant before it distributed to estates as land applications. This some applications were conducted based on decree of Pelalawan regent No KPTS.503/BPMP2T-PLY/42/2016 23 December 2016 valid 5 years. Company has shown result of coordination with Environmental Agency of Pelalawan Regency on 17 January 2021 which was stated that land application permit is still valid whether there is no change of previous land application permit based on recent government regulation. Company has shown Letter No. 564/LGL/GH-PKU/XI/2021 on 10 November 2021 to Environmental Agency and One-Stop Integrated Service and Investment Service of Pelalawan Regency on 11 November 2021 which showed that company has sent previous land application permit which has not changed.

POME quality testing document review shown for January 2022 until February 2023, all of POME testing parameters are compliant to the standards quality (for examples BOD in February 2023 are 1104.11 mg/l with threshold 5000 mg/l and pH 7.30), and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 months.

### 7.8.4

Based on document verification result, company routinely water use monitoring in mill available under document procedure of water treatment plant. Water consumption monitored by using flowmeters installed in the piping system of WTP. According to water use data in the last period January-December 2022 average water used for processing still below the determined budget (1.39 m<sup>3</sup>/ton FFB while the budget is 1.55 m<sup>3</sup>/ton). The overall use of water under the budget of the company.

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

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

### 7.9.1

Plan for improving efficiency of the use of fossil and optimize renewable energy were available, implemented and monitored refer to *Prosedur Mitigasi Gas Rumah Kaca* (GHG procedure) Ref No. 023-SOP-ISP dated on 02 January 2014. Company has already maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, based on document verification, usage of shells and fiber period January to December 2022 has produces 6,673.40 kWh of electricity from the turbine, while electricity generated from diesel fuel 1,991.70 kWh. Efficiency of renewable energy use per ton of palm product in the mill is 0.15 KWh/MT CPO, while the result Direct fossil fuel used is 0.06 KWh/MT CPO.

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

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

### 7.10.1

Identification of significant GHG gas emission source is identified, and the mitigation plan has been developed by the company has covered mill and estate areal. Significant GHG emission which has been identified are land use change, POME, use of fertilizer and pesticide, use of fossil fuel for operation and transport. Mitigation plan which has been established by the company are correct dosage use for fertilizer and application as recommended; reduce, reuse, and recycle action; electric use limitation; transport and engine maintenance; and periodic air quality test.

Fossil fuel reduce in Gandaerah Hendana POM have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods January 2022 until February 2023 shown that all of waste water testing parameters is compliant to the standards quality. Based on document verification result, accurate data has been put into the RSPO palm GHG Calculator including pesticides usages monitoring, diesel fuel monitoring, HCV identification etc. The calculation of GHG and its monitoring has been conducted by the EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Gandaerah Hendana POM and its supply base is listed for period 2022 with Palm GHG calculation options apply full version as shown below.

#### Summary Emission

Emission per product	tCO2e/tProduct
CPO	9.38
PK	9.38

Production	t/yr
FFB processed	231,313.9
CPO produced	42,868.54
PK produced	11,016

Extraction	%
OER	18.53
KER	4.76

Land use	Ha
Planted area	11,110.09
Planted on peat	6,303.58
Conservation Area Forested	52.07
Conservation Area Non-Forested	0

#### Summary of field emission and Sinks

Description	Own		Group		3rd Party		Total
	tCO2e	tCO2 e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	tCO2 e/ tFFB	
Emission Source							
Land conversion	65775.47	0.38	4961.77	0.39	0	0	70737.24
CO2 emissions from fertilizer	2360.74	0.01	588.42	0.05	0	0	2949.16
N2O emissions from Peat	18273.26	0.10	3119.54	0.25	0	0	21392.80

N <sub>2</sub> O emissions from Fertilizer	2023.97	0.01	496.10	0.04	0	0	2520.07
Fuel consumption	713.14	0	127.32	0.01	0	0	840.46
Peat oxidation	317702.15	1.81	31926.78	2.53	0	0	349628.93
<b>Sinks</b>							
Crop sequestration	-84675.95	-0.48	-6525.75	-0.52	0	0	-91201.70
Sequestration in Conservation area	0	0	0	0	0	0	0
Total	3221772.78	1.84	34694.18	2.75	137408.64	0	494275.61

**Summary Oil Mill Emissions and Credits**

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	19976.92	0.09
Fuel consumption	1084.29	0
Grid electricity	0	0
<b>Credits</b>		
Export of grid electricity	0	0
Sales of PKS	-10204.02	-0.04
Sales of EFB	0	0
Total	10857.19	0.05

**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

There are differences in the peat area data described in the GHG calculation with the explanation in indicator 7.7.2 regarding peat inventory, namely in the GHG calculator 6,303.58 Ha while in indicator 7.7.2 it is all 5,718.64 ha, this is due to the addition of peat area from the Company's area those who are not yet RSPO certified (block M and 541 Ha) who send FFB to GH POM, so that the total peat area in the GHG calculation increases. The same thing with the total planted on the basic info of 8,767.80 Ha while on the GHG calculation it is 11,110.09 Ha because there is an additional planted area from the other supply base.

Based on the results of the above data analysis, it can be seen that the emission value from CPO and PK production is quite high at 9.38 tCO<sub>2</sub>e/tProduct, this is because there are peat areas that have been planted with oil palm.

**7.10.2**

Until this assessment was conducted, no new planting activities above 15 November 2018, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1993 to 2016. The planting years of 2018 and 2019 were replanting activities.

Company has identified pollutions and emissions sources of Gandaerah Hendana POM for the period 2022, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (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 2019, such as emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL of Semester II of 2022 Report. Fossil fuel reduction in Gandaerah Hendana POM have been implemented by fiber/shell usage for the boiler.

### 7.10.3

Until this assessment was conducted, no new planting activities above 15 November 2018, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1993 to 2016. The planting years of 2018 and 2019 were replanting activities.

Company has identified pollutions and emissions sources of Gandaerah Hendana POM for the period 2022, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (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 2019, such as emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL of Semester II of 2022 Report. Fossil fuel reduction in Gandaerah Hendana POM have been implemented by fiber/shell usage for the boiler.

<b>Status: Comply</b>
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### 7.11

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

#### 7.11.1

PT Gandaerah Hendana can show the SOP for Fire Prevention and Handling Number 025-SOP-ISP revision 1 dated March 15, 2022. The scope of the SOP includes planning, prevention, mitigation, post-fire management and reporting and coordination of firefighting and land preparation work, where the procedure is explained that land clearing is done by mechanical means and Zero Burning. The land clearing procedure is carried out by not burning but doing it mechanically.

The company also has a SOP for New Land Clearing and Replanting number 015-SOP-AGR dated May 5, 2014, which shows the work process on land preparation by not burning in land clearing activities. In addition, S&G Biofuel as the parent of PT Inecda also has a social and environmental policy which explains that the company will implement Zero Burning in all plantation development activities including preparation for new plantings, replanting, or other development activities.

Based on the results of field observations in the replanting area, it shows that there is no indication of land clearing by burning.

#### 7.11.2

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

- Conduct regular patrols which is including local stakeholder. For example, monitoring record from KTPA (*Kelompok Tani Peduli Api*) Kerumutan on March 2, 2023, which is inform no hotspot or fire case at monitoring area.
- Has a fire watch tower which was still functioning properly.
- Monitoring fire facilities and infrastructure owned every month.
- Has an emergency response team structure to deal with fires
- Conduct training simulations on a regular basis
- Submitting a report on the implementation of prevention and management of forest and land fires. Such as for the period of February 2023, company has submitted report to the Plantation Agency of Pelalawan and Plantation Agency of Indragiri Hulu on March 10, 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 January 2023, such as:



- Water tanks
- High pressure water pumps
- Suction hoses
- Outlet hoses
- Nozzles
- Beaters/fire beaters
- GPS
- Peat injection
- Portable tank
- Etc.

The results of an interview with the Plantation Agency and Environment Agency, known that the emergency response equipment owned by the company are quite adequate. Based on interview also known that there is no history of fires in the company area within the last 1 years. In addition, based on simulation of land fire emergency response, it is known that the company already has sufficient and well-functioning fire facilities and infrastructure.

### 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 29 June 2022, which involved local stakeholders.

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 and external stakeholder (Kerumutan Village), it was stated that all land clearing activities were done mechanically.

	<b>Status: Comply</b>	
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### 7.12

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

#### 7.12.1

There are no new planting activities above 15 November 2018 in this assessment. Company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1993 to 2016. The planting years of 2018 and 2019 were replanting activities.

#### 7.12.2

The status of rare, threatened, or endangered species that exist in the plantation or that could be affected by plantation or mill management, has identified and operations managed to best ensure that they are maintained and/or enhanced as showing in document of HCV identification including its maps conducted in 2014 by PT. Sonokeling Akreditasi Nusantara. Assessment team are led by RSPO Approved HCV Assessor. Total HCV area mentioned in report are 2,991.35 ha consist of peat area (2,926.73 ha), rivers buffer zone (50 ha), reservoir buffer zone (13.90 ha) and local identity (0.50 ha).

PT Gandaerah Hendana's HCV re-identification results that included the actual conditions of the company including the normalization of river flow in the PT Gandaerah Hendana operational area in 2018. The assessment was carried out by PT Sonokeling Akreditasi Nusantara, which was chaired by ALS HCV Assessment in the identification carried out. Revision of HCV identification refers to the common guidance for identification of HCV 2013. With the determination of HCV area of 52.07 ha.

PT Gandaerah Hendana Area HCV Determination Decree No. SK 167/SUS/GH-PKU/II/2019 per 25 February 2019 by the management of PT Gandaerah Hendana represented by the company's COO for the HCV area is 52.07 ha in accordance with the revised results of HCV identification.

#### 7.12.3

Based on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

#### 7.12.4

Company has developed matrix on HCV management plan in 2022-2023 consist of rare, threatened, or endangered species, rivers buffer zone, reservoirs buffer zone and local identities. Company also has issued a control any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts policy on 29 March 2018. This policy was developed by stakeholders participate. The management plan 2022-2023 that includes appropriate management and monitoring to maintain HCV attributes and RTE species. The management plan has contained type of activities, timeline, PIC and location.

Company established HCV management plan to maintain the HCV areas in operation area of PT Gandaerah Hendana, listed on Management plan HCV 2023 documents. HCV management and monitoring implemented that taken by the management unit such as 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.

Evidence for workforce educations related to RTE species are available and verified by auditors' team. For example, socialization has been conducted to workers and for nearest community on 17 January 2023 and 22 February 2023 which were attended by 26 participants. Company has implemented the HCV management in accordance with the management plan/ procedure for the period 2022. The management plan is reviewed every year, for example, the review on period 2022 involved government, village heads, community leaders, traditional leaders, tribal heads, and local communities around the operational area.

#### 7.12.5

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.

As the results of 2022 HCV management and monitoring output, company has plan feed back into the management plan 2023 i.e conduct water quality testing and the effectiveness of RTE species monitoring.

Field visit during an audit, it showed that company showed proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with a 1:50.000 scale. HCV identification document showed there is some river flow on estates such as Simpang Rono River, Soni River and Seko Hilir River.

Management plan period 2022 is effectively and implemented based on the monitoring result implementation period 2021. The enhancement and result of the HCV/RTE monitoring review for the next HCV program. Review of 2022 program will become an HCV program in 2023.

#### 7.12.6

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. Result of RTE species monitoring summary results on semester 2 2022, there is found Sumatran Tiger (*Panthera Tigris sumatrae*) footprint in PT Gandaerah Hendana. Result of monitoring also reported to government institution every semester. For example, company has reported HCV and RTE monitoring in Second Semester of 2022 BKSDA of Riau Province on 2 March 2023. Company has also shown several RTE handling evidence of encounter of Sumatran Tiger (*Panthera Tigris sumatrae*) footprint, as shown below.

- SOP for Mitigation of Wildlife Conflict No. 043-SOP-ISP dated January 2, 2014, which was approved by Chief Finance Officer and Chief Operation Officer. Based on this procedure, mitigation is carried out starting with the delivery of information to existing institutions (such as villages, sub-districts, offices, or forestry service posts/*BKSDA*) orally or in writing, initial inspection and conflict assessment, analysis of conflict risk levels, and handling of animal conflicts wild by considering both parties (humans and animals) in a disadvantaged situation.
- Minutes of Wild Animal Footprints Encounter on 4 December 2022 in Blocks C.17, AA.49, Division VI & I estate 1. The footprint of wild animal was found by a patrol officer at 07.00 in Block AA.49 and reported to the office of Division I Estate I.
- Notice of Wild Animal Footprints Encounter and Result of Visit from *BKSDA* to PT Gandaerah Hendana on 22 December 2022. The letter contains the results of a visit from the *BKSDA* on 10-11 January 2023 to PT Gandaerah Hendana which shows that *BKSDA* plans to install camera traps in the crossing paths for the wild animals, which will be the responsibility of the company,

installation of the signboard by the company. And socialization to employees regarding vigilance against wild animals and the prohibition of installing signboard for RTE species.

- Socialization to employees during the morning rally in Division 1 and Division VI which was attended by 36 workers.
- Minutes of the installation of a wild animal warning signboard on 6 February 2023 on division land division VI.

Based on interviews with employees and the results of public consultations with the surrounding community, it is known that the company has understood the existence of RTE species, both employees and the community can mention the types of RTE species that are in the plantation area of PT Gandaerah Hendana. Program to regularly educate the worker about the status of RTE species explained on management and monitoring implementation report HCV semester 2 of 2022. Afterward, the installation of signboards containing RTE species information appeals and prohibitions in accordance with Indonesia regulation.

#### 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.

As the results of 2022 HCV management and monitoring output, company has plan feed back into the management plan 2023 i.e conduct water quality testing and the effectiveness of RTE species monitoring.

Field visit during an audit, it showed that company showed proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with a 1:50.000 scale. HCV identification document showed there is some river flow on estates such as Simpang Rono River, Soni River and Seko Hilir River.

Management plan period 2022 is effectively and implemented based on the monitoring result implementation period 2021. The enhancement and result of the HCV/RTE monitoring review for the next HCV program. Review of 2022 program will become an HCV program in 2023.

#### 7.12.8

Based on the results of the disclosure of the area of PT. GH carried out by RSPO has stated that there is no liability in it. Based on RSPO e-mail dated 13 August 2018.

From the results of the document review, it was found that there were planting year after November 2005, but based on interview the planting year after November 2005 was replanting in unproductive block. HCV company identification was carried out in 2014. Based on the document review, the company must be able to present data on land cover change analysis and report to the RSPO Compensation Department if land clearing is carried out after November 2005 without preceding HCV identification.

<b>Status: Comply</b>
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**3.2 Conformity Checklist of Certificate and Trademark Use**

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

### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of S&G Biofuel 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.

Time Bound Plan (TBP) of S&G Biofuel is explained in table section 1. S&G Biofuel has run two (2) mills and six (6) management unit estates. All mills and estates are operated in Indonesia. S&G Biofuel has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of S&G Biofuel based on their Time Bound Plan. . There are three (3) uncertified management unit of S&G Biofuel. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from other sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above.
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There are no labor disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.
- Auditors verify via the internet to look for issues related to units that have not been certified. From the results of the review, the units that have not been certified are still experiencing problems related to the acquisition of land rights. the company has followed up on occupational issues by applying for the release of HGU which the auditor has described in the summary of indicators 4.4.1.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company statement:</b> The company are already doing internal audits.</p> <p><b>Auditor verification:</b> Yes, internal audit conducted every year.</p> <p>Positive assurance is produced for these units.</p>
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><b>Company statement:</b> The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> , 2010, must comply with the RSPO New Plantings Procedure.	<p><b>Company statement:</b> There is no new planting after 2010. The last new planting was conducted on 2009.</p> <p><b>Auditor Verification:</b> The company didn't conduct new land clearing after 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><b>Company statement:</b> There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p><b>Auditor verification:</b> The company has procedure for resolving external conflicts which explain that problem solving of conflict area is conducted</p>

		<p>by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement.</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</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><b>Company statement:</b> There are no labor disputes.</p> <p><b>Auditor verification:</b> There is no information from public source and RSPO website on any labor conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Complaints Handling (No. Documents: 007-SOP- HRD validity date 03 January 2018). This procedure also protects the whistleblower's identity (anonymity) relating to or relating to the security of each complainant and also concerning information - information provided by the complainant</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><b>Company statement:</b> PT Inecda is still on progress to obtain HGU for an areal 135.65 Ha and PT Gandaerah still on progress to obtain HGU for an area covering 765.80 Ha</p> <p><b>Auditor verification:</b> PT Inecda has compensated the land on 2015 and now on process to obtain the HGU.</p>



### 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 3 Assessment

<b>NCR No.</b>	:		<b>Issued by</b>	:	
<b>Date Issued</b>	:		<b>Time Limit</b>	:	
<b>NC Grade</b>	:		<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:				
Evidence observed (filled by auditor):					
Non-Conformance Description (filled by auditor):					
There are no non-conformities on surveillance-3 assessment.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Follow up on next audit (filled by auditor):					
<b>Verified by</b>	:				

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA 4 Assessment**

<b>NCR No.</b>	<b>:</b>	<b>2023.01</b>	<b>Issued by</b>	<b>:</b>	<b>Rizki Tanaya</b>
<b>Date Issued</b>	<b>:</b>	<b>14 April 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>Next Surveillance</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.7.2</b> <b>Inventory, document, and report peat areas in managed areas (effective November 15, 2018) to the RSPO Secretariat.</b>			
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The 2018 Peat Soil Survey of PT Gandaerah Hendana, dated June 11, 2018, stated that the peat area of PT Gandaerah Hendana is 7,186.63 Ha.</li> <li>Based on Peat Inventory data for 2021, which was reported to the RSPO GHG unit on May 18, 2022, it was announced that the area of Peat PT Gandaerah Hendana is 5,718.64 ha, with details of the function of the peat ecosystem monastery of 3,455.03 Ha and the function of protecting the peat ecosystem of 2,263.61 ha.</li> <li>Based on a review of the 2018 Peat Soil Survey documents and the 2021 Peat Inventory reported to the RSPO, there is a difference of 1,467.99 Ha.</li> <li>Based on an interview with the PIC regarding peat, it was stated that there was a difference because there were different perceptions regarding the peat area with the review conducted by the consultant, but the company had not been able to show the basic data as a Peat Inventory Report, which was reported to the RSPO.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show the basic peat area data in the managed area in a Peat Inventory Report to the RSPO secretariat.					
<b>Root Cause Analysis (filled by organization audited):</b>					
<b>Correction (filled by organization audited):</b>					
<b>Corrective Action (filled by organization audited):</b>					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>					
<b>Follow up on next audit (filled by auditor):</b>					
<b>Verified by</b>	<b>:</b>				

<b>NCR No.</b>	<b>:</b>	<b>2023.02</b>	<b>Issued by</b>	<b>:</b>	<b>Rizki Tanaya</b>
<b>Date Issued</b>	<b>:</b>	<b>14 April 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>12 July 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>12 July 2023</b>
<b>Standard Ref. &amp;</b>	<b>:</b>	<b>7.7.5</b>			

<b>Requirement</b>	<b>Drainability assessments are carried out on plantations planted on peat following the RSPO Drainability Assessment Procedure or another RSPO-approved method (at least five years or in accordance with the provisions of the RSPO Drainability Assessment Procedure) prior to replanting. The results of the assessment are used to determine the timeframe for replanting to be carried out as well as to gradually replace oil palm cultivation for at least 40 years or two cycles (whichever is longer) before reaching the natural gravity drainability limit for peat. If oil palm is replaced gradually, it is replaced by another commodity crop that is more suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</b>
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>• Peat Internal Drainability Study of PT Gandaerah Hendana for preparation for replanting in 2021 (for Blocks H19, H21, H23, I19, I21, I23, J11, J19, J21, and J25), which was conducted on December 27, 2020. The study covered a peat area of 337.95 ha, but the study has not been reported and approved by the RSPO.</li> <li>• Peat Internal Drainability Study of PT Gandaerah Hendana for preparation for replanting in 2022 (for Blocks I29, I27, I25, I23, J29, J25, H19, H21, H23, I19, I21, I23, J19, J21, H31, H29, H27, J29, J27, K25, K27, G19, G21, G23, G25, H25, J23, K23, J33, I33, and I31) on April 22, 2022. The study covered a peat area of 1,204.84 Ha, but this study has not been reported and has not received approval from the RSPO.</li> <li>• Based on the 1:80,000 Scale Land Type Distribution Map dated January 22, 2022, it explains that the peat area is located in PT Gandaerah Hendana, for example, Block X29 Afdeling I Estate 1, Block K15 Afdeling VII Estate 2, and Block L18 Afdeling XII Estate 3.</li> <li>• A long-range Replanting Program document for replanting on peat areas in 2022 covering an area of 634.60 Ha and a replanting program for 2023 and above in 2023 covering an area of 4,827.24 ha. However, the Drainability Assessment Report for Replanting Activities has not yet been shown.</li> <li>• Request for Replanting Phase III of 2022 (LC September 2022) to Top Management on August 23, 2022. Afdeling VII K15 37.26 Ha and Afdeling VII K17 37.83 ha.</li> <li>• PT Gandaerah Hendana's work agreement for replanting with PT Harapan Utama Putra Pelalawan No. 120/RPL/KBN II-GH/PT.HPP/VIII/2022 With the working locations of Estates II Afdeling VII Block K15, with an area of 37.26 ha, and Estates II Afdeling VII Block K17, with an area of 37.83 ha.</li> <li>• Based on a field visit to Block K15 Afdeling VII Estate 2, it was found that the block had been replanted on peat land.</li> </ul> <p>Based on the explanation above, information was obtained that the company had replanted in the peat area for planting years 2022 and 2023 without prior drainage Assessment by following the RSPO Drainability Assessment Procedure or other methods recognized by RSPO for at least five years or in accordance with the provisions in the RSPO Drainability Assessment Procedure Version 2 October 2021 on Section 1.1 Requirements for DA. "A DA report needs to be prepared prior to the clearing or replanting of oil palm cultivated on peatland. No replanting can take place until the DA report has been submitted, reviewed, and approved by the RSPO. Companies must complete all the requirements specified in the Submission Checklist (Section 6) prior to replanting.</p>	
<b>Non-Conformance Description (filled by auditor):</b> <ul style="list-style-type: none"> <li>• The company has not conducted a drainage Assessment on plantations planted on peat lands by following the RSPO Drainability Assessment Procedure or another RSPO-recognized method (at least five years or in accordance with the provisions in the RSPO Drainability Assessment Procedure Version 2) prior to replanting and has received approval from RSPO for replanting plans 2023 and above.</li> <li>• The company has carried out replanting activities on peat areas in 2021 and 2022, but the drainability assessment has not been reported and approved by the RSPO.</li> </ul>	
<b>Root Cause Analysis (filled by organization audited):</b> <p>Limited knowledge and coordination between departments both regarding the drainability method and key documents that have been issued by the RSPO as a guideline for drainability studies and have not received training regarding the implementation of Drainability Assessment according to standards determined or approved by RSPO.</p>	
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Participated in Drainability Assessment training using DAP Version 2 provided by RSPO.</li> <li>• Provide information on the success of replanting in 2021 and 2022 to the RSPO.</li> </ul>	

- Provide information that there has been a drainability study using an independent (unapproved) method.
- Create a timeline for implementing a drainability study that includes socializing the results of the training, forming a team.
- Collecting peat depth, recapitulating the height of the outlet water, processing GIS data, and reporting and estimation of
- Approval from RSPO for replanting 2021–2025 (existing plan 2023–2025).

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

Making the best management policy on peatlands as an affirmation of the company's commitment to sustainable management of oil palm plantations, which contains an outline of compliance with applicable laws and regulations, implementation compliance, recording, evaluation, replanting planning, carrying out studies, reporting on the results of studies, conservation, or paludiculture.

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

**The company shows evidence of improvement, including:**

1. Reporting email to RSPO relating to the continuation of planting in peat areas, which until now has not received feedback from RSPO.
2. Drainability Assessment training certificate on behalf of L. A and Y. M.
3. Management Policy dated July 4, 2023, regarding peatland management
4. Timeline for the implementation of the peat drainability study

**Conclusion: July 12, 2023**

Based on the comments above, it is concluded that the Non-Conformance are stated to be fulfilled with the records and will be verified again during the next audit visit.

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

Verified by : Rizki Tanaya

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.3	The company has the opportunity to ensure that monitoring results of HGU benchmarks are made in accordance with actual HGU conditions in the field.
2	3.4.2	<p>Regarding the social management and monitoring plan owned by the company, it has conducted a review, which is conducted every two years, and monitoring once every year. Determination of the 2022 SIA management and monitoring plan through the forum group discussion method, which was made on July 16, 2022, and evaluation of PT GH's social impact management in 2022.</p> <p>Based on the results of a review of the 2023 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner by involving relevant stakeholders, for example, external stakeholders paying attention to women, internal stakeholders, immigrant communities, local residents, youth leaders, contractors, and internal stakeholders paying attention to the representation of workers more broadly, such as local workers, migrants, women, and new workers, including contract workers.</p> <p>Based on the results of the document review, information was obtained that all social issues had been identified and managed, so companies were encouraged to document participatory SIA evidence that had been carried out by PT GH's cross-departments, for example HRD, legal, and sustainability, in one unit so that it could easily assess impacts. That continues to develop in an integrated and comprehensive manner.</p>
3	4.2.3	The company has the opportunity to ensure the recording of all complaints and responses, including complaints submitted orally.
4	6.2.3	Companies have the opportunity to ensure job description understanding for generator and water operators.
5	6.7.3	Companies have the opportunity to ensure the availability of PPE stock (PKS) in accordance with established procedures.

**3.4.4. Noteworthy Positive Components**

No	Description
1	Commitment to implement the principles of sustainable oil palm plantation management.
2	Teamwork and competent human resources in their respective fields
3	Presentation of documents that are quite good during the audit process
4	Achieved the blue proper for the 2021–2022 period.
5	Has received ISPO and ISO 14001 certificates.





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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>There is no complaint from worker submitted to Gender Committee.</li> <li>Company provides menstrual and maternity leave for woman worker.</li> <li>Work program of gender committee is conducting socialization to workers about complaint handling.</li> <li>Company provides special time for woman worker to breastfeeding. There also lactating room in daycare.</li> </ul>	<p>There are no issue needs further clarification</p>
<b>Environment agency of Pelalawan Regency</b> <ul style="list-style-type: none"> <li>Company already has hazardous waste permit and land application permit and both permits is still valid.</li> <li>There is no complaint related to environment pollution.</li> <li>Company already submitted mandatory report to agency regularly, such as RKL RPL report.</li> <li>Company also conducts CSR to surrounding village.</li> <li>Currently company is doing addendum of AMDAL.</li> </ul>	<p>There are no issue needs further clarification</p>
<b>Land Office of Pelalawan Regency</b> <ul style="list-style-type: none"> <li>There was HGU revision conducted in 2021.</li> <li>There is no overlapping with other company.</li> <li>There is no indication of abandoned land</li> <li>Company has submitted mandatory report</li> <li>There is mediation related to the community's request for the development of smallholder plantations which was initiated by the One Stop Integrated Licensing Service and is still in process to date.</li> </ul>	<p>There are no issue needs further clarification</p>
<b>FFB Supplier (EP)</b> <ul style="list-style-type: none"> <li>The FFB supplier is the land owner as well as the FFB collector. There are plans to form a smallholder cooperative with companies.</li> <li>FFB prices refer to market prices. Any price changes will be notified to the supplier.</li> <li>There were no complaints regarding the payment of FFB.</li> </ul>	<p>There are no issue needs further clarification</p>
<b>Agronomy and Fishery Agency of Indragiri Hulu Regency</b> <ul style="list-style-type: none"> <li>There is a area that has obtained a location permit for 213 hectares in 2021 and is currently in the process of releasing forest areas. Because <math>\pm 100</math> Ha is included in the Convertible Production Forest area, while the rest is included in APL.</li> <li>The company has submitted mandatory reports to the department on a regular basis, such as <i>LPUP</i> and Land Fire Prevention reports.</li> <li>There have been no land fires in the last 12 months. The company already has fire fighting facilities and infrastructure</li> </ul>	<p>There are no issue needs further clarification.</p> <p>Company has showed the documentation of process of releasing forest areas, for example Letter from Gandaerah Hendana on 22 February 2023 to Environment and Forestry Ministry on Indonesia related to submission of completeness of forest area release requirements.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>that are sufficient for the company's needs.</p> <ul style="list-style-type: none"> <li>The company already has a plantation business license that is integrated between plantations and factories. There is no IUP revision.</li> </ul>	
<p><b>Kerumutan Ward</b></p> <ul style="list-style-type: none"> <li>The company has routinely provided CSR to the ward, for example assistance for education, infrastructure, and socio-culture.</li> <li>There is an issue of company land that was promised to be given to the Air Kuning Mandiri Cooperative and is currently in the process of mediation by the One Stop Integrated Licensing Service.</li> <li>There is an issue of the operational activity of planting oil palm in an area that does not yet have a HGU of around 541 Ha.</li> <li>The company has conducted outreach regarding conservation areas.</li> <li>There is no environmental pollution issue.</li> <li>Many ward residents work for the company. Information on job vacancies is always submitted to the village office.</li> </ul>	<p>Issued related operational activity of planting oil palm in an area that does not yet have a HGU of around 541 Ha is still in process of releasing forest areas and company showed the documentation of its process, for example Letter from Gandaerah Hendana on 22 February 2023 to Environment and Forestry Ministry on Indonesia related to submission of completeness of forest area release requirements.</p>
<p><b>PK Transporter CV Mitra Sarana Sejahtera</b></p> <ul style="list-style-type: none"> <li>Have been working with the company since 2020.</li> <li>The contractor transports the CSPK and sends it to the refinery according to the contract order.</li> <li>The contractor has complied with regulations, for example related to the provision of PPE, BPJS for employees, and workers' wages.</li> <li>Every complaint submitted to the company will be responded to quickly by the company</li> </ul>	<p>There are no issue needs further clarification.</p>
<p><b>CPO Transporter CV Mestika Jaya</b></p> <ul style="list-style-type: none"> <li>There were no complaints regarding late payments.</li> <li>Contractors have covered workers with BPJS, PPE, and wages are in accordance with the UMK.</li> <li>The company has conducted outreach related to company procedures.</li> </ul>	<p>There are no issue needs further clarification.</p>
<p><b>FFB Transporter CV Putra Indragiri Perkasa</b></p> <ul style="list-style-type: none"> <li>There have been complaints from the transporter, and this has been conveyed to the company. Complaints related to the technical work in the field.</li> <li>Payment for work from the company is made in accordance with the provisions in the work agreement.</li> </ul>	<p>There are no issue needs further clarification.</p>
<p><b>Contractor Pruning Maintenance CV Flo Parpati Grup</b></p> <ul style="list-style-type: none"> <li>Carry out pruning maintenance activities in Estates 2 Afdeling VII, IX, and X.</li> <li>Has a workforce of 30 people. Some of the workers already</li> </ul>	<p>There are no issue needs further clarification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>have health BPJS independently.</li> <li>Contractor provides PPE for workers.</li> <li>Wages paid by contractors to workers are in accordance with the UMK.</li> <li>The company has socialized company procedures.</li> </ul>	
<b>Manpower dan Transmigration Agency Indragiri Hulu Regency</b> <ul style="list-style-type: none"> <li>Currently there is a complaint from the Labor Union related to housing payment and it is being mediated by the agency.</li> <li>There is a report of a fatal work accident in December 2022. The company has conducted a work accident investigation.</li> <li>There are 2 trade unions registered at the agency.</li> <li>The company submits reports on the use of manpower on a regular basis to the agency. There are reports regarding the use of PKWT harvest workers.</li> <li>Suggestion: in order to improve bipartite LKS function again.</li> </ul>	<p>There are no issue needs further clarification.</p>
<b>Manpower Office of Pelalawan Regency</b> <ul style="list-style-type: none"> <li>The company already has a workers' union and it has been registered at the Department of Manpower</li> <li>Has a collective work agreement</li> <li>There are no reports or issues related to labor violations.</li> <li>The company has paid wages, overtime and others according to applicable regulations.</li> <li>The company routinely submits reports related to employment.</li> <li>There are no reports regarding serious or fatal accidents.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<b>Environment Agency of Indragiri Hulu Regency</b> <ul style="list-style-type: none"> <li>There have been no issues of environmental pollution or land fires in the last 2 years.</li> <li>There was a land fire in 2015 but the area was managed by the community, not managed by PT Gandaerah. The case has been completed.</li> <li>The company has routinely submitted periodic reports.</li> <li>The company already has documents and permits related to the environment</li> </ul>	<p>There was no negative issue that need further verification.</p>
<b>Plantation Agency of Pelalawan Regency and Indragiri Hulu Regency</b> <ul style="list-style-type: none"> <li>The company has routinely submitted periodic reports.</li> <li>The company already has adequate land fire facilities and infrastructure.</li> <li>There has been no issue of land fires in the last 1-2 years.</li> <li>There is a demand from the community related plasma for 20% of the HGU. However, the company has no obligation due to the plantation business license held under 2007.</li> <li>There are land claims from the community and are still in the process of being resolved. The final settlement process has</li> </ul>	<p>Auditor team has verified and has explained in related indicator.</p> <p>Company already showed the documentation of resolution progress from the dispute. It has described in 4.8.1 – 4.8.4.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
involved stakeholders such as district heads, national land agency, Plantation agency and others.	
<b>Head of Air Kuning Hamlet</b> <ul style="list-style-type: none"> <li>• There are community complaints regarding plasma 20% of HGU. The last meeting was held in April and has not yet been completed. The meeting has involved stakeholders such as local government.</li> <li>• There are areas that do not yet have HGU but are managed by companies.</li> <li>• The company has involved the community in training on land fire prevention by establishing a fire care community.</li> <li>• There have been complaints of environmental pollution (water hyacinth) in the river and have been resolved.</li> <li>• Socialization of the conservation area in the form of a plank.</li> </ul>	<p>Company already showed the documentation of resolution progress from the dispute. It has described in 4.8.1 – 4.8.4.</p> <p>Complaint related to water hyacinth has been explained in indicator 4.2.3.</p>
<b>SBSI Hukatan</b> <ul style="list-style-type: none"> <li>• The wage increases for 2023 will be carried out in April 2023 along with the rappel.</li> <li>• The company has provided PPE for employees.</li> <li>• There is no issue of using child labor.</li> <li>• The company has paid wages and overtime according to applicable regulations.</li> <li>• The company has conducted regular health checks.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<b>Employee Cooperative of PT Gandaerah Hendana.</b> <p>The employee cooperative in the company has been active since 2014 in the <i>waserda</i> and savings and loan businesses. Currently members of the employee cooperative consist of workers and staff. The cooperative gives freedom to all workers to join or not to become members and this is supported by company policies. One of the company's supports in establishing cooperatives is providing a place for cooperatives to establish their <i>waserda</i> businesses.</p> <p>The last Annual Member Meeting (RAT) was carried out in 2023 for the 2022 financial year.</p>	<p>The support from the company to form an employee cooperative is quite good and there are no issues related to membership or others.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Gandaerah Hendana Management Representative</p>  <p><b><u>Lesmana Amiarsa</u></b> Wednesday, 12 July 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Rizliani Aprianita Hsb</u></b> Wednesday, 12 July 2023</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Pelalawan Regency	-	Telephone Public Consultation	11 April 2023	✓	
2	Environmental Agency	Indragiri Hulu Regency	-	Telephone Public Consultation	11 April 2023	✓	
3	Land Agency	Pelalawan Regency	-	Telephone Public Consultation	11 April 2023	✓	
4	Land Agency	Indragiri Hulu Regency	-	Telephone Public Consultation	11 April 2023	✓	
5	Plantation Agency	Pelalawan Regency	-	Telephone Public Consultation	11 April 2023	✓	
6	Agronomy and Fishery Agency	Indragiri Hulu Regency	-	Telephone Public Consultation	11 April 2023	✓	
7	Manpower Office	Pelalawan Regency	-	Telephone Public Consultation	11 April 2023	✓	
8	Manpower Office	Indragiri Hulu Regency	-	Telephone Public Consultation	11 April 2023	✓	
9	Employee Cooperative	PT Gandaerah Hendana	-	Direct Interview	10 April 2023	✓	
10	Gender Committee	PT Gandaerah Hendana	-	Direct Interview	10 April 2023	✓	
11	SBSI Hukatan	PT Gandaerah Hendana	-	Direct Interview	10 April 2023	✓	
12	Head of Air Kuning Hamlet	Pelalawan Regency	-	Direct Interview	12 April 2023	✓	
13	FFB Supplier (EP)	Pelalawan Regency	-	Telephone Public Consultation	12 April 2023	✓	
14	Kerumutan Ward	Pelalawan Regency	-	Direct Interview	12 April 2023	✓	
15	PK Transporter CV Mitra Sarana Sejahtera	Pelalawan Regency	-	Telephone Public Consultation	12 April 2023	✓	
16	CPO Transporter CV Mestika Jaya	Pelalawan Regency	-	Telephone Public Consultation	12 April 2023	✓	
17	FFB Transporter CV Putra Indragiri Perkasa	Pelalawan Regency	-	Telephone Public Consultation	12 April 2023	✓	
18	Contractor Pruning Maintenance CV Flo Parpati Grup	Pelalawan Regency	-	Telephone Public Consultation	12 April 2023	✓	
19	<b>Gandaerah Hendana POM</b> - 3 securities - 4 grading officer and 1 grading foreman - 1 WB operator - 1 WTP operator - 2 loading ramp operators - 2 hoisting crane operators - 1 press operator - 2 power house operators - 1 boiler operator	PT Gandaerah Hendana	-	Direct Interview	11 April 2023	✓	
20	<b>Estate 1</b> - 1 warehouse operator - 1 rinse house operator	PT Gandaerah Hendana	-	Direct Interview	12 April 2023	✓	



	<ul style="list-style-type: none"> <li>- 1 daycare officer</li> <li>- 5 harvesting workers</li> <li>- 15 sprayer workers</li> <li>-</li> </ul>						
21	<b>Estate 2</b> <ul style="list-style-type: none"> <li>- 1 warehouse operator</li> <li>- 1 daycare officer</li> <li>- 1 generator operator</li> <li>- 2 paramedics</li> <li>- 1 beneficial plant worker</li> <li>- 2 chemical workers</li> <li>- 4 sprayer workers</li> <li>- 13 seed section workers</li> <li>- 6 harvesting workers</li> <li>-</li> </ul>	PT Gandaerah Hendana	-	Direct Interview	11 April 2023	✓	
22	<b>Estate 3</b> <ul style="list-style-type: none"> <li>- 7 sprayer workers</li> <li>- 2 manuring workers</li> <li>- 4 harvesting workers</li> <li>-</li> </ul>	PT Gandaerah Hendana	-	Direct Interview	13 April 2023	✓	
23	AMAN	NGO	-	Email	4 April 2023		✓
24	WWF	NGO	-	Email	4 April 2023		✓
25	Sawit Watch	NGO	-	Email	4 April 2023		✓
26	WALHI	NGO	-	Email	4 April 2023		✓

## Appendix 2. Assessment Program

DATE	10 – 15 April 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 10 April 2023</b>		
07.30 – 09.15	<b>JAKARTA (CGK) → PEKANBARU (PKU) – GA 172</b>	<b>All Auditor</b>
10.00 – 15.00	<b>PEKANBARU → SITE</b>	
15.00 – 16.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit).</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li> </ul>	
16.00 – 17.00	<ul style="list-style-type: none"> <li>Public consultation with Local Contractor &amp; Supplier</li> <li>Direct interview with internal stakeholders (ex. Bipartite or Labour Union, Gender Committee and Cooperative committee members)</li> </ul>	<b>All Auditor</b>
<b>Tuesday, 11 April 2023</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation to Government Agencies of Pelalawan and Indragiri Hulu by phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner (direct).</li> </ul>	<b>AAS</b>
	<b>Field Observation to Estate 2</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Environmental and Conservation/HCV management.</li> <li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>TIO</b>
		<b>RAN/RAH</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field Observation Gandaerah POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO)</li> <li>Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, POME Pond &amp; Land Application</li> <li>Implementation of Employment &amp; Occupational Health &amp; Safety Aspect, Processing Activity &amp; Fire Control Simulation.</li> </ul>	<b>AAS</b>
		<b>TIO</b>
		<b>RAN/RAH</b>
<b>Wednesday, 12 April 2023</b>		

08.00 – 12.00	<b>Field Observation to Estate 1</b> Aspect to be verified: <ul style="list-style-type: none"><li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>• Implementation of Environmental and Conservation/HCV management.</li><li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li><li>• Observation of Workers Facilities (Housing, School, Worship Place).</li><li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>• Implementation of Occupational Health &amp; Safety Aspect</li></ul>	<b>AAS</b>  <b>TIO</b>  <b>RAH/RAN</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"><li>• Document review and completing audit checklist.</li><li>• Presentation of daily progress</li></ul>	<b>All Auditor</b>
<b>Thursday, 13 April 2023</b>		
08.00 – 12.00	<b>Field Observation to Estate 3</b> Aspect to be verified: <ul style="list-style-type: none"><li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>• Implementation of Environmental and Conservation/HCV management.</li><li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li><li>• Observation of Workers Facilities (Housing, School, Worship Place).</li><li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>• Implementation of Occupational Health &amp; Safety Aspect</li></ul>	<b>AAS</b>  <b>TIO</b>  <b>RAN/RAH</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"><li>• Document review and completing audit checklist.</li><li>• Presentation of daily progress</li></ul>	<b>All Auditor</b>
<b>Friday, 14 April 2023</b>		
08.00 – 12.00	<ul style="list-style-type: none"><li>• Document review and completing audit checklist.</li></ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.00	<ul style="list-style-type: none"><li>• Internal discussion and break</li></ul>	<b>All Auditor</b>
16.00 – 17.00	<ul style="list-style-type: none"><li>• <b>Closing Meeting</b></li></ul>	
<b>Saturday, 15 April 2023</b>		
10.45 – 12.45	<b>Flight PEKANBARU (PKU) → JAKARTA (CGK) GA 175</b>	<b>All Auditor</b>