

**Roundtable on Sustainable Palm Oil Certification  
RSPO****[ ✓ ] Surveillance**

Name of Management Organisation : **Langga Payung POM, PT Tapan Nadenggan subsidiary of Golden Agri Resources Ltd.**

Plantation Name : PT Tapan Nadenggan: Langga Payung Estate and Paya Baung Estate  
PT Satya Kisma Usaha: Normark Estate

Location : Hutabaru Nangka Village, Sub District of Halongonan Timur, District of Padang Lawas Utara, Sumatera Utara Province, Indonesia.

Certificate Code : **MUTU-RSPO/152**

Date of Certificate Issue : 24 August 2022      Date of License Issue : 17 September 2023

Date of Certificate Expiry : 16 September 2027      Date of License Expiry : 16 September 2024

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2.1	11 to 15 July 2023	Hasiholan Sihombing (Lead Auditor), Erika Lucitawati, Sentot Adi Subandono, Mia Rahmah Qadryani	Moh. Arif Yusni	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2.1	<b>18 August 2023</b>

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT Tapian Nadenggan	1
Figure 2. Operational Map of Langga Payung Estate	2
Figure 3. Operational Map of Paya Baung Estate	3
Figure 4. Operational Map of Normark Estate	4

Abbreviations Used	5
--------------------	---

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	7
1.2 Organisation Information	7
1.3 Type of Assessment	7
1.4 Location of Mill and Plantations	7
1.5 Description of Area Statement	8
1.6 Planting Year and Cycle	8
1.7 Description of Mill and Supply Base	9
1.8 Estimate Tonnage of Certified Product	9
1.9 Other Certifications	10
1.10 Time-Bound Plan	10

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	21
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	21
2.3 Stakeholder Consultation and Stakeholders Contacted	25
2.4 Determining Next Assessment	25

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	26
3.2 Conformity Checklist of Certificate and Logo Use	86
3.3 Summary of RSPO Partial Certification	87
3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	107
3.5 Summary of Arising Issues from Public and Auditor Verification	110

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

4.1 Formal Signing of Assessment Findings	119
---	-----

**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	120
2. Assessment Program	123

Figure 1. Location Map of PT Tapian Nadenggan

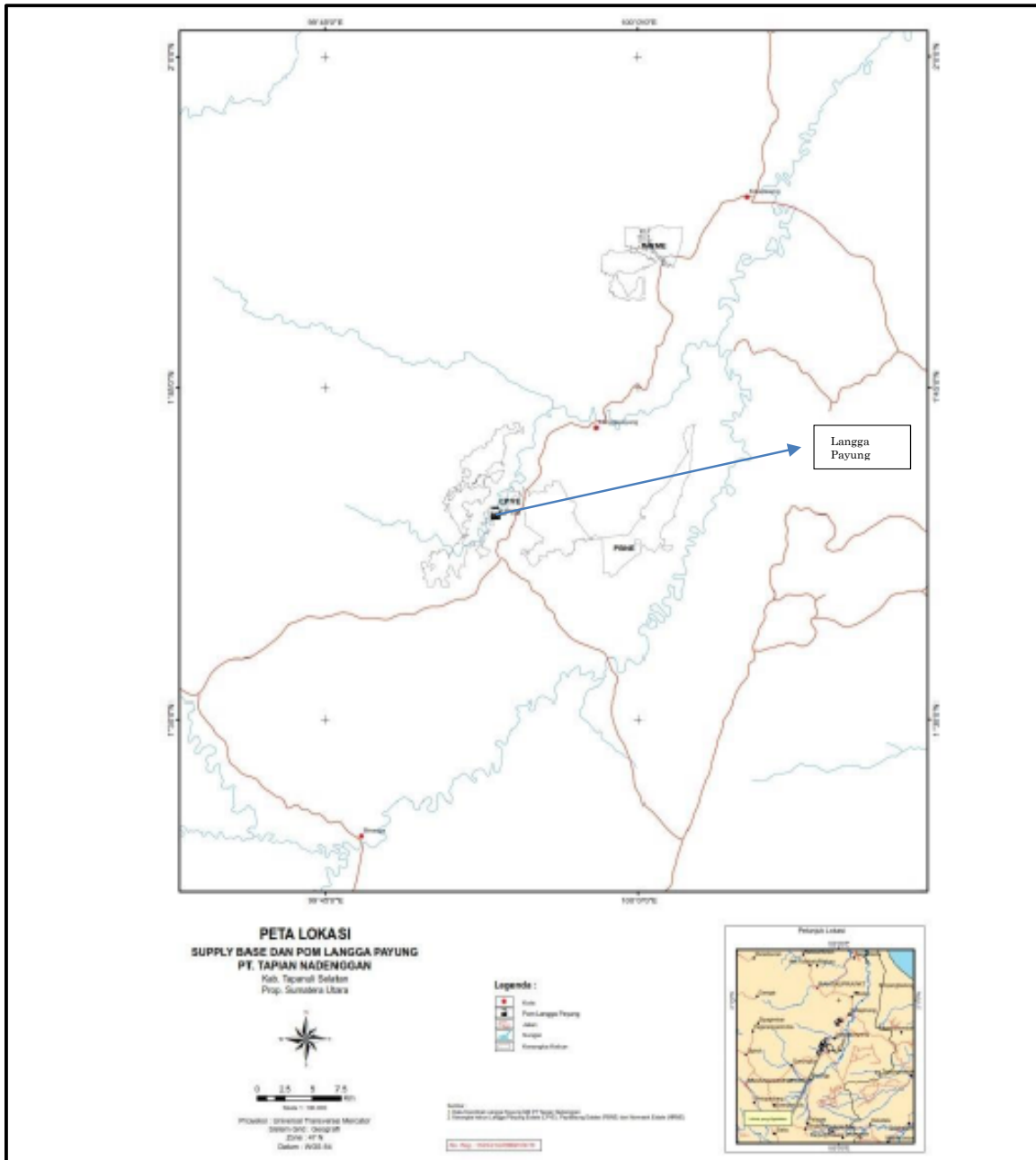


Figure 2. Operational Map of Langga Payung Estate PT Tapian Nadenggan

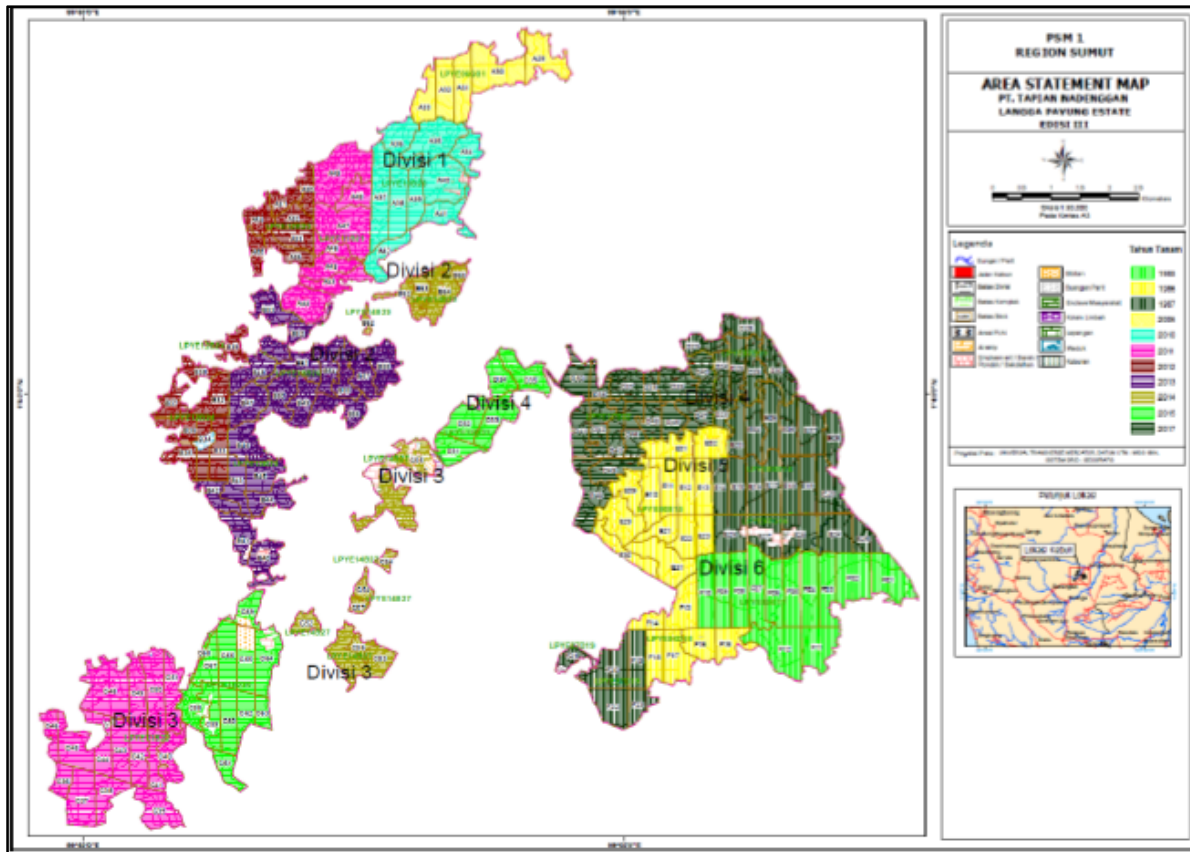


Figure 3. Operational Map of Paya Baung Estate PT Tapian Nadenggan

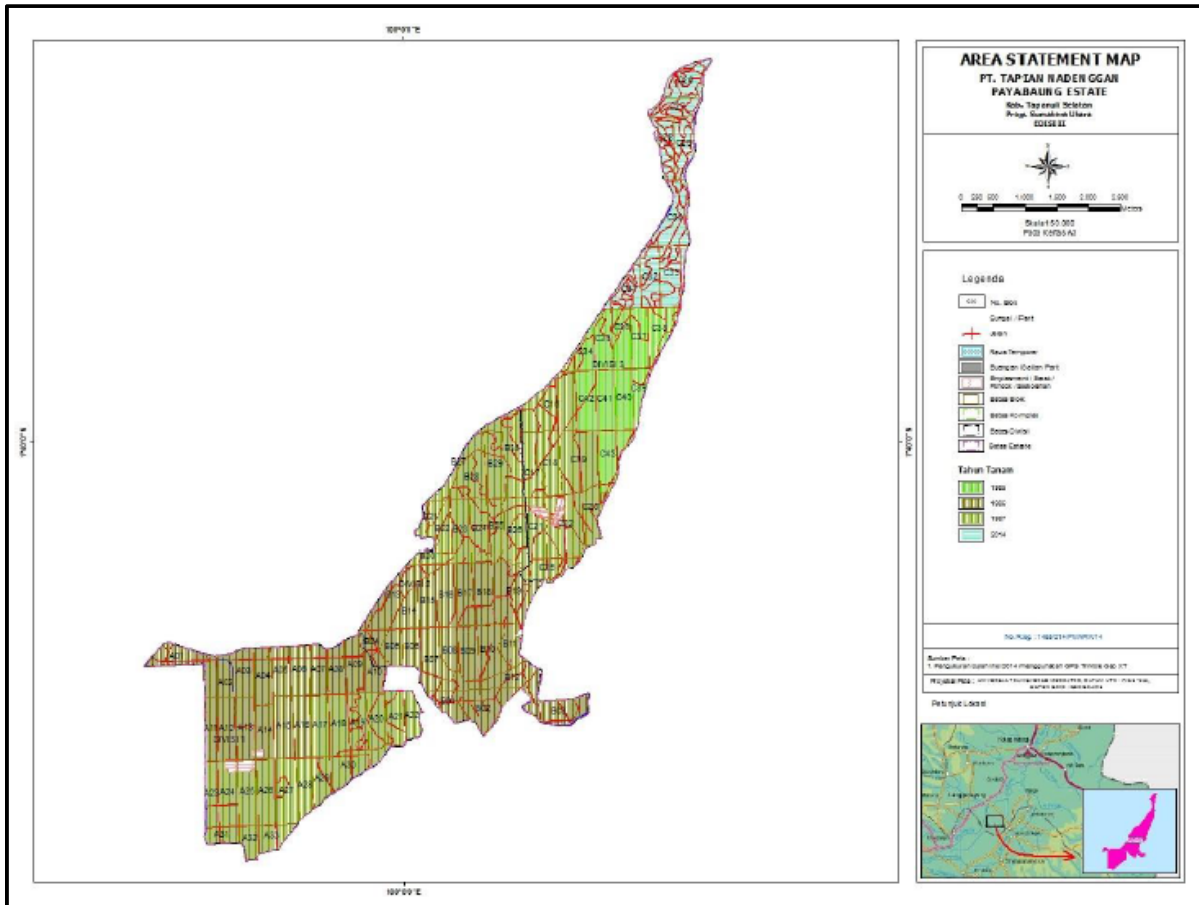
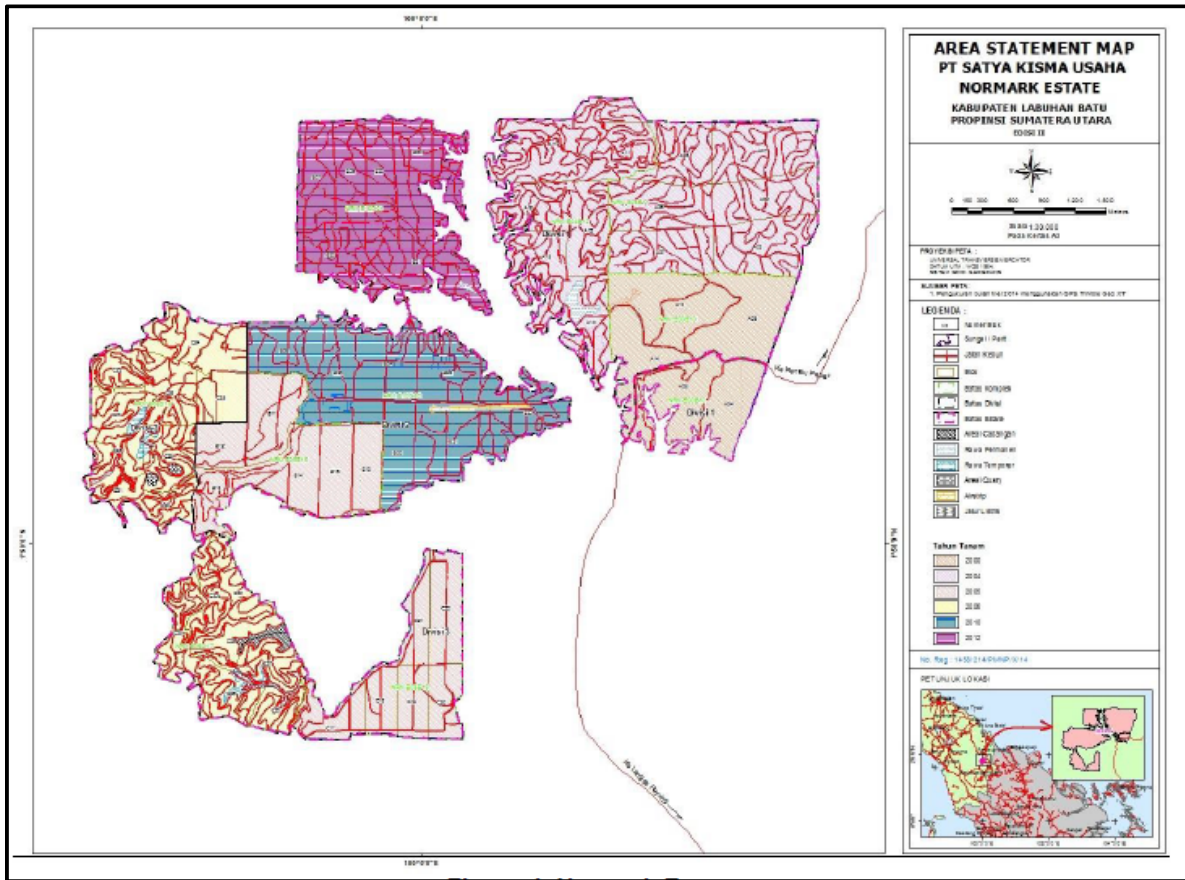


Figure 4. Operational Map of Normark Estate PT SKU



**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous Waste)
BKS-PPS	:	<i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (Sumatera Plantation Companies Cooperation Agency)
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPA	:	<i>Balai Penitipan Anak</i> / Daycare
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPN	:	<i>Badan Pertanahan Nasional</i>
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPO	:	Crude Palm Oil
CPR	:	Cardiopulmonary Resuscitation
CSR	:	Corporate Social Responsibility
EFB	:	Empty fruit bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
FS	:	Fertilizer Spreader
GAR	:	Golden Agri Resources
GHG	:	Greenhouse Gas
GSEP	:	Golden Agri Resources Social Environment Policy
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> / land use title
HIRAC	:	Hazard Identification and Risk Assessment
HIRADC	:	Hazard Identification, Risk Assessment and Determining Control
HRD	:	Human Resource Division
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability & Carbon Certification
ISPO	:	Indonesian Sustainable Palm Oil
IU	:	Immature Upkeep
LCC	:	Leguminous Cover Crop
LSU	:	Leaf Sampling Unit
LPYE	:	Langga Payung Estate
LPYM	:	Langga Payung Mill
LUCA	:	Land Use Change Analysis
MCAR	:	Management Committee Agronomy and Research
MHS	:	Micron Herby Sprayer
MSDS	:	Material Safety Data Sheets
MU	:	Mature Upkeep
NGO	:	Non-Government Organization
NRME	:	Normark Estate
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSMS	:	Occupational Health and Safety Management System
OIA	:	Operational Internal Audit
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PBNE	:	Paya Baung Estate
PIC	:	Person In Charge
PK	:	Palm Kernel

PKB	:	<i>Perjanjian Kerja Bersama</i>
PKS	:	Palm Oil Mill
PMNP	:	Plantation Monitoring and Planning
POME	:	Palm Oil Mill effluent
PPE	:	Personal protective equipment
RC	:	Regional Controller
RSPO	:	Roundtable Sustainable Palm Oil
RSUD	:	<i>Rumah sakit umum daerah</i> / regional hospital
RTE	:	Rare trade endangered
SAP	:	System Application in Product in Data Processing Unit
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating System
SPO	:	Sustainable Palm Oil
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i>
SSA	:	Social Security Administrator
SSU	:	Soil Sampling Unit
TN	:	Tapian Nadenggan
VPA	:	Vice President Assessment
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 System for Principles and Criteria, 12 November 2020.</li> </ul>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Organization name listed in the certificate	Langga Payung Mill – PT Tapian Nadenggan subsidiary of Golden Agri Resources Ltd	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organization address and site address	<b>RSPO registered company:</b> 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  <b>Liaison Office:</b> Sinar Mas Land Plaza, Tower II, 30 <sup>th</sup> Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 50338899	
1.2.5	Fax	(+62-21) 50389999	
1.2.6	E-mail	<a href="mailto:Yahya-mustakim@sinarmas-agri.com">Yahya-mustakim@sinarmas-agri.com</a>	
1.2.7	Web page address	<a href="https://goldenagri.com.sg/">https://goldenagri.com.sg/</a>	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of Sustainability Management System and Certification Operations Sustainability)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2011	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Langga Payung Mill and 3 Estate (Langga Payung Estate, Paya Baung Estate & Normark Estate)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Langga Payung Mill	Hutabaru Nangka Village, Halongonan Timur Sub-District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	N 01° 39' 19"      E 99° 53' 10"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Langga Payung Estate	Hutabaru Nangka Village, Halongonan Timur Sub-District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	N 01° 39' 18"      E 99° 53' 04"
	Paya Baung Estate	Huta Baringin Village, Simangambat Sub-	N 01° 37' 12"      E 99° 58' 31"

	District, Padang Lawas Utara District, Sumatera Utara Province, Indonesia		
Normark Estate	Perkebunan Normark Village, Kota Pinang Sub-District, Labuhanbatu Selatan District, Sumatera Utara Province, Indonesia	N 01° 50' 57"	E 99° 59' 53"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	<b>10,154.72 Ha</b>
	• Community	- Ha

**1.5.2 Area Statement**

• Total area	<b>10,154.72 Ha</b>
• Mature area	8,795.96 Ha
• Immature area	504.85 Ha
• Roads	499.18 Ha
• Drains, Swamp, and River	50.05 Ha
• Buildings	108.13 Ha
• HCV	161.57 Ha
• Former Ditch	12.95 Ha
• Electric Pole	5.99 Ha
• Others area (Querry, Bush, Occupation)	16.04 Ha

*\*The total HCV area in the certification unit is 418.72 Ha. There's an HCV area of 257.15 ha (in Langga Payung Estate and Paya Baung Estate) an included in the planted area.*

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year				
		Hectarage (Ha)			
	Planting Year	Langga Payung Estate	Payabaung Estate	Normark Estate	Total
	2000	-	-	233.62	233.62
	2004	-	-	467.80	467.80
	2005	-	-	311.97	311.97
	2006	185.96	-	332.47	518.43
	2010	305.10	-	268.84	573.94
	2011	737.33	-	-	737.33
	2012	289.24	-	226.36	515.60
	2013	558.65	-	-	558.65
	2014	243.55	227.57	-	471.12
	2015	417.86	261.78	-	679.64
	2017	381.96	303.68	-	685.64
	2018	326.44	389.41	-	715.85
	2019	576.80	799.08	-	1,375.88

	2020	950.49	-	-	950.49			
	<b>Sub Total Mature</b>	<b>4,973.38</b>	<b>1,981.52</b>	<b>1,841.06</b>	<b>8,795.96</b>			
	2021	-	504.85	-	504.85			
	<b>Sub Total Immature</b>	<b>-</b>	<b>504.85</b>	<b>-</b>	<b>504.85</b>			
	<b>TOTAL</b>	<b>4,973.38</b>	<b>2,486.37</b>	<b>1,841.06</b>	<b>9,300.81</b>			
1.6.2	New Planting area after January 2010				- Ha			
1.6.3	Planting Cycle				2 <sup>nd</sup> Cycle			
<b>1.7</b>	<b>Description of Mill and Supply Base</b>							
1.7.1	Description of Mill							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Langga Payung	60	241,378.30	51,584.05	21.37	13,567.21	5.62	
	<i>*Production data source from 12 months before assessment (July 2022 – June 2023)</i>							
1.7.2	Description of Certification Scope of Supply Base							
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ ha/year)</b>	<b>Supplied to Mill</b>		
						<b>FFB (tonnes/year)</b>	<b>%</b>	
	Langga Payung Estate	5,308.53	4,973.38	76,136.19	15.31	76,136.19	100.00	
	Payabaung Estate	2,651.09	1,981.52	26,749.68	13.50	26,749.68	100.00	
	Normark Estate	2,195.10	1,841.06	51,410.04	27.92	26,437.16	51.42	
	<b>TOTAL</b>	<b>10,154.72</b>	<b>8,795.96</b>	<b>154,313.91</b>	<b>17.54</b>	<b>131,574.03</b>	<b>85.26</b>	
	<i>*Production data source from 12 months before assessment (July 2022 – June 2023)</i>							
1.7.3	FFB description from other source							
	<b>Name of sources/Organization (RSPO certified / non-certified)</b>	<b>Type of Organization</b>	<b>Number of Smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>			
	PT Agro Tunggal Jaya Mandiri (RSPO non-certified)	Collector	-	-	103,436.48			
	Suarjianto (RSPO non-certified)	Independent Supplier	-	-	246.58			
	Pilar Nusantara (RSPO non-certified)	Independent Supplier	-	-	242.45			
	Dongan Sahuta (RSPO non-certified)	Independent Supplier	-	-	5,331.20			
	Afriansyah (RSPO non-certified)	Independent Supplier	-	-	418.90			
	<b>TOTAL</b>					<b>109,675.61</b>		
	<i>*Production data source from 12 months before assessment (July 2022 – June 2023)</i>							
1.7.4	Product categories			<b>FFB, CPO, PK</b>				
<b>1.8</b>	<b>Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (July 2022 to			

		June 2023) (MT)						
	FFB Processed	150,000	131,702.69					
	CPO Production	32,850	29,460.85					
	Palm Kernel (PK) Production	8,100	7,616.23					
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (July 2022 to June 2023) (MT)						
	CSPO sold as RSPO certified product	29,159.16						
	CSPK sold as RSPO certified product	7,411.78						
	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							
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Langga Payung Estate	5,308.53	4,973.38	82,000	16.49			
	Paya Baung Estate	2,651.09	1,981.52	28,500	14.38			
	Normark Estate	2,195.10	1,841.06	55,500	30.15			
	<b>TOTAL</b>	<b>10,154.72</b>	<b>8,795.96</b>	<b>166,000</b>	<b>18.87</b>			
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Langga Payung	60	166,000	35,500	21.39	9,900	5.96	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
<b>1.9</b>	<b>Other Certifications</b>							
	ISPO		Certificate No. IDN 2620005 valid thru 18 August 2025.					
	ISCC		Certificate No. EU-ISCC-Cert-ID218-20220203 valid thru 19 November 2023					
	ISO 9001		Certificate No. QEC22921 valid thru 20 Agustus 2023					
	SMK3		Certificate No. REG.SMK3.2022.TUV.SK-1320 valid thru 18 Agustus 2025					
<b>1.10</b>	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>			
<b>Mill</b>	<b>Time Bound Plan</b>							
Pangkalan Panji Mill (PT)	2013	Sawit Mas Estate	2013	Sumatera Selatan	Certified			

Sawit Mas Sejahtera)		Sawit Mas Estate (HGU on progress – 2,291 Ha)	2024	Province	-
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	Sumatera Selatan Province	Certified
		Bumi Sawit Estate (HGU on progress – 773.39 Ha)	2024		-
Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	Sumatera Selatan Province	Certified
		Muara Kandis Estate	2013		Certified
		Muara Kandis Estate (HGU on progress – 418.49 Ha)	2023		-
		Muara Tawas Estate (HGU on progress – 57.7 Ha)	2023		-
		Smallholder (KKPA Pandawa)	2024		-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Kalimantan Tengah Province	Certified
		Sungai Seruyan Estate	2013		Certified
		Terawan Estate	2013		Certified
		Tangar Estate	2013		Certified
		Bukit Tiga Estate	2013		Certified
Bukit Perak Mill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung Province	Certified
		Bukit Permata Estate	2013		Certified
		Bukit Permai Estate (PT Agrolestari Subur Sejahtera)	2024		-
		Bukit Lestari estate (PT Agrolestari Hijau Sentosa)	2024		-
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Bangka Belitung Province	Certified
		Tanjung Rusa Estate	2013		Certified
		Tanjung Rusa Estate (HGU on process 48.81 Ha)	2024		-
		Tanjung Sawit Estate (PT Palmindo Biliton Berjaya)	2024		-
		Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya)	2024		-
		Tanjung Rusa KKPA	2024		-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung Province	Certified
		Sungai Buaya Estate (HGU on process – 155.46 Ha)	2024		-
		Smallholder (KKPA Gedung Aji Lama)	2014		Certified
		Smallholder (KKPA Mesuji)	2014		Certified

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

		Sapiri Plasma	2025		-
		Bukit Dua Estate (PT Buana Adhitama)	2025		-
Belian Mill (PT Paramitra Internusa Pratama) * Main Audit Desember 2022	2022*	Belian Estate * Main Audit Desember 2022	2022	Kalimantan Barat Province	ST-1
		Tengkawang Estate * Main Audit Desember 2022	2022		ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2023		ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2023		ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2023		ST-1
		Smallholder (Belian KKPA)	2024		-
		Smallholder (Muara Tawang KKPA)	2024		-
		Smallholders (Kapuas Hulu KKPA)	2024		-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2020	Sungai Kupang Estate	2020	Kalimantan Selatan Province	Certified
		Sungai Kupang KKPA	2024		-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2023	Sungai Kikim Estate	2023	Sumatera Selatan Province	-
		Sungai Pangsi Estate	2023		-
		Sungai Musi Estate	2023		-
		Sungai Saling Estate	2023		-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2023		-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2023		-
		Sungai Bungur Estate (PT Prima Cipta Mandiri)	2023		-
		Sungai Lingsing Estate (PT Prima Cipta Mandiri)	2023		-
Tangar Mill (PT Mitrakarya Agroindo)	2025	Sulin Estate	2025	Kalimantan Tengah Province	-
		Sulin Plasma	2025		-
		Nahiyang Estate	2025		-
		Katayang Estate	2025		-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2023	Sungai Magalau Estate	2023	Kalimantan Selatan Province	-
		Senakin Estate	2023		-
		Sungai Manunggul Estate (PT Mitra Nusa Permata)	2023		-
Jalemo Mill (PT Agro Lestari)	2025	Jalemo Estate	2025	Kalimantan Tengah	-

Sentosa)		Kajui Estate (PT Agro Lestari Sentosa)	2025	Province	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing KKPA	2025		-
Sako Mill (PT Adi Tunggal Mahajaya)	2025	Mentaya Estate	2025	Kalimantan Tengah Province	ST-1
		Kuayan Estate	2025		ST-1
		Sako Plasma	2025		-
		Sungai Ayawan Estate	2025		-
		Sungai Nusa Estate	2025		-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	Sumatera Utara Province	Certified
		Pernantian Estate	2011		Certified
		Adipati Estate	2011		Certified
		Kanopan Ulu Estate	2011		Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	Kalimantan Selatan Province	Certified
		Batu Mulia Estate	2012		Certified
		Sungai Panci Estate	2012		Certified
		Sungai Panci KKPA	2012		Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	Kalimantan Selatan Province	Certified
		Kintapura Estate	2012		Certified
		Kintapura Estate (HGU on process — 636.33 Ha)	2024		-
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	Sumatera Utara Province	Certified
		Paya Baung Estate	2012		Certified
		Normark Estate	2012		Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Kalimantan Tengah Province	Certified
		Tasik Mas Estate	2012		Certified
		Tanjung Paring Estate	2012		Certified
		Langadang Estate	2012		Certified
		Medang Sari Estate (PT Satya Kisma Usaha)	2025		-
Semilar Mill (PT Tapian Nadenggan)	2013	Semilar Estate	2013	Kalimantan Tengah Province	Certified
		Sei Rindu Estate	2013		Certified
		Mandang Estate (PT Buana Arta Sejahtera)	2013		Certified
		Puri Estate (PT Buana Arta Sejahtera)	2013		Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	Kalimantan Timur Province	Certified
		Jak Luay Estate	2015		Certified
		Jak Luay KKPA	2024		-



		Long Buluh Estate	2015		Certified
		Long Buluh Estate (HGU on progress — 329.66 Ha)	2024		-
		Bukit Subur Estate	2015		Certified
		Bukit Subur Estate (HCV identification on process — 569.62 Ha)	2024		-
		Bukit Subur KKPA	2024		-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung Province	Certified
		Leidong West Selatan Estate	2014		Certified
		Bukit Intan Estate (PT Bumipermai Lestari)	2014		Certified
		Bukit Mas Estate (PT Bumipermai Lestari)	2014		Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	Kalimantan Timur Province	Certified
		Gunung Kombeng	2014		Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2024	Gunung Kombeng KKPA	2024	Kalimantan Timur Province	-
Rantau Panjang (PT Kresna Duta Agroindo)	2023	Rantau Panjang Estate	2023	Kalimantan Timur Province	-
		Rantau Panjang KKPA	2024		-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi Province	Certified
		Batang Merangin Estate	2020		Certified
		Tiga Serumpun KKPA	2024		-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
		Batang Gading Estate (PT Satya Kisma Usaha)	2023		-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2024		-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi Province	Certified
		Sungai Bengkal Estate	2015		Certified
		Sungai Bengkal KKPA	2015		Certified
		Sungai Bengkal KKPA	2015		Certified
		Muara Kilis Estate	2015		Certified

		Muara Kilis Estate	2015		Certified
		Kilis KKPA	2024		-
Bukit Kapur Mill (PT SMART Tbk)	2025	Bukit Kapur Estate	2025	Kalimantan Selatan Province	ST-1
		Sungai Cantung Estate	2025		ST-1
Samsam Mill (PT Ivo Mas Tunggal)	2009	Samsam Estate	2009	Riau Province	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2024		-
		Kandista Estate	2009		Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2024		-
		Palapa Estate	2009		Certified
Libo Mill (PT Ivo Mas Tunggal)	2009	Libo Estate	2009	Riau Province	Certified
		Nenggala Estate	2009		Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2024		-
		Sei Rokan Estate	2009		Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2024		-
		Sungai Tapung Plasma	2009		Certified
Ujung Tanjung Mill (PT Ivo Mas Tunggal)	2009	Ujung Tanjung Estate	2009	Riau Province	Certified
		Kandis Sejahtera KKPA	2023		-
		Swadaya Mas Bersama KKPA	2023		-
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2022		-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Riau Province	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2024		-
		Naga Sakti Estate	2010		Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2024		-
		Rama Bakti Estate	2010		Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Estate	2010	Riau Province	Certified
		Kijang Estate (HGU on process – 56.07 Ha)	2024		-
		Kijang Kencana Plasma	2010		Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Riau Province	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2024		-
		Amartajaya Plasma	2010		Certified

		Berkat Ridho KKPA	2023		-
		Produsen Rama Sawit KKPA	2023		-
		Smallholder (Ramarama KKPA)	2024		-
Indrasakti Mill (PT Meganusa Inti Sawit)	2011	Indralestari Estate	2011	Riau Province	Certified
		Indrasakti Estate	2011		Certified
		Indragiri Plasma	2011		Certified
		Mandiri Jaya Plasma	2022		Certified* 2022
		Indrasakti Plasma	2011		Certified
Bumipalma Mill (PT Bumipalma Persada)	2012	Bumi Lestari Estate	2012	Riau Province	Certified
		Bumi Palma Estate	2012		Certified
		Bumi Sentosa Estate	2012		Certified
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2024		-
		Kharisma Estate (PT Kharisma Riau Sentosa Prima)	2024		-
		Kharisma Plasma (PT Kharisma Riau Sentosa Prima)	2024		-
Sawita Mill (PT Sawitakarya Manunggul)	2023	Sawita Estate	2023	Kalimantan Selatan Province	ST-1
		Pamukan Estate	2023		ST-1
		Sawita KKPA	2024		ST-1
Kenari Mill (PT Bangun Nusa Mandiri)	2025	Gaharu Estate (PT Bangun Nusa Mandiri)	2025	Kalimantan Barat Province	-
		Kenari Estate (PT Bangun Nusa Mandiri)	2025		-
		KerANJI Estate (PT Bangun Nusa Mandiri)	2025		-
		Smallholder (Gaharu Plasma)	2025		-
		Smallholder (Kenari Plasma)	2025		-
Sungai Air Jernih Mill (PT Bahana Karya Semesta)	2023	Sungai Air Jernih Estate	2023	Jambi Province	-
		Sungai Mentawak Estate	2023		-
		Sungai Mentawak KKPA	2023		-
		Sungai Merak Estate	2023		-
		Sungai Badak Estate	2023		-
Sungai Perak Mill (PT Kruing Lestari Jaya)	2024	Sungai Perak Estate	2024	Kalimantan Timur Province	-
		Sungai Basung Estate	2024		-
		Sungai Pikan Estate	2024		-
		Sungai Pilos Estate	2024		-
		Sungai Pikan Plasma	2024		-

Sungai Kedang Mill (PT Harapan Rimba Raya)	2024	Sungai Kedang Estate	2024	Kalimantan Timur Province	-
		Sungai Tohan Estate	2024		-
		Kedang Pahu Estate	2024		-
		Sungai Pahu Estate (PT Rimba Rayatama Jaya)	2024		-
		Sungai Tohan Plasma	2024		
		Sungai Pahu Plasma (PT Rimba Rayatama Jaya)	2024		

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

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

- Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process.
- Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 due to the SHM process.
- Tanjung Sawit Estate dan Tanjung Sawit KKPA (PT Palmindo Biliton Berjaya) are postponed to 2024 due to still in process for HGU and land rights (SHM).
- Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse.
- Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Kayung KKPA supply base of Pekawai Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenanga Estate (PT Cahaya Nusa Gemilang) dan Delima Estate (PT Kencana Graha Permai) are postponed to 2024 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM).
- Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Kuayan Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Belian KKPA, Muara Tawang KKPA and Kapuas Hulu KKPA supply base of Belian Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.
- Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Sungai Magalau Mill and supply bases and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Sako Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 due to still in process for HGU.
- Jak Luay KKPA and Bukit Subur KKPA supply base of Jak Luay Mill are postponed to 2023 due to still in process for land rights (SHM).
- Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2023 due to still in process for land rights (SHM).
- Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2023 due to still in process for land rights (SHM).
- Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2024 due to still in process for land rights (SHM).

- Batang Gading Estate supply base of Langling Mill are postponed 2023 due to still in process for RaCP (LUCA review).
- Batang Gading KKPA supply base of Langling Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2024 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Rama-Rama KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Sawita Mill and supply bases are postponed to 2022 due to still in process for HGU.
- Sawita KKPA supply base of Sawita Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenari Mill and supply bases are postponed to 2025 due to the process for RaCP (LUCA review).
- Sungai Air Jernih Mill and supply bases are postponed to 2023 due to still in process for legality documents.

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

- PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.
- PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.
- PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).
- PT Agrolestari Subur Sejahtera (previously the company name is PT Bumi Permai Surya Lestari): Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
- PT Agrolestari Hijau Sentosa (previously the company name is PT Bumi Bangka Lestari): Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
- PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.
- PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).

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

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

- PT Sawit Mas Sejahtera (Sawit Mas Estate);
- PT Bumi Sawit Permai (Bumi Sawit Estate);
- PT Djuanda Sawit Lestari (Muara Kandis Estate & Muara Tawas Estate);
- PT Forestalestari Dwikarya (Tanjung Rusa Estate);
- PT Sumber Indah Perkasa (Sungai Merah Estate and Sungai Buaya Estate);
- PT SMART Tbk (Kinta Pura Estate);
- PT Tapan Nadenggan (Long Buluh Estate and Bukit Subur Estate);
- PT Ivomas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate);
- PT Buana Wiralestari Mas (Nagasakti Estate; Nagamas Estate and Kijang Estate);
- PT Rama Jaya Pramukti (Ramarama Estate);
- PT Satya Kisma Usaha (Sungai Bengkal Estate, Kilis Estate and Sungai Bengkal KKPA);
- PT Bumipalma Lestari Persada (Bumi Palma Estate);
- PT Tapan Nadenggan (Sei Rindu Estate);

	<ul style="list-style-type: none"> <li>PT Kruing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> </ul>
<b>1.10.2</b>	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	There is no scheme smallholder under PT Tapian Nadenggan and PT Satya Kisma Usaha.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-2.1</b>	<ol style="list-style-type: none"> <li><b>Hasiholan Sihombing (Lead Auditor).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. In this audit, he verified legality, social, SCCS, partial audit, and time-bound plan aspect.</li> <li><b>Erika Lucitawati (Auditor).</b> Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified environmental, GHG and conservation aspect.</li> <li><b>Sentot Adi Subandono (Auditor).</b> Indonesian citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2021, and SMETA awareness training. During this assessment, the aspects of BMP, OHS, Long Term Budget were verified.</li> <li><b>Mia Rahmah Qadryani (Auditor Trainee).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001 and ISO 19011 Lead Auditor Training in 2021, ISPO Auditor Training in 2022, Awareness ISO 17021 in 2021, Awareness ISO 17065 in 2021, Awareness ISO 14001 in 2021, and Awareness ISO 45001 in 2021. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies supervised by Lead Auditor.</li> </ol>
<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-2.1</b>	<p>Number of auditors: 3 auditors and 1 trainee auditor</p> <p>Number of days for <b>ASA-2.1</b> at site: 5 days</p> <p>Number of working days for <b>ASA-2.1</b> at site: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2.1</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Tapian Nadenggan, Langga Payung POM 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 Tapian Nadenggan consist of one mill (Langga Payung Mill) and three estates (Langga Payung, Payabaung and Normark Estate).</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 RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p>



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-2.1 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from RC-2 findings were observed by auditors at this assessment. All information obtained was recorded in the Check List of PT Mutuagung Lestari (MUTU) and part of this ASA-2.1.

The opening meeting was held on 11 July 2023. As for the participants who attended the opening meeting included the Regional Controller, Estate and Mill Managers, Support Team from Jakarta, and other staff at Langga Payung POM. The closing meeting was held on 15 July 2023 attended by the same participants as the opening meeting. Management PT Tapan Nadenggan and PT Satya Kisma Usaha (Normark Estate) accept all this audit results.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

The assessment program please find Appendix 2.

2.2.3	<b>Locations of Assessment</b>
ASA-2.1	<p>The number of management units of this activity consists of one Mill (Langga Payung Mill) and three Estates (Langga Payung Estate, Paya Baung Estate, and Normark Estate). Therefore, in accordance with the certification system, all Estates shall become audit sample.</p> <p><b>Langga Payung POM</b></p> <ul style="list-style-type: none"> <li>• <b>Hazardous Waste Temporary Storage.</b> Observation related to implementation of hazardous waste management, OHS and environmental aspect.</li> <li>• <b>WWTP.</b> Observation and interview related waste water processing, environment, and safety aspect.</li> <li>• <b>Housing Area.</b> Observation and interview with residents about housing facilities, domestic waste management.</li> <li>• <b>Empty Bunch Storage Area.</b> Observation and interview related to environment, and safety aspect.</li> <li>• <b>Security post.</b> Observation of the process of transporting and receiving FFB, environmental aspect, OHS and labor aspects.</li> <li>• <b>Weighbridge Station.</b> Observation and Interview regarding operator's understanding of supply chain, environmental, OHS and labor aspects.</li> <li>• <b>Oil warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>• <b>Chemical warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>• <b>Spare part Warehouse.</b> Field observations and interview related spare part management, OHS, and environmental aspect.</li> <li>• <b>Workshop.</b> Field observations workshop activity, OHS, environmental and worker welfare aspect.</li> <li>• <b>Water Treatment Plant.</b> Observations and interviews with officers related to work procedures, OHS, wages, water usage, and environmental management.</li> </ul>



- **Solar Tank.** Field observations related to OHS and environmental aspects.

#### Normark Estate

- **HGU Pole No. BPN001, BPN002, BPN275 and BPN274 Block B27.** Observation of the condition of the HGU boundary markers owned by the company.
- **HCV Area (Mahuam River Riparian) Block B31 and Block B24 Division 2.** Field observation related to conservation area management.
- **Central Storage.** Observation and interview with worker to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Chemical Storage.** Observation and interview with worker to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation and interview with worker related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Lubricant Storage.** Observation and interview with workers related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Firefighting Equipment Storage.** Observation and interview with worker related to implementation of emergency response, readiness of firefighting equipment.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspect.
- **First Aid Room.** Observation and interview with worker related to implementation of first aid activity, OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation related to implementation of storage activity, OHS, and environmental aspects.
- **Hazardous Waste Temporary Warehouse.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspect.
- **Housing Complex of Division 2.** Observation and interview with residents related to housing facilities, domestic waste management.
- **Daycare of Division 2.** Observation and interview with daycare officer related to implementation of daycare activity, OHS, environmental and worker welfare aspect.
- **Domestic Waste Landfill of Block B21 Division 2.** Observation related to implementation of domestic waste management.
- **Pesticide Application, Block B31, Division 2.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Harvesting, Block B32 Division 2 and Block C34.** Field observations and interviews related to aspects of BMP, OHS, Environment and Worker Welfare.
- **Loose-Fruit Picking, Block B32 Division 2.** Field observations and interviews related to aspects of BMP, OHS, Environment and Worker Welfare.
- **Barn Owl, Block B15, Division 2.** Field observations related to the activities of *Tyto alba* as the integrated pest management and its monitoring.

#### Langga Payung Estate

- **Harvesting in Block E44 Division 4.** Observation related FFB quality, rats and caterpillars attack, OHS aspect, labour aspect, and social aspect.
- **Spraying in Block E53 Division 5.** Observation and interviews related spraying procedure, OHS, labour, social, and environment.
- **HGU Pole No. BPN IV Block D54.** Observation of the condition of the HGU boundary markers owned by the company.
- **HGU Pole No. BPN I Block D50.** Observation of the condition of the HGU boundary markers owned by the company.
- **Barn Owl Box Block E54 Division 5.** Observation towards integrated pest management.
- **Landfill Block E35 Division 5.** Field observations regarding aspects of domestic waste management.
- **HCV Area (Sijabi-jabi River Riparian) Block E24 Division 5.** Field observation related to conservation area management.

- **Hazardous Waste Temporary Storage.** Field observations related to OHS and Environmental aspects.
- **Fire Warehouse.** Observation regarding emergency response facilities.
- **Pesticide Mixing Place and Rinse House Division 4, 5 and 6.** Field observations related to OHS and Environmental aspects.
- **Housing Complex Division 4, 5 and 6.** Field observations regarding housing conditions and worker welfare facilities.
- **Team Fire Team Simulation.** Field observations related to emergency response procedures, the availability and condition of emergency response equipment and the handling of officers in conducting simulations.
- **Fertilizer Warehouse.** Field observations related to OHS and Environmental aspects.
- **Chemical Warehouse.** Field observations related to OHS and Environmental aspects.
- **Material Warehouse.** Field observations related to OHS and Environmental aspects.
- **Oil Warehouse.** Field observations related to OHS and Environmental aspects.
- **Diesel Fuel Tank.** Observations related to fuel tank conditions, OHS aspects, availability and condition of emergency response equipment and environmental management.
- **Workshop.** Observation of technical activities, employment aspects, and OHS implementation.

#### **Paya Baung Estate**

- **HCV Paya Baung River Block B62 Division 2.** Observation related to HCV area condition and management.
- **HGU Pole No. 60 Division 2.** Observation related to boundaries operational area.
- **HGU Pole No. 65 Division 2.** Observation related to boundaries operational area.
- **HGU Pole No. XXVII Division 2.** Observation related to boundaries operational area.
- **Chemical Storage.** Observation and interview with worker to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation and interview with worker related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Central Storage.** Observation and interview with workers related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Firefighting Equipment Storage.** Observation and interview with worker related to implementation of emergency response, readiness of firefighting equipment.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspect.
- **First Aid Room.** Observation and interview with worker related to implementation of first aid activity, OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation related to implementation of storage activity, OHS, and environmental aspects.
- **Hazardous Waste Temporary Warehouse.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspect.
- **Housing Complex of Division 1.** Observation and interview with residents related to housing facilities, domestic waste management.
- **Daycare of Division 1.** Observation and interview with daycare officer related to implementation of daycare activity, OHS, environmental and worker welfare aspect.
- **Domestic Waste Landfill of Block A55 Division 1.** Observation related to implementation of domestic waste management.
- **Pesticide Application, Block B14, Division 2.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Harvesting, Block 52 Division 1 and Block C31 Division 3.** Field observations and interviews related to aspects of BMP, OHS, Environment and Worker Welfare.
- **Loose-Fruit Picking, Block 52 Division 1 and Block C31 Division 3.** Field observations and interviews related to aspects of BMP, OHS, Environment and Worker Welfare.
- **Barn Owl, Block 43, Division 3.** Field observations related to the activities of *Tyto alba* as the integrated pest management and its monitoring.

<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-2.1</b>	<p>Consultation of stakeholders for the assessment was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on MUTU Website on 26 June 2023.</li> <li>• Public consultation meeting with government institution on 11 July 2023.</li> <li>• Public consultation meeting with communities including previous land owner on 11 July 2023.</li> <li>• Public consultation meeting with internal stakeholders and contractors on 11 to 13 July 2023.</li> <li>• Public consultation by email with NGO (Sawit Watch, Walhi, WWF) on 3 July 2023.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Tapan Nadenggan and PT Satya Kisma Usaha.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-2.2</b> ) will be conducted eight (8) months to twelve (12) months after date of certificate license.

**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Langga Payung Mill–PT Tapan Nadenggan, subsidiary of Golden Agri Resources consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there is no Nonconformities were assigned against Major and Minor Compliance Indicator and one (1) opportunity for improvement were identified.

MUTUAGUNG LESTARI found that Langga Payung Mill–PT Tapan Nadenggan subsidiary of Golden Agri Resources 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 20<sup>th</sup> 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>		
<p><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></p>		
<p><b>1.1.1</b>            Unit of certification showed SOP of communication and consultation (No. SOP/SMART/UMUM/SADVI/004) validated on 1 July 2014 which explains the types of documents which are publicly accessible such as land certificates, OHS plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessment, and human rights policy. These documents can be accessed by sending a request to the management. Besides, UoC also provided their document publicly accessible by publishing company’s policy at their website (e.g: human rights policy) and reporting their mandatory report to related stakeholders (e.g: plantation progress report to plantation agency).</p> <p>Based on the interview with Agencies of Padang Lawas Utara District and Labuhanbatu Selatan District, they stated that if they needed information, they would contact the company through the mobile app or information request letter and the company responded and submitted mandatory report in accordance with its period (maximum 3 weeks after the letter received).</p> <p><b>1.1.2</b>            The company has a procedure for requesting information from stakeholders with No. SOP/SMART/UMUM/SADVI/004 which explains the response to requests for information with a maximum time of 3 days from the time the letter is received. Based on document verification and interviews with external stakeholders, management always responds to requests for information within 3 working days.</p> <p>Types of documents that can be accessed and provided to stakeholders are included in the list of information for stakeholders, such as public documents, legal documents, environmental documents (environmental policies, environmental management and monitoring reports, etc.), social documents, OSH policies and programs, and employment documents.</p>		

The company can also show evidence that the information has been received in an appropriate form and language regarding stakeholder engagement, company rights and obligations that are conveyed to all relevant stakeholders, as follows:

UoC also showed the mandatory report submitted related to worker welfare in accordance with its period, here as follows:

No	Mandatory Report	Relevant Agency	Date
1	Employment Report for PT Satya Kisma Usaha-Normark Estate	Ministry of Manpower (via online)	30 May 2023 and must be reporting back on 30 May 2024
2	Employment Report for PT Tapan Nadenggan-Paya Baung Estate	Ministry of Manpower (via online)	22 April 2023 and must be reporting back on 22 April 2024
3	Employment Report for PT Tapan Nadenggan-Langga Payung Estate	Ministry of Manpower (via online)	30 May 2023 and must be reporting back on 30 May 2024
4	Hazardous Waste Management Report of First Quarter 2023	Environmental Agency of Padang Lawas Utara and Labuhanbatu Selatan Regency	LPYM: 1682987456-2522 LPYE: 1679626935-3546 PBNE: 1679310914-3540 NMRE: 1684466659-3544
		Environmental Agency of Sumatera Utara Province	LPYM: 1682987440-2522 LPYE: 1679626913-3546 PBNE: 1679310865-3540 NMRE: 1684466638-3544
		Ministry of Environmental and Forestry	LPYM: 1682987414-2522 LPYE: 1679626889-3546 PBNE: 1679310767-3540 NMRE: 1684466616-3544
5	Hazardous Waste Management Report Second Quarter 2023	Environmental Agency of Padang Lawas Utara and Labuhanbatu Selatan Regency	LPYM: 1689234960-2522 LPYE: 1687225525-3546 PBNE: 1688727712-3540 NMRE: 1688522771-3544
		Environmental Agency of Sumatera Utara Province	LPYM: 1689234928-2522 LPYE: 1687225473-3546 PBNE: 1688727530-3540 NMRE: 1688522751-3544
		Ministry of Environmental and Forestry	LPYM: 1689234890-2522 LPYE: 1687225411-3546 PBNE: 1688727383-3540 NMRE: 1688522731-3544
6	Report on Implementation of Management and Monitoring Plan (RKL-RPL) of First Semester 2022	Environmental Agency of Labuhan Batu Selatan Regency(PT Tapan Nadenggan) Environmental Agency of Labuhan Batu Selatan Regency (PT Satya Kisma Usaha) <i>Pusat Pengelolaan Ekoregion Sumatera</i>	29 September 2022
		Environmental Agency of Sumatera Utara Province	PT TN : 1658646956-2170 (24 July 2022)
		Ministry of Environmental and Forestry	PT SKU : 1658485157-3856 (22 July 2022)

7	Report on Implementation of Management and Monitoring Plan (RKL-RPL) of Second Semester 2022	Environmental Agency of Labuhan Batu Selatan Regency (PT Tapan Nadenggan) Environmental Agency of Labuhan Batu Selatan Regency (PT Satya Kisma Usaha) <i>Pusat Pengelolaan Ekoregion Sumatera</i>	16 April 2023
		Environmental Agency of Sumatera Utara Province Ministry of Environmental and Forestry	PT TN : 1678596177-2170 (12 March 2023) PT SKU : 1679709180-3856 (13 March 2023)
8	POME Management Report of First Quarter 2023	Environmental Agency of Labuhan Batu Selatan Regency (PT Satya Kisma Usaha) Environmental Agency of Sumatera Utara Province Ministry of Environmental and Forestry	17 April 2023 1678592147-2170
9	POME Management Report of Second Quarter 2023	Environmental Agency of Labuhan Batu Selatan Regency (PT Satya Kisma Usaha) Environmental Agency of Sumatera Utara Province Ministry of Environmental and Forestry	07 July 2023 1682988157-2170

### Plantation Legality

- Plantation progress report (LPUP) of PT TN and PT SKU period of Semester II 2022 has been sent to Plantation Agency of Padang Lawas Utara District and Labuhanbatu Selatan District on 16 January 2023.
- HGU utilization report of PT TN and PT SKU for the period of 2022 has been sent to Land Agency of Padang Lawas Utara District and Labuhanbatu District on 14 November 2023.

Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) were provided in Bahasa and understandable by each stakeholder. This is also reinforced by the results of interviews with representatives from Agencies in Padang Lawas Utara and Labuhanbatu Selatan Regency who stated that the unit of certification routinely reports all required information according to the time frame. Moreover, based on the interview with villagers (Situmbaga Village and Normark Estate Village) and the Agencies in Padang Lawas Utara and Labuhanbatu Selatan District, they were aware of the type of information available and the person in charge of information access.

### 1.1.3

UoC had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification, it was found that during 2022-2023 all incoming letters are requests for funds and invitation, the company has responded to the request. UoC then showed outgoing letters are the company's report to each stakeholder according to its period, not only for the respond to incoming letters.

Based on the interview with villagers (Situmbaga Village and Normark Estate Village), they have understood mechanism of communication and consultation. Normally the village head or communities would send a letter as a form of communication.



**1.1.4**

UoC also showed the record of the socialization regarding the SOP mentioned in 1.1.1 on 3 May 2023 attended by contractor workers and on 25 May 2023 attended by communities in Normark Estate Village. In addition, based on the interviews with the villagers (Situmbaga Village and Normark Estate Village), labor union and gender committee, it is known that they had a good understanding of communication and consultation procedures.

In addition, UoC also put the board of communication procedure in any strategic spots for example in estate and mill office.

**1.1.5**

UoC showed the current list of stakeholders which informed the internal and external stakeholders of each unit, for instance: The list of stakeholders in Normak Estate updated on 1 June 2023 and Langga Payung Mill updated on 10 July 2023. The stakeholders include the government agencies, heads of the community, indigenous head, internal stakeholders, local suppliers, and contractors. In the current list of stakeholders, it was also explained the names, addresses, and contact person numbers.

During the assessment, auditor has verified the list of stakeholders by calling the contact person randomly due to ensure the validity of its contact person put in the list of stakeholder. The contacted stakeholder were matched as the contact person put in the stakeholder list. Besides, based on the document review of stakeholder list and all contractor collaborating agreements, it's known that all third parties collaborated with UoC for 12 months period before this assessment conducted has been put in the stakeholder.

**Status: Comply**

**1.2**

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

**1.2.1**

Unit of certification had a policy concerning on code of integrity and ethical behavior in all operational activities and transactions. This policy stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It's explained that, the group committed to not employ underage workers, prohibit all workers from corruption, bribery and fraudulent use of funds and resources, prohibit any forced labor and human trafficking, etc. In addition, UoC also has GAR Social and Environment Policy/GSEP validated by the Head of Upstream in November 2015 regarding the code of integrity and ethical business.

UoC's code of ethics had been socialized to the workers and contractors, for example: LPYE had carried out socialization on 3 May 2023 and NRME had carried out socialization on 19 June 2023 attended by workers and contractor workers. Based on the interview with workers and contractor, it's known that they had a good understanding towards code of ethic policy. Based on explanation above, company has policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.

This policy has been implemented by the company in all business operations and transactions including recruitment and employment contracts. Code of ethics (anti-corruption and anti-bribery) are stated in every work agreement letter of third parties (contractors) and workers.

**1.2.2**

A comprehensive system for monitoring compliance and implementation of ethical business policies and practices was carried out through the Internal Audit and Management Review, for instance: the last RSPO internal audit which was conducted on 13 to 17 March 2023 with no nonconformity found. UoC also showed the mechanism in implementation UoC's policy as state on the agreement that the parties have to be fulfil the existing regulation such as do not employ any child labor, prohibit any corruptions and frauds, and disallowance of forced labor.

Based on the interviews with workers in mill and estate, they worked in the company wasn't through any agent or labor supplier and there were no any fees during recruitment.

UoC also showed some SOPs related to monitor the compliance and implementation of ethical business practices, here as follows:

- Policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which stated that there was no cost in recruitment process. The company had guaranteed the cost of recruitment if there were any migrant worker.
- SOP of handling grievance and dissatisfaction (No. SOP/SMART/GIMS-SCMD/USDV/001) validated on 11 April 2017 which stated that the company guaranteed the freedom of speech by keeping the identity of the employee confidentially.

Based on the management review and internal audit document, there were no violation against the UoC's ethical codes.

**Status: Comply**

**PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

**2.1**

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

**2.1.1**

Unit of certification shows document No. F/SMART/GENERAL/SADV/002/002 which contains an evaluation form for compliance with the 2022 regulations which includes regional regulations and national regulations which are updated annually. The list of laws/regulations listed has covered several aspects such as permits and legality of land, labor, occupational health and safety, best management practices and the environment. Some examples of compliance with regulations that have been carried out include:

**Land legality**

The company already has a plantation business license for an area of 10,655.62 Ha and a production capacity of 60 tons of FFB/hour (Langga Payung Mill). Here's the detail:

- SPUP No. 763/Menhutbun-VII/2000, dated 29 June 2000, a total of 7,959.62 Ha for oil palm plantation and Mill of PT. Tapan Nadenggan based on HGU Decree No.23/HGU/DA/82/A/68, 23/HGU/DA/82 and 14/HGU/DA/82, mentioned commodity was Oil Palm, located in Padang Bolak, Sungai Kanan and Barumun Tengah District, Tapanuli Selatan and Labuhan Batu (Padang Lawas Utara) Regency, Sumatera Utara Province. The permit also informed related to mill capacity as amount as 60 ton/hour.
- SPUP No. 948/Menhutbun-VII/2000, dated 8 August 2000, a total of 2,696 Ha for oil palm plantation Normark Estate PT. Satya Kisma Usaha according to HGU Decree No.28/HGU/DA/77, mentioned commodity was Oil Palm, located in Kota Pinang District, Labuhan Batu (at present Labuhan Batu Selatan) Regency, Sumatera Utara Province.

**Environmental Aspect**

- Documented Environment Impact Assessment of PT Tapan Nadenggan namely Environmental Evaluation Study (*SEL – Studi Evaluasi Lingkungan*) number RC.220/1263/B/VII/1993 for LPYM, LPYE and PBNE activities was approved by Environmental Agency of Sumatera Utara on 28 July 1993. The document covering 7,985 Ha and capacity mill 60 ton FFB/Hours.
- Documented Environment Impact Assessment of PT Satya Kisma Usaha for the scope of Normark Estate (NRME) namely Environmental Management and Monitoring Document. (*DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan*) number 88.44/507/KPTS/Tahun 2010 was approved by Environmental Agency of Sumatera Utara Province on 16 August 2010. The document covering 2,195.10 Ha of NRME.
- Extension of Temporary Storage Permit for Hazardous and Toxic Waste (Operational Permit for Management of Hazardous and Toxic Waste for Producers) PT Tapan Nadenggan based on Decree of Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu, Padang Lawas Utara Regency No. 503/0001/L-LB3/II/2021 dated 08 January 2021 with a validity period until 09 November 2025. This permit has 2 storage locations, namely at Langga Payung Estate and Langga Payung Mill.
- Permit for Storage of Hazardous and Toxic Waste PT Satya Kisma Usaha based on Decree of Labuhanbatu Selatan Regency Government No. 503/0003/DPMPPTSP-LS/LB3/VIII/2019 dated 08 August 2019 is valid for 5 years until 06 August 2024 in Perkebunan Normark Village, Kota Pinang District, Labuhanbatu Selatan Regency.
- Permit for Utilization of Liquid Waste for Land Application (LA) based on the document of Extension of Permit for



Utilization of Liquid Waste to Soil for Land Application PT Tapian Nadenggan through the *Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency No. 503/0001/LA/II/2020 29 January 2020. Permit valid until December 23, 2022.

- Surface Water Utilization Permit for PT Tapian Nadenggan No. PB-UMKU: 812010792074200180003 on 19 January 2023 from One-Stop Integrated Service and Investment Service of Sumatera Utara Province. This permit is published based on Technical Permit Recommendation for Surface Water Utilization No. 610/2800/III/2022 on 21 December 2022 from *Dinas Sumber Daya Air, Cipta Karya dan Tata Ruang* of Sumatera Utara Province.

#### Manpower Aspect:

- UoC has implemented a minimum wage and the fulfillment of overtime wages.
- UoC already has and implements a pay scale structure in accordance with Minister of Manpower Regulation No. 01 of 2017.
- There was no illegal labor, underage labor and forced labor systems.
- UoC has registered all workers in health insurance and social security insurance.
- All core job or permanent job were for permanent workers.
- UoC had registered their contract worker in Manpower Agency, for instance: the registration of 10 contract workers for the period of 10 June 2022 to 10 July 2023 with reistration Number 560/250/Naker/VI/2022 on 15 June 2022.

Based on document review of external training list documents, it's known that there were 53 workers OHS licenses that have entered their license expiration period, for example: Lift and Transport Operator No. Ser 3729/OPK3/PAA-OC/VI/2018 on behalf of Dwijo Gunarso ended on 29 June 2023. UoC then showed PT Lanto Masa Anugerah Certificate No. 958/Sket/LMA-K3/MDN-VII/2023 on 7 July 2023. The document explains that the OHS license extension for the 53 workers was still being processed by PT Lanto Masa Anugerah at the Ministry of Manpower Agency of Republic Indonesia in Jakarta.

Based on the description above, UoC are encouraged to ensure that the OHS license extension process is issued by the Indonesian Ministry of Manpower. **This indicator raised as the opportunity for improvement.**

#### 2.1.2

The certification unit has SOP to comply with regulations & other requirements (SOP/SMART/UMUM/SADV/II/002, dated July 1, 2014). Regulatory updates are carried out at least once a year, for example: Langga Payung Mill updated on 31 March 2023. The officers responsible for updating the list of regulations according to the SOP are Identification of regulations at the national level by SADV and at the regional level by Regional SPO Officer and SPO Officer unit.

The regulations cover aspects of agribusiness, employment, environment, and other regulations related to the company operational activities i.e:

- PP No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- PP No 36 of 2021 concerning Wages
- PP No 37 of 2021 concerning Job Loss Guarantee
- Decree of the Governor of Sumatera Utara regarding the Provincial and District Minimum Wage for the period of 2023.

#### 2.1.3

Procedure of legal boundary stakes monitoring, and maintenance is presented in document No. SOP/SMART/CERS-EHSD/SADV/II/004 dated 1 July 2014. Procedure mentioned that maintenance was carried out by foreman with supervision of Assistant Manager. Monitoring the boundaries of the HGU is done every 3 months.

The company shows the HGU stake monitoring document which is carried out every month. The last HGU stake monitoring was carried out for example in June 2023 in all Estate. The report on the inspection and maintenance of the boundary stakes has provided complete information regarding the number of stakes, the state of the stakes, the location of the stakes, the coordinates of the stakes and corrective actions as well as the target time for repairs if there are damaged or missing stakes. In the monitoring report, it is known that all HGU stakes are available.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Normark Estate Estate

(Stakes No. BPN001, BPN002, BPN275 and BPN274); Langga Payung Estate (Stakes No. BPN IV and BPN I) and Paya Baung Estate (Stakes No. BPN 60, BPN 65, and BPN XXVII), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. Land boundaries with outsiders are clear, such as a large boundary road and trench that borders the HGU area. There is no indication of land use outside the HGU.

**Status: Comply**

**2.2**

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

**2.2.1**

In monitoring the existence of contractors for plantation and mill activities, UoC had well-documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. The contractors collaborate in the activities of operational vehicles rental namely FFB and hazardous waste transport, as follows:

- Normark Estate collaborated with 4 contractors, there are UD Mampang Transport collaborated in FFB transport, PT Jasa Indo Karsa collaborated in FFB transport, Amindy Barokah Sumut collaborated in hazardous waste transport, and PT Mutuagung Lestari collaborated in Environmental Monitoring.
- Langga Payung Mill collaborated with 3 contractors, there are PT Putra Mas agro Lestari collaborated in construction, PT Prata Utama Indonesia collaborated in construction, and Contractor on behalf of Nelson collaborated in FFB unload.
- Paya Baung Estate collaborated with 4 contractors, there are PT Universal Trasindo Mas collaborated in FFB transport, PT Arta Widya Nugraha collaborated in construction, PT Amindy Barokah Sumut collaborated in hazardous waste transport, and PT Mutuagung Lestari collaborated in Environmental Monitoring.
- Langga Payung Estate collaborated with 3 contractors, there are PT Universal Trasindo Mas collaborated in FFB transport, PT Amindy Barokah Sumut collaborated in hazardous waste transport, and PT Mutuagung Lestari collaborated in Environmental Monitoring.

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

- Work Agreement of UD Mampang Transport (No. 001/NRME/RC-SU/II/2023-ATBS) for cooperating in FFB transport dated on 2 January 2023 which is valid until 31 December 2023.
- Work Agreement of PT Universal Trasindo Mas (No. 002/TPN/JKTO-I/XII/2019-ATBS) for cooperating in FFB transport dated on 2 January 2020 which is valid until 31 December 2024.
- Work Agreement of PT Putra Mas Agro Sejahtera (No. LPYM/JKTO/05/23/023-OSBL) for cooperating in construction dated on 26 May 2023 and valid until 28 September 2023.

The contractor list has been in-line with the information in stakeholder list. Auditor has verified by calling the contractor by the contact number put in stakeholder list. The explanation above can be concluded that the UoC has managed and documented the list of contractors along with its supporting documents.

**2.2.2**

UoC showed that there were several separate clauses on the work agreement between the company and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security insurance, the provision of minimum wages, the obligation to use PPE, other permits such as tax payment, etc. To ensure the compliance with these clauses, UoC always requests the requirements for the completeness before the contractor does work.

In addition, UoC has carried out an evaluation of each contractor to see the performance of the contractors and FFB suppliers regarding the compliance to the existing regulation, for example the evaluation of PT Universal Trasindo Mas on 16 June 2023 and PT Agrotunggal Jaya Mandiri (FFB supplier) on 23 January 2023. There were several important indicators in the evaluation for example the work quality, compliance with regulations and laws (BPJS and provision of minimum wages), implementation of OHS, housekeeping, compliance with the environmental regulation, and compliance with business ethics.

Based on the interviews with contractor, contractor workers (PT Jasa Indo Karsa, UD Mampang Jaya and PT Universal Trasindo Mas), and documents verification, it's revealed that workers had received wages and were registered in the BPJS program. For example:

- Proof of wage payment period of June 2023 for PT Jasa Indo Karsa worker on behalf of PP (initial) who received wages Rp. 3,500,000 (above the minimum wage).
- Proof of wage payment period of June 2023 for UD Mampang Jaya worker on behalf of EH (initial) who received wages Rp. 3,500,000 (above the minimum wage).
- Proof of payment of wages period of May 2023 for PT Universal Trasindo Mas worker on behalf of AGM (initial) who received wages Rp. 3,222,235 (above the minimum wage).
- BPJS *Ketenagakerjaan* (Social Security Insurance) payments for PT Jasa Indo Karsa contractor workers (5 workers) have been completely fulfilled and the last proof of payment is on 20 June 2023 for period of June 2023.
- BPJS *Ketenagakerjaan* (Social Security Insurance) payments for PT Jasa Indo Karsa contractor workers (5 workers) have been completely fulfilled and the last proof of payment is on 20 June 2023 for period of June 2023.
- Contractor worker's agreement of PT Jasa Indo Karsa on behalf of PP (initial) who worked as contract worker from 1 January 2023 to 31 December 2023.

**2.2.3**

UoC showed that on each work agreement between the unit of certification and the contractor, there were an appendix stated the clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to UoC's commitment against forced labour, underage worker, and not to employ workers from human trafficking.

To ensure compliance with these clauses, the company always requests the requirements for the completeness before the contractor does work.

Based on the document review and the field observation, it revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. Based on the interviews with contractor and documents verification, it revealed that they had a good understanding related to the minimum age of worker, the prohibition of forced labor and the human trafficking.

**Status: Comply**

**2.3**

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

**2.3.1**

Langga Payung Mill has recorded the source of its FFB, that were from uncertified source, for example:

No	Supplier	Company	Address	Coordinate Location	Legal Information
1	Suarjianto	Smallholder	Simpang Empat Village, Labuhanbatu Utara Regency	1° 37' 00.5" N & 99° 59' 35,2" E	Sertifikat Hak Milik
2	Dongan Sahuta	Smallholder	Siringo Ringo Village, Labuhanbatu Utara Regency	1° 36' 53.655" N & 99° 57' 32.052" E	Sertifikat Hak Milik & Surat Keterangan Ganti Rugi
3	Pilar Nusantara	Smallholder	Blongkut Village, Labuhanbatu Utara Regency	1° 36' 53,655" N & 99° 57' 32,052" E	Sertifikat Hak Milik & Surat Keterangan Ganti Rugi

**2.3.2**

From the recorded data on FFB receipts for the 2022/2023 period, it is known that the company received FFB from

collectors in the name of PT Agro Tunggal Jaya Mandiri. The company is able to show location and land ownership data for FFB origins that are received by each of these collection agents, here are some examples:

Collector	Smallholder Name	Land Rights	Location	Coordinate Location
PT Agro Tunggal Jaya Mandiri	Sori Batahan	SKT	Morang Village	Latitude: 1,3879& Longitude: 99,3906
	Muhibbudin	SKT	Ubar Village	Latitude: 1.4420 & Longitude: 99.4858
	H. Hasanuddin Harahap	SKT	Huta Baru Nangka Village	Latitude: 1.6471 & Longitude: 99.8904
	Khairuman Harahap	SKT	Situmbaga Village	Latitude: 1.6610 & Longitude: 99.9029
	Lindung Hasibuan	SKT	Batang Nadenggan Village	Latitude: 1,6900 & Longitude: 99,8422
	Ahmad Harahap	SKT	Sihopuk Lama Village	Latitude: 1,6429 & Longitude: 99,8810

**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**

Unit of certification shows a record of long-term planning in document Profitability of PT Tapian Nadenggan and PT Satya Kisma Usaha for the period 2022-2027 made by the Regional Operational Cost Center (ROCC) in 2023. The document contains information on plantation business including projected production of FFB, CPO, Kernel Oil, extraction projections CPO and Kernel, and replanting.

	2022	2023	2024	2025	2026	2027
Production (ton)	255,503	278,945	300,970	323,672	337,738	346.266
CPO (ton)	54,933	59,973	64,709	69,590	72,614	74.447
OER (%)	21.5	21.5	21.5	21.5	21.5	21.5
PK (ton)	15,330	16,737	18,058	19,420	20,264	20.776
KER (%)	6.0	6.0	6.0	6.0	6.0	6.0
Net Profit/Loss (x1,000 Rp)	90,546	110,277	134,538	169,185	194,511	210.377
Replanting (Ha)	-	-	-	-	240	0

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

**3.1.2**

Unit of certification have replanting plan for PT Tapian Nadenggan and PT Satya Kisma Usaha which is described in the following table:

Estate	Replanting Program (Ha)					
	2022	2023	2024	2025	2026	2027
LPYE						
NRME	-	-	-	-	240	
PBNE	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240</b>	

Based on the table above, there is a plan for NMRE to do replanting in 2026. Thus, unit of certification already has annual replanting program projected for a minimum of five years with yearly review.

**3.1.3**

Unit of certification has a procedure for conducting a management review with number SOP/SMART/GENERAL/SADV/II/010. Management reviews have been carried out at least once a year, for example, the company shows records of the implementation of management reviews to conduct periodic evaluations contained in Minutes of Management Review Meetings for Sumatera Utara Region in 2023 which were ratified on 31 March 2023, by Sumatera Utara Regional Controller. In the Minutes of Management Review Meeting, discussions were held on internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, evaluation of the achievement of program objectives, changes in the scope of system planning, changes in organizational policies, organizational performance and recommendations for improvement.

**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 its implementation, 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 paraquat active ingredient.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy and the utilization of EFB.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management had fires monitoring in company border areas.
- Paperless system by using GSIS (GAR Sustainability Information System) in order to provide SPO documents.

UoC also showed another implementation for continuous improvement, as follows:

- Records of the management reviews meetings for the Sumatera Utara Region in 2023 which was conducted on 31 March 2023. In the Minutes of the Management Review Meeting, the meeting were held due to internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, organizational performance and recommendations for improvement.
- Records of the results RSPO internal audit of PT Tapian Nadenggan and PT Satya Kisma Usaha (Normark Estate), which was conducted on 13 to 17 March 2023. Based on the document review, there were no non-conformity found in the RSPO internal audit.
- Operational Internal Audit (OIA) Report which discusses the findings, action plan, Regional Controller response, Person in Charge, and target date. The following is the implementation time of the Operational Internal Audit in PT. Tapian Nadenggan:
  - a) Operational Internal Audit at NRME was carried out on 1 to 14 December 2022.
  - b) Operational Internal Audit at PBNE was carried out on 22 to 31 May 2023.
  - c) Operational Internal Audit at LPYE was carried out on 15 to 23 December 2022.

**3.2.2**

Unit of certification 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 for period of June 2022-May 2023. Based on team auditor's review, the information has been matched with others document, such as supply chain record, demographic workers, etc.

**Status: Comply**

**3.3**

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

**3.3.1**

Unit of certification have procedures related to oil palm agronomy, oil palm processing and safety aspect, as follows:

- The company has documents of SOP Technical of Palm Oil Cultivation starting from land clearing up to harvesting,

approved by SMD Ops and entered into force on 15 July 2020. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of FFB. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa).

- The Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant. These SOPs were available at site (Estate and Mill office) written in Bahasa so it's easily understandable for workers.
- The entire procedure of each unit also included the safe working instruction, as described in the HIRAC document.

Based on the interviews with the harvesting workers, pesticide application workers, and grading operator workers, it's known that all workers can explain their work procedures, including their targets, work methods, and their job description.

**3.3.2**

UoC has procedures related to internal audits No. SOP/SMART/GENERAL/SADV/009 validated on 1 July 2014 which explains the procedures for implementing supervisory procedures. The company routinely conducts internal audit activities for both agronomy and processing activities which were carried out by the Department of Operational Internal Audit (OIA) every semester, as follows:

- Operational Internal Audit at NRME was carried out on 1 to 14 December 2022.
- Operational Internal Audit at PBNE was carried out on 22 to 31 May 2023.
- Operational Internal Audit at LPYE was carried out on 15 to 23 December 2022.
- Operational Internal Audit at LPYM was carried out in December 2022.

In addition, UoC also conducted RSPO internal audit on 13 to 17 March 2023 in PT Tapan Nadenggan and PT Satya Kisma Usaha (Normark Estate). Based on the document review, there were no non-conformity found in the RSPO internal audit. UoC also showed the records of the management reviews meetings for the Sumatera Utara Region in 2023 which was conducted on 31 March 2023. In the Minutes of the Management Review Meeting, the meeting were held due to internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, organizational performance and recommendations for improvement.

All third parties including FFB suppliers and contractors had evaluated in order to monitor their compliance with relevant regulations, this matter has mentioned in indicator 2.2.2.

**3.3.3**

UoC had well documented all mechanism in monitoring the implementation and consistency of all UoC's procedures as mentioned in 3.3.2.

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

**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**

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

- Environment Impact Assessment of PT Tapan Nadenggan namely Environmental Evaluation Study (*SEL - Studi Evaluasi Lingkungan*) number RC.220/1263/B/VII/1993 for LPYM, LPYE and PBNE activities was approved by Environmental Agency of Sumatera Utara on 28 July 1993. The document covering 7,985 Ha and capacity mill 60 ton FFB/Hours. Mill and Estates implemented a procedure for identifying the environmental aspects and evaluating their impact. The result of the environmental aspect and impact identification and evaluation was documented. As required by the procedure, the information on the environment is reviewed and updated regularly. The environmental



impact assessment was conducted through regular environmental monitoring, e.g., river water quality, mill effluent quality, air emission, economic, social and culture of community and wildlife.

- Environment Impact Assessment of PT Satya Kisma Usaha for the scope of Normark Estate (NRME) namely Environmental Management and Monitoring Document. (*DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan*) number 88.44/507/KPTS/Tahun 2010 was approved by Environmental Agency of Sumatera Utara on 16 August 2010. The document covering 2,195.10 ha of NRME.
- Social Impact Assessment (SIA) February 2011; this was the first survey of SIA. Results of these activities recorded and documented in Social Impact Identification Report "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Tapian Nadengan Langga Payung Estate dan Langga Payung Mill*, February 2011 and "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Satya Kisma Usaha*, February 2011". Regarding consultation with stakeholders, there are no issues that need to be verified further, all social impacts have been identified.
- High Conservation Value (HCV) Identification Report in PT Tapian Nadengan area in 2011 by Internal HCV assessment team of Environmental Department of PT SMART Tbk. The study area is 8,066.23 hectares consisting of 2 units of LPYE and PBNE.
- High Conservation Value (HCV) Identification Report in Normark Estate of PT Satya Kisma Usaha area in 2011 by Internal HCV assessment team of Environmental Department of PT SMART Tbk. The study area is 2,195.1 ha of Normark Estate.

In the documents above, there is information related to environmental aspects and parameters that must be monitored and managed along with information on targets and implementation times contained in the management and monitoring (*RKL-RPL*) matrix. The document has also covered all aspects of plantation and mill activities and their changes throughout the operational activities. The sampling methodology used is also participatory involving external stakeholder groups for the purpose of identifying impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

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

### **3.4.2**

Unit of certification has managed and monitored social and environmental impacts that are carried out independently by involving affected stakeholders. Some evidence of documentation of activities that have been carried out are as follows:

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

Based on the results of the verification of Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) of First & Second Semester 2022 for scope of PT Tapian Nadengan and PT Satya Kisma Usaha, it can be concluded that all management and monitoring parameters required in environmental document matrix has been implemented. Unit of certification has also evaluated every parameter of significant impact monitoring carried out as required in Decree of Environment Minister No. 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on result of evaluation, it is known that all parameters have been in accordance with the applicable quality standards. Results of interviews with representatives of Situmbaga Village, Batang Nadengan Village, and Perkebunan Normark Village; document analysis and field observations show there are no indications of environmental pollution either from mill and plantation to the area around the unit of certification, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from results of analysis and compatibility between management and monitoring plans and their implementation in the field. Several things can be concluded from result of review of Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) of First & Second Semester

2022, including:

- Preventing soil, water, and air pollution by reducing the use of chemicals, managing waste properly and complying with proper waste disposal in each area.
- Carry out efforts to save the environment by protecting areas important for environmental sustainability such as river borders.
- Manage and monitor the impact of potential land and plantation fires.
- Manage and monitor the quality of soil, air, water, and other disturbances.
- Utilizing solid waste from palm oil mills as a substitute for fertilizers and fossil fuels.

This can also be proven from the results of field visits to EFB storage areas, WWTP areas and Land Application areas as well as river border conservation areas. The result of interviews with representatives Situmbaga Village, Batang Nadenggan Village, and Perkebunan Normark Village around the unit of certification also stated that they did not feel any negative environmental impacts related to the unit of certification's operational activities. Unit of certification has also carried out environmental management in accordance with management and monitoring plan matrix by installing signboards for conservation areas, markings in the form of stakes and red paint for spray boundary areas and other chemical applications. Based on result of interview with sprayer and fertilization workers, they also stated that they were aware of the prohibition on the use of chemicals in the buffer zone marked in red. In addition, they do not use chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds connected to rivers.

Unit of certification has also made Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) every semester which refers to environmental management and monitoring plan matrix of PT Tapian Nadenggan (based on *SEL – Studi Evaluasi Lingkungan 1993*) and PT Satya Kisma Usaha (based on *DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan 2010*). Environmental management reports are carried out every 6 months and submitted to relevant agencies, for example Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) of Second Semester 2022 which is sent to Environmental Agency of Padang Lawas Utara Regency and Labuhanbatu Selatan Regency with proof of receipt dated 16 April 2023. Based on the results of interviews with the Environmental Agency regarding reporting on environmental management and monitoring implementation, the certification unit routinely does this and up to the time the audit was conducted there were no complaints or conflicts related to the environment from NGOs or local communities around the unit of certification.

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

Social Impact Assessment (SIA) has been conducted in February 2011 which was the first survey of SIA. Results of these activities recorded and documented in Social Impact Identification Report "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Tapian Nadenggan Langga Payung Estate dan Langga Payung Mill*, February 2011 and "*Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit PT Satya Kisma Usaha*, February 2011". Regarding consultation with stakeholders, there are no issues that need to be verified further, all social impacts have been identified. The assessment based on forum group discussion involved nearest community which has been documented in a list of attendees and signatures of those who attended the forum group discussion. Management and monitoring plans that have been prepared based on the recommendations of the SIA have been prepared and implemented for 4 periods. The plan was also reviewed periodically in view of the dynamic and evolving social conditions that require a review of impact management every two years since first SIA conducted. Thus, this monitoring activity is a review for the 2-year management period 2022-2023 which has been shown in description below.

### **PT Tapian Nadenggan — Langga Payung Mil, Langga Payung Estate, & Paya Baung Estate**

Review Report on Monitoring Social Impact Management Plantation and Palm Oil Mill PT Tapian Nadenggan (Langga Payung Mill, Langga Payung Estate, and Paya Baung Estate) for period 2022-2023 which has been outlined the plan on mitigation, implementation and monitoring according to the SEIA report. This study was conducted by Sustainability Assessment Department PT SMART Tbk referring to SOP for Management and Monitoring of Social Impacts No: SOP/SMART/SIGS-CSR/SADV/002. This report was compiled based on primary data collection conducted from 23-26 May 2023, attended by representatives from: affected parties, community leaders, and village representatives as well as internal company employees. The study area in this document includes all objects affected by PT Tapian Nadenggan's social impacts, as stated in the PT Tapian Nadenggan's SIA Report, namely LPYE, PBNE, LPYM employees; includes Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantations



and mills. There are 17 villages around the PT Tapian Nadenggan's plantation area, such as;

- Langga Payung Unit: Huta Baru Nangka, Sihopuk Lama, Sihopuk Baru, Situmbaga, Siancimun, Rondaman, Ujung Gading, Batang Nadenggan.
- Paya Baung Unit: Huta Baringin, Gunung Manaon, Ulak Tano, Ujung Batu Julu, Martujuan, Marlaung, Mananti, Jambu Tonang, Manari Tua, Huta Raja.

In the review report, the aspects studied include demographics, natural and human resource potential, local economy, socio-religious conditions, education, health, and vulnerable groups. The scope of PT Tapian Nadenggan's activities includes mill and estate operational activities, replanting, employment, community empowerment, partnership for community, and records of grievances. PT Tapian Nadenggan social impact analysis for 2022-2023 has been included positive and negative impacts such as negative perception from surrounding community, employment, social assistance, public infrastructure, OHS, etc.

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

Based on the results of interviews with the representatives of Situmbaga Village and Batang Nadenggan Village, it is known that unit of certification has routinely carried out social identification/study in their village carried out by Sustainability Team, where the results will be used as a reference for making social and environmental management and monitoring programs whose target is the welfare of the surrounding community. The assistance provided has covered all levels of society. All impacts also have been covered in program established by unit of certification.

#### **PT Satya Kisma Usaha — Normark Estate**

Review Report on Monitoring Social Impact Management Plantation and Palm Oil Mill PT Satya Kisma Usaha (Normark Estate) for period 2022-2023 which has been outlined the plan on mitigation, implementation and monitoring according to the SEIA report. This study was conducted by Sustainability Assessment Department PT SMART Tbk referring to SOP for Management and Monitoring of Social Impacts No: SOP/SMART/SIGS-CSR/SADV/II/002. This report was compiled based on primary data collection conducted from 27-29 May 2023, attended by representatives from: affected parties, community leaders, and village representatives as well as internal company employees. The study area in this document includes all objects affected by PT Satya Kisma Usaha's social impacts, as stated in the PT Satya Kisma Usaha's SIA Report, namely Normark Estate employees; includes Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantation. There are 4 villages around the PT Satya Kisma Usaha plantation area, such as Perkebunan Normark Village, Mampang Village, Mandala Sena Village, and Hadundung Village.

In the review report, the aspects studied include demographics, natural and human resource potential, local economy, socio-religious conditions, education, health, and vulnerable groups. The scope of PT Satya Kisma Usaha's activities includes estate operational activities, replanting, employment, community empowerment, partnership for community, and records of grievances. PT Satya Kisma Usaha social impact analysis for 2022-2023 has been included positive and negative impacts such as social and infrastructure assistance, employment, OHS, employment facilities, etc.

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

Based on the results of interviews with the representatives of Perkebunan Normark Village, it is known that unit of

certification has routinely carried out social identification/study in their village carried out by Sustainability Team, where the results will be used as a reference for making social and environmental management and monitoring programs whose target is the welfare of the surrounding community. The assistance provided has covered all levels of society. All impacts also have been covered in program established by unit of certification.

Based on the information above, it can be concluded that the company already has the relevant documents related assessment of social and environmental impacts and their management and monitoring plans by involving the participation of affected stakeholders.

**3.4.3**

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

**Environmental Impact Assessment**

Unit of certification has documents of environmental management and monitoring implementation including reports to agencies in the form of Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) which are conducted every semester and reported to related agency (explain in indicator 3.4.2). The effectiveness of environmental management and monitoring can be seen from the results of environmental management and monitoring analysis, which can also be seen from the suitability between the management and monitoring plans and their implementation in the field. Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) document also shows that the unit of certification has managed all the critical impacts recommended in environmental impact assessment of PT Tapian Nadenggan (based on *SEL – Studi Evaluasi Lingkungan* 1993) and PT Satya Kisma Usaha (based on *DPPL – Dokumen Pemantauan dan Pengelolaan Lingkungan* 2010). This has been included impact analysis by trend evaluation, critical level evaluation and compliance evaluation.

Field observation also shows that environmental management in accordance with environmental management and monitoring matrix by installing signboard for conservation areas, marking in the form of stakes, and red paint marks for spray-boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilizer workers, they also stated that they were aware of the prohibition on applying chemicals to the buffer zone marked in red. In addition, they do not apply chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds. From the documents review related to environmental monitoring in the Report on Implementation of Management and Monitoring Plan (*RKL-RPL*) for First & Second Semester 2022, it is known that there are no measurement results that exceed the environmental quality standards. Even though, the unit of certification has made several efforts to maintain its quality.

**Social Impact Assessment (SIA)**

Based on analysis of Review Report on Monitoring Social Impact Management Plantation and Palm Oil Mill of PT Tapian Nadenggan and PT Satya Kisma Usaha documents in 2022-2023, social impacts in this assessment are divided into positive and negative impacts. The social impact assessment is carried out based on perceptions of community representatives at assessment location who represent community. Unit of certification has analyzed positive and negative impacts arising from each activity specifically, for example negative perception from surrounding community, employment, social assistance, public infrastructure, OHS, and so on as described in indicator 3.4.2. Unit of certification conducts annual evaluations to harmonize data collection related to community perceptions regarding social impact management and monitoring and adjust it to the latest needs according to conditions in the field.

Social impact management and monitoring plan has also been evaluated and updated every two years by involving affected stakeholders. Unit of certification can show evidence that has carried out by evaluation through Review Report on Monitoring Social Impact Management Plantation and Palm Oil Mill for 2022-2023 period which was carried out on 23-29 May 2023. All issue has been captured on social impact assessment. Based on results of the verification of document, it shows that all social management and monitoring plans have been implemented and monitored and then updated periodically in a participatory manner to accommodate the aspirations of stakeholders. The evaluation activity was also carried out to prepare the SIA program which will be carried out for the next period, namely the 2023-2024.

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

**3.5**

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

**3.5.1**

UoC had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in *Bahasa*. The CLA has been reported to Manpower Agency of Labuhanbatu Selatan District on 9 July 2023. Based on document verification and interview with labor union and management, this CLA still valid until new CLA signed by both of parties.

Based on the document verification, CLA generally described these procedures as follows:

- Recruitment of workers is based on the company's needs.
- The minimum age of workers is 18 years old.
- The workers who have been accepted will through three months of probation.
- Promotion of workers is based on needs, period of work, expertise, and assessment of workers for the last 6 months.
- The company is authorized to carry out the placement, transfer, and promotion of workers by applicable regulations.

In addition, the procedures of employee recruitment, appraisal, promotion, and remuneration are explained specifically in several SOPs. These procedures have been documented and socialized to all workers and their representatives, here as follows:

- SOP No. SDM A-004-00 validated on 1 September 2005 concerning on Recruitment.
- SOP No. SDM D-010-01 validated on 11 April 2012 concerning on Worker's Promotion.

Based on the interviews with workers (harvesters, pesticide application, and mill operators), workers had a sufficient understanding of the procedures related to recruitment, promotion, and termination of employment. The types of workers exist in the company were permanent workers, contract workers, and daily workers. Workers explained that the recruitment process carried out by the company was in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation and other causes of termination as in existing government regulation. All labor procedures has been in accordance with the applicable regulation.

**3.5.2**

Unit of Certification documented all labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Recruitment document in accordance with the recruitment requirements such as employment request form, statement of police report, identity card (KTP), family identity card (KK), the result of medical check up, and work agreement letter. For example, a worker on behalf of MAD (initial) who sent the recruitment letter on 22 December 2022 and started working as a worker in field on 3 January 2023 to 2 January 2024.
- Promotion documents such as management decree for worker's promotion. For example:
  - a) Worker on behalf of ES (initial) who had a promotion based on worker's appraisal, from grade PT 4A to grade PT 3 on 6 July 2022.
  - b) Worker on behalf of ARH (initial) who had promotion based on worker's appraisal from PT 4A to PT 2 on 1 March 2023.
- Termination document such as the management decree of employment's termination on behalf of SP (initial) due to maximum age at work (pension). UoC also showed other supporting documents such as the identity card, the agreement between the terminated worker and the UoC, calculation of termination payments, and the proof of its payment in accordance with the applicable laws.
- The compensation payment of contract worker on behalf of RAL (initial) with 13 months total contract period.

Based on the interviews with the Manpower Agency of Labuhanbatu Selatan and Padang Lawas Utara, the company had been applied the existing labor procedures in accordance with the regulations. During 2022 to 2023, there were no issues related to manpower brought to the Agencies.

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

**3.6**

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

**3.6.1**

UoC had a policy of occupational safety and health were written in Bahasa and has been legalized, as follows:

- SOP/SMART/HESS-EHSD/SADV/II/002 Identification of Hazard Sources Risk Assessment and Control.
- SOP/SMART/HESS-EHSD/SADV/II/004 OHS Program.
- SOP/SMART/HESS-EHSD/SADV/II/005 Management of Occupational Accidents and Diseases.
- SOP/SMART/HESS-EHSD/SADV/II/011 First Aid for Accidents.
- SOP/SMART/HESS-EHSD/SADV/II/012 Worker's Medical Check-up.

These mentioned policies were designed to control hazards in every activity in the working areas to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (*P2K3*) every month. This work program applies generally to all workers in the workplace. If the plans have been meet on target yet then it'll be evaluate in the regular meetings.

UoC showed the document of hazard identification, risk assessment and risk control (HIRAC) in each units, for instance the HIRAC in Langga Payung Estate issued on 2 January 2023. It will be reviewed if any occupational accident happens. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on field observation at boiler station, engine room station, harvesting and pesticide application activity, it's confirmed that workers had been aware related to the potential risk and hazards in their work place. UoC also has been reduce the potential risk by routine socialization regarding OHS, providing OHS specific competence training, providing PPE and its spare, and OHS signboard were available in the workplace.

Based on the interviews with workers in mill and estates, UoC had specific OHS program for workers placed in several high-risk work/area, for instance: mill operators which were exposed to high noise have used a complete hearing protection namely ear muff and ear plug. To ensure their health condition, UoC provided certain medical check-up (audiometry).

Based on the explanation above, it can be concluded that the company has carried out a risk assessment and identified OHS problems including the plan and the implementation.

**3.6.2**

The realization of OHS committee's program will be monitored through the monthly meetings. This program applies generally to all workers in the workplace. If the plans made doesn't meet the target yet, UoC then will be evaluate in the monthly meetings. The following were some examples of the realization of OHS program in 2023:

- Fire-fighting simulation conducted on 27 February 2023.
- Certain medical check-up (Cholinesterase) for spraying workers conducted in December 2022.
- Periodic general medical checkup conducted in February 2023.
- Safety patrol planned and realized every month.
- Identification of areas with potential emergency hazards such as areas prone to fire, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every month.
- Inspection of the availability and condition of first aid boxes conducted every month.
- OHS Committee monthly meeting in each unit, for instance: the OHS committee meeting of Paya Baung Estate conducted on 3 April 2023 which discussed the evaluation of the implementation of OHS in March 2023, potential hazards to workers in office, workshop, and warehouse area, attended by P2K3 officers.

Based on the interview with the pesticide application workers and mill operators, UoC has provide adequate and appropriate PPE to all workers to cover all potentially hazardous operations, for example: Boilers Operators has provided PPE such as safety shoes, helmet, ear plug, and gloves. UoC also socialized the safety induction for all auditors during the audit.

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

**3.7**

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

**3.7.1**

Unit of certification had training identification and program for 2023 in order to improve the competence and expertise of all workers including contractors. The company had identified the needs of competence standard and the proposed training for each worker, for example:

- Training of OHS in pesticide usage and MSDS for pesticide application workers.
- Training of fire-fighting simulation for security.
- Training of HCV for all workers, stakeholders, and communities.
- Training of work accident simulation for supervisors.

**3.7.2**

UoC also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Training of handling chemical material spills conducted on 28 June 2023 which was attended by 5 workers in mill.
- Training of handling wastewater treatment plant overflow conducted on 3 July 2023 which was attended by 5 workers in mill.
- Training of harvesting activity conducted on daily morning brief.

Based on field observations and interviews with workers (harvesters, upkeep workers, warehouse officers, and mill operators) and contractor workers, it is known that the company provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

**3.7.3**

The unit of certification showed socialization about the supply chain to employees which was last conduct 30 June 2023. The minutes explained the procedures for managing certified and non-certified products including the responsibilities for each of the personnel who handle products.

The results of interviews with Head of Administration, weighbridge operator in POM and FFB administration in Estate showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure and have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1 and 3.8.2**

Based on document verification, the Mill implements the MB Module, which is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the separation of FFB and products (CPO and PK) from certified and uncertified sources.

**3.8.3**

Estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-2.1 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (July 2022 to June 2023) (MT)
FFB Certified (MT)	150,000	131,702.69

CSPO (MT)	32,850	29,460.85
CSPK (MT)	8,100	7,616.23

**3.8.4**

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

- Member Name: PT. Tapian Nadenggan — Langga Payung Palm Oil Mill
- License ID: CB137839
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000001150
- Type of Business: Oil Mill

**3.8.5**

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain Model of Mass Balance, SOP of FFB Processing (No. SOP/SMART/MCMD/I/TM-PKS), SOP of Reporting of Certified Product (No. SOP-SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP/SMART/UMUM/SADV/I/001).

These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on the interviews with weighbridge officers and security, the two personnel have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.

**3.8.6**

The procedure for internal audit for SCCS mentioned in the procedure of Internal Audit (No. SOP/SMART/UMUM/SADV/I/009, dated 1 July 2014). Based on that procedure internal audit carry out minimum one times a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 13-17 March 2023. Based on result of internal audit, there is no non conformity SSCS indicators and complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 31 March 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, process performa and product compliance, follow up of previous management review, and I for improvement.

**3.8.7**

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit which is June 2022 – May 2023:

Month	FFB (ton)		Total
	Certified	Non-Certified	
July 2022	13,516.65	8,544.22	22,060.87
August 2022	13,200.30	8,894.81	22,095.11
Sept 2022	10,060.26	9,051.72	19,111.98
Oct 2022	10,689.75	9,526.36	20,216.11
Nov 2022	12,133.02	9,532.38	21,665.40
Dec 2022	13,086.32	10,493.65	23,579.97
Jan 2023	7,818.94	7,811.92	15,630.86
Feb 2023	9,146.67	7,885.78	17,032.45



Mar 2023	7,955.94	9,327.80	17,283.74
Apr 2023	9,554.66	6,995.38	16,550.04
May 2023	11,854.83	9,988.07	21,842.90
June 2023	12,685.35	11,623.52	24,308.87
<b>Total</b>	<b>131,702.69</b>	<b>109,675.61</b>	<b>241,378.30</b>

Estimated certified product recorded in the last assessment report (ASA-2.1). Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (July 2022 to June 2023) (MT)
FFB Certified (MT)	150,000	131,702.69
CSPO (MT)	32,850	29,460.85
CSPK (MT)	8,100	7,616.23

According to the data during the license period, there still not any overproduction yet.

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

### 3.8.8

The mill has product information provided in such as document of weighbridge ticket, delivery order and other invoices, as example at invoices of PK certified delivery on 13 July 2023. The information provided on invoices are:

- The name and address of the buyer (PT SMART Tbk);
- The name and address of the seller (PT Tapan Nadenggan – Langga Payung POM in Padang Lawas Utara District)
- The loading or shipment / delivery date (13 July 2023);
- A description of the product supply chain model (Mass Balance);
- The date on which the documents were issued (13 July 2023);
- The quantity of the products delivered (31.55 ton);
- Any related transport documentation (transport by PT Sumatra Lintas Asia);
- A unique identification number (27137);
- RSPO certificate number (Mutu-RSPO/152);
- etc.

### 3.8.9, 3.8.10 and 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 and storage tank at bulking are sourced to third party, which bonded by the agreement. The transportation of certified products is carried out directly by the buyer. The company does not have a direct contract or agreement with the product carrier.

### 3.8.12

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

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of



12-months before audit (June 2022 – May 2023):

**CSPO**

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening Stock	1,175.79	-	1,175.79
July 2022 – June 2023	28,285.06	23,298.99	51,584.05
<b>Total</b>	<b>29,460.85</b>	<b>23,298.99</b>	<b>52,759.83</b>

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
July 2022 – June 2023	29,159.16	-	-	29,159.16

**CSPK**

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening Stock	192.68	-	192.68
July 2022 – June 2023	7,423.56	6,143.66	13,567.21
<b>Total</b>	<b>7,616.23</b>	<b>6,143.66</b>	<b>13,759.89</b>

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
July 2022 – June 2023	7,411.78	-	-	7,411.78

**3.8.13 and 3.8.14**

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for June 2022 until May 2023 i.e OER 21.37% and KER 5.62%. Periodically update of extraction is actual extraction.

**3.8.15**

SCSS module used in Langga Payung POM is Mass Balance (MB), because the mill receives FFB from the estate RSPO certified and from third party that non-certified RSPO.

**3.8.16**

RSPO IT Platform member registration number for Langga Payung Palm Oil Mill is RSPO\_ PO1000001150. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three (3) months after dispatch. For example:

- Certified PK sold to PT SMART Belawan Refinery dated 29 May 2023 for 121.47 MT and transaction creates in IT Palm Trace dated 16 February 2023.

- Certified CPO sold to PT SMART Belawan Refinery dated 14 April 2023 for 815.53 MT and transaction creates in IT Palm Trace dated 27 April 2023.

**Removing Stock**

The unit of certification sold all CSPK and CSPO as RSPO products; therefore, the certification unit did not remove stock from palm trace.

**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**

UoC showed their commitment due to respecting human rights stated in the stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. In addition, it's also stated in UoC's Social and Environment Policy validated on 8 September 2015 by Head of Upstream, CEO and Managing Director of Sustainability & Strategic Stakeholder Engagement. Both policies explained that Sinarmas Group committed to respect and protect human rights in order to create security for all workers including not to discriminate, give freedom in beliefs, respect and uphold human rights including the rights of human right defenders.

UoC's commitment in respecting the human rights has been well implemented proved by the absence of issues and incidents of human rights violations that occurred in the operational areas for mill and 2 estates. Based on the interview with workers in estates (harvesters, pesticide sprayers, and maintenance workers), workers in mill (mill operators and warehouse workers), they stated that there were no incidents or issues of human rights violations occurring in the operational area of the certification unit. UoC also had respecting the rights of human right defenders and prohibiting the retaliation towards human right defenders.

**4.1.2**

Based on the interviews with the surrounding communities, occupants, and workers, it revealed that up until this assessment, if there was any conflicts or disputes with the company, the resolution action taken was deliberation without involving any violence's or mercenaries. Resolution of conflicts / problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems in UoC's work area.

**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**

UoC showed some policies related to grievance system, here as follows:

- SOP No. SOP/SMART/GIMS-SCMD/USDV/II/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc).
- SOP No. SOP/SMART/SIGS-CSR/SADV/II/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. The policy explained the mechanism of external communication (e.g: contractors, suppliers, government agency, etc) including the mechanism if there were any grievances. This policy also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistleblower if needed.

- SOP No. SOS/SMART/SUST/IV/003 revision 3 validated on 14 February 2022 concerning in handling grievance and dispute. This policy stated that the grievance can be submit through suggestion box, phone, text message, CB, NGO, HO Sinarmas, and mail.

Based on the interviews with the surrounding communities, occupants, and workers (harvesters and mill operators), the workers had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators.

**4.2.2**

Unit of certification showed SOP No. SOP/SMART/GIMS-SCMD/USDV/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc). In the general mechanism of handling grievance, is stated as follows:

- The company's commitment to protect the anonymity of whistleblowers.
- Submission verbally or in writing to the contact person of the company or through labor union.
- Responses will be given at a maximum of 10 days.

In addition, UoC also has SOP No. SOP/SMART/SIGS-CSR/SADV/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. This policy explained that all complaints will be summarized and recorded in the List of External Complaint Monitoring. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the List of External Complaint Monitoring.

**4.2.3**

Based on interviews with workers and external or internal stakeholders, it's known that they have understood the person responsible and the grievance mechanism in which the complainant's identity is protected. Based on the interview with both internal and external stakeholders, they informed that there were no complaints or grievances against the UoC.

Based on the documents review of the worker's grievance logbook period of 2022 to 2023, it is known that there were no grievance/complaints against the company. UoC then showed the compliance of these complaints. Based on the interviews with government agencies, surrounding communities, gender committees, labor unions and workers, it's known that there were no further complaints against the unit of certification.

**4.2.4**

UoC showed the SOP No. SOP/SMART/GIMS-SCMD/USDV/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances and SOP/SMART/SIGS-CSR/SADV/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. These policies explained the mechanism of handling any grievances and access to the Manpower Agency (tripartite) and RSPO complaint system if the grievance didn't meet any solution.

In addition, UoC also showed the company's socialization using poster for all workers and external stakeholders posted in strategic spots e.g in front of the estate and mill office. This poster explained the mechanism of all grievances through the labor union or each worker's supervision and will be recorded in the grievance logbook. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the grievance logbook.

**Status: Comply**

**4.3**

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

Contributions to community development based on the results of consultations with local communities (representatives of Situmbaga Village, Batang Nadenggan Village, and Perkebunan Normark Village) can be demonstrated by meetings between community representatives and the unit of certification in 2022 as the basis for CSR plans for 2023. Many program activities have been realized by the company in the 2022 period, for example:

- Assistance in providing water to Situmbaga Village
- Teacher incentive assistance at Normark Elementary School.
- Routine POSYANDU activities.
- Assistance for road maintenance in Hadundung Village.

One of the development contributions to the community is carried out by local purchases to shops around the company, cooperation with local contractors in plantation and factory management activities and the implementation of CSR activities which are arranged annually in the context of the welfare of the surrounding village communities.

**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**

The company has land rights in the form of HGU in accordance with Government Regulation no. 40 of 1996 with a total area of **10,154.72 Ha**. The land rights consist of:

- HGU No.1 covering an area of **4,985 ha** in Huta Baringin and Ujung Batu Julu Villages, Barumung Tengah Subdistrict, South Tapanuli Regency with an end date of 31 December 2024 for PT Tapan Nadenggan based on HGU SK no.14/HGU/1989.
- HGU No.1 covering an area of **1,765.47 ha** in Sihopuk Baru Village, Sihopuk Lama, Situmbaga, Hutabaru Nangka, Siacimun and Rondaman, Podang Bulak District, South Tapanuli Regency with an end date of 31 December 2037 for PT Tapan Nadenggan based on the Decree of the Head of BPN 23/HGU/DA/82/A/68.
- HGU No.1 covering an area of **1,209.15 ha** in Batang Nadenggan Village, Sungai Kanan District, Labuhanbatu Regency with an end date of 31 December 2072 for PT Tapan Nadenggan based on the Minister of Home Affairs Decree No. SK.23/HGU/DA/82.
- HGU No.74 covering an area of **2,195.10 ha** in Normark Plantation Village on 17 July 2006, Kota Pinang District, Labuhanbatu Regency with an end date of 31 December 2029 for PT Satya Kisma Usaha based on the Decree of the Head of BPN No. 5/HGU/BPN/2005.

**4.4.2**

Based on the latest assessment, no additions are made to the company's operations. Land clearing has been carried out previously in 1985, 1986, 1987 and 1998. Land compensation documents along with the negotiations have been well documented in the D&L section stored in the Sumatra Utara Regional Office and the copies can be showed to auditors. The documents stored are documents related to the process of land compensation, proof of payment, documentation of activities, to a participatory map between the seller and the company.

**4.4.3**

The company can show a map showing legal rights in the form of a HGU boundary map with a scale of 1:50,000 and 1:40,000 contained in the HGU certificate issued by the Land Office that developed through participatory mapping. Based on public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village, it is recognized that they know the legal boundaries owned by PT Tapan Nadenggan and PT Satya Kisma Usaha.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Normark Estate Estate (Stakes No. BPN001, BPN002, BPN275 and BPN274); Langga Payung Estate (Stakes No. BPN IV and BPN I) and Paya Baung Estate (Stakes No. BPN 60, BPN 65, and BPN XXVII), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. Land boundaries with outsiders are clear, such as a large boundary road and trench that borders the HGU area. There is no indication of land use outside the HGU.

**4.4.4 and 4.4.5**

Based on the latest assessment, there was no increase in the company's operational area. The last land compensation process was carried out in 1985, 1986, 1987 and 1998. During the release of land, in general, the owner of the land acts as a representative for himself. Regular reviews of the FPIC process are embodied in the SIA document which functions to highlight the social issues of the affected people including land issues. All records were made in Indonesian, clear proof of payment and signed by both parties between the company and the land seller (local community) without coercion.

**4.4.6**

Based on the results of interviews with stakeholders (Situmbaga Village and Perkebunan Normark Village), it was informed that the company has had a positive impact to the affected village community such as employee recruitment, economic

movement, and CSR assistance. The company regularly holds meetings with community representatives (usually known as *Musrenbang*) and absorbs community aspirations which are applied in company policies such as CSR, job vacancy or other assistance. Communication with the community is no problem, every request for information is always responded to by the company.

**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**

There is no new planting activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

**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**

The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014, revision 01 dated 8 November 2017 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village known that they know about the procedure through the socialization given and they agree with the procedure.

**4.6.2**

The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014, revision 01 dated 8 November 2017. 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 public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

**4.6.3**

Unit of certification does not yet have a plasma or smallholder scheme for local communities.

**4.6.4**

Until the latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional *GRTT* records since 1985, 1986, 1987 and 1998. The certification unit can show land compensation documents which include informing about news. Measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The compensation process documents have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses.

Based on the results of interviews with representatives of surrounding Villages, there are no issues of dispute or other land issues with the company.

**Status: Comply**

**4.7**

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

**4.7.1**

The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014, revision 01 dated 8 November 2017. The procedure describes how to identify people and/or community groups entitled to compensation. Based on public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

**4.7.2**

The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/II/003 dated 1 July 2014, revision 01 dated 8 November 2017. 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 public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village known that they know about the procedure through the socialization given and they agree with the procedure, and they can access the procedure through management representative of the company if they need it.

**4.7.3**

The company can show recapitulation of previous landowners who have been compensated. Compensation is only made for the area within HGU areas owned by the company. Based on interview with management of UoC and related government agencies of Padang Lawas Utara District and Labuhanbatu Selatan District, known that the UoC has no expansion area for new planting area.

Based on public consultation with village representatives from Situmbaga Village and Perkebunan Normark Village, the communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as benefit in the form of CSR program, become employee and become a contractor in the company.

**Status: Comply**

**4.8**

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

**4.8.1; 4.8.2; 4.8.3; and 4.8.4**

The certification unit has SOP for Social Conflict Handling Document No SOP / SMART / SCSR / NSDV / I / 002, dated 1 July 2014, and revised 18 May 2016. The procedures include explaining the conflict information, conflict analysis, coordination of conflict handling, and preparation of reports on handling progress carried out periodically at least every one month.

Based on field observation, document review and public consultation with relevant stakeholders (National Land Agency, Plantation Agency, Situmbaga Village and Perkebunan Normark Village), there's no issue related to land conflict. There is occupation area in LPYE as much as 1.09 Ha (in basic info the hectarage is total with other area). The area is not managed by UoC because it is still controlled by the community and has not been compensated. There are no problems in that area.

**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**

Langga Payung Mill during certified period does not accept FFB from scheme smallholder. FFB supply to Langga Payung Mill comes from directly and indirectly sourced FFB includes independent smallholder as seen in 2.3 criterion. Based on an interview with mill sustainability officer, the pricing is an agreement between management and 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 Langga Payung Mill always communicates to supplier every day regarding changes in FFB prices. Langga Payung Mill also informs the FFB on the notice board at the mill, so that it can be seen by FFB suppliers.

Information on current and previous price paid for FFB available during the audit. Langga Payung Mill shows evidence of FFB purchases from independent smallholders, for example on behalf of Suarjianto for the period of May 2023. In the proof of payment of FFB to these farmers (Invoice No. 006/SUAX/6/2023 on 07 June 2023), the FFB price set is in accordance with the price determined by the development of FFB prices and CPO prices on the world market.

**5.1.3**

Langga Payung Mill during certified period does not accept FFB from scheme smallholder. However, company received FFB from independent smallholder. Langga Payung Mill shows evidence of FFB purchases from independent smallholders, for example on behalf of Suarjianto for the period of May 2023. In the proof of payment of FFB to these farmers (Invoice No. 006/SUAX/6/2023 on 07 June 2023).

Pricing for scheme smallholders and independent smallholders is fluctuated in accordance with the development of FFB prices and CPO prices on the world market. The price is above the prices established by the government.

The price has been agreed with the smallholders in the supply base. Based on the results of interviews with the FFB supplier, it is known that Langga Payung Mill always communicates to supplier every day regarding changes in FFB prices. Langga Payung Mill also informs the FFB on the notice board at the mill, so that it can be seen by FFB suppliers.

There is documented agreement between the company and the smallholders on the fair pricing on agreement number 002/PT TN-S/LPYM/XI/2022 on behalf of Suarjianto. Based on interview with FFB suppliers, there is no complaints on FFB pricing.

**5.1.4; 5.1.8**

Unit of certification has no obligation to build community estate (scheme smallholder). However, the company has a partnership program with Karya Maju Bersama Sejahtera Cooperative in Banyumas Sub-Village, Hutagodang Village, Sungai Kanan District, Labuhanbatu Selatan Regency as many as 18 planters with an area of 54.12 ha. The partnership pattern is based on the People's Palm Oil Rejuvenation Agreement Document (No.: 002/SPK/KOP KARYA MAJU BERSAMA SEJAHTERA-TN/IV/2018) which was made on 28 April 2018. In the agreement, all parties have stipulated several provisions, such as:

- The company will develop and manage the plantation with a partnership pattern.
- The planting and maintenance of partnership estate plants includes several activities such as: planting, nursery, maintenance to the development of facilities and infrastructure.
- When entering the mature period, the cooperative will repay the loan plus interest for the installment period, according to what has been stipulated in the credit agreement with the bank.
- After the immature period, the second party will still carry out all the management activities of the partnership plantation.
- Cooperatives are obligated to sell all of the FFB produced by the partnership plantations only to the company for the duration of the agreement.
- Determination of the purchase price of FFB in accordance with local government regulations.

The agreement also informs that the company encourages smallholders to be able to obtain land legality and follow sustainable palm oil management such as RSPO, ISPO and ISCC.

Based on the agreement, the company has also obtained a Decree from the Head of the Plantation and Livestock Service



Office of South Labuhanbatu Regency (No. Kpts.525/064/BUNNAK/2020) regarding the Determination of Candidates for Recipients and Candidates for Locations for Members of the Karya Maju Bersama Sejahtera Cooperative, Hutagodang Village, Sungai Kanan Subdistrict, Dana Rejuvenation of Oil Palm Plants through Partnership Pattern with Tapian Nadenggan, which was set on September 4, 2020.

There is list of all parties including women and independent representative organizations assisting SH available in the company. The parties in the list involved in decision-making processes and understand the contracts. The contracts include any FFB price reduction due to repayment for replanting.

Currently, the entire plan area of 54.12 ha has been planted entirely with oil palm since 2021 but has not yet delivered FFB to the Langga Payung Mill because it is still in the immature stage.

**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 known that the FFB trading is conducted fairly, transparently and based on both party agreement, for example on behalf of Suarjianto for the period of May 2023. In the proof of payment of FFB to these farmers (Invoice No. 006/SUAX/6/2023 on 07 June 2023).

FFB payment process has been carried out transparently since there is calculation evidence in accordance with its invoice document 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 May 2023 for FFB Supplier namely Suarjianto where the calculation of payment is in accordance with the amount of FFB acceptance in mill, and also the payment has been in accordance with the stipulated time, namely at the end of the month. Furthermore, into the local supplier the company can demonstrate that the payment is in accordance with the agreed agreement.

**5.1.7**

Result of document verification shows that unit of certification has routinely calibrated the weighing equipment carried out by a third party. Unit of certification currently has 2 units of weighbridge operating. Unit of certification has also shown documents on weighbridge calibration which was carried out on 08 March 2023 and valid until 07 March 2023 by legal Industrial and Commerce Department Padang Lawas Utara Regency certificate No: 530/141/2023 for weighing scale with brand Avery Weigh – Tronix E1205 S/N 141450195 and certificate No. 530/140/2023 with the brand Avery Weigh – Tronix ZM510-SD4 S/N 191650401 with a capacity of 50 tons. Unit of certification performs calibrations aimed at improving the integrity of FFB weighing from third parties and also minimizing scale fraud.

**5.1.9**

Unit of certification shows SOP for Handling Complaints and Dissatisfaction with No. SOP/SMART/GIMS-SCMD/USDV/I/001 issued date 1 July 2014 with the last revision 11 April 2017. In the SOP, it is explained that the Social Officer/Head of Administration receives letters of complaint and dissatisfaction directly from the reporter or indirectly through the suggestion box. Information and data entered are recorded in the Complaint and Dissatisfaction Registration Form. Protection of whistle blowers is contained in the document, point 2.2.1 part a, which states that the Company guarantees the anonymity of whistle-blowers and whistle-blowers with the aim of reducing the risk of revenge. Based on document review of complaint book in 2022-2023, 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 & 5.2.5**

Unit of certification has no obligation to build community estate (scheme smallholder). However, the company has a partnership program with Karya Maju Bersama Sejahtera Cooperative in Banyumas Sub-Village, Hutagodang Village, Sungai Kanan District, Labuhanbatu Selatan Regency as many as 18 planters with an area of 54.12 ha. The partnership pattern is based on the People's Palm Oil Rejuvenation Agreement Document (No.: 002/SPK/KOP KARYA MAJU BERSAMA SEJAHTERA-TN/IV/2018) which was made on 28 April 2018. In the agreement, all parties have stipulated

several provisions, such as:

- The company will develop and manage the plantation with a partnership pattern.
- The planting and maintenance of partnership estate plants includes several activities such as: planting, nursery, maintenance to the development of facilities and infrastructure.
- When entering the mature period, the cooperative will repay the loan plus interest for the installment period, according to what has been stipulated in the credit agreement with the bank.
- After the immature period, the second party will still carry out all the management activities of the partnership plantation.
- Cooperatives are obligated to sell all of the FFB produced by the partnership plantations only to the company for the duration of the agreement.
- Determination of the purchase price of FFB in accordance with local government regulations.

The agreement also informs that the company encourages smallholders to be able to obtain land legality and follow sustainable palm oil management such as RSPO, ISPO and ISCC.

Based on the agreement, the company has also obtained a Decree from the Head of the Plantation and Livestock Service Office of South Labuhanbatu Regency (No. Kpts.525/064/BUNNAK/2020) regarding the Determination of Candidates for Recipients and Candidates for Locations for Members of the Karya Maju Bersama Sejahtera Cooperative, Hutagodang Village, Sungai Kanan Subdistrict, Dana Rejuvenation of Oil Palm Plants through Partnership Pattern with Tapan Nadenggan, which was set on September 4, 2020.

Currently, the entire plan area of 54.12 ha has been planted entirely with oil palm since 2021 but has not yet delivered FFB to the Langga Payung Mill because it is still in the immature stage.

**5.2.2 & 5.2.3**

Unit of certification also has the same partnership plan for the scope of unit of certification with farmer groups below:

- PT Tapan Nadenggan
  - *Kelompok Tani* Sehati (Batang Panai 3 Village, Halongonan Timur District, Paluta Regency)
  - *Kelompok Tani* Rokan Indah (Batang Panai 2 Village, Halongonan Timur District, Paluta Regency)
  - *Kelompok Tani* Janji Matogu Farmers Group (Langga Payung Village, Sungai Kanan District, Labusel Regency).
- PT Satya Kisma Usaha
  - *Kelompok Tani* Sam Aina (Pasir Tuntung Village, Kota Pinang District, Labusel Regency)
  - *Kelompok Tani* Karya (Aek Goti Village, Silangkitang District, Labusel Regency)
  - *Kelompok Tani* Abadi Jaya Binanga Dua (Binanga 2 Village, Silangkitang District, Labusel Regency).

Currently it is still in the process of filing with the relevant agencies, where the unit of certification has sent a letter of application accompanied by supporting documents such as:

- Legality of Farmer's Group.
- Copy of ID Card of Farmer Group Management.
- List of Prospective Farmers & Land Candidates based on Decree of Labuhanbatu Selatan Regent.
- Document of partnership agreement between the farmer groups and the company set in 2022.

In determining farmers, there are also female farmers, for example on behalf of Hj Masni Sinaga, Hj Radiem, Nuryani, Rodiah, Rosmiatik, Ngasiem and Hj Aminah Rambe. This proves that the unit of certification supports gender equality in decision making.

**5.2.4**

Unit of certification also carries out maintenance activities using pesticides in the form of herbicides as a form of support for the management of farmers in these locations, this can be seen from the review of documents recording activities for spraying systemic herbicides in the period March 2022. Not juts pesticide, the company also done socialization related to best agronomy practice for smallholder on 26 March 2022.

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

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

**6.1****Any form of discrimination is prohibited.****6.1.1**

UoC had a Policy concerning on recognition of human rights stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. The group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace. In employing all employees, the company committed to the principle of equality and would not discriminate or restrict, harassment or exclusion based on human distinctions or the basis of religion, ethnicity, race, ethnicity, group, class, social status, economic status, gender, language, political beliefs.

UoC also showed the record of the company's socialization for instance the socialization which was conducted on 19 June 2023 in NRME. Based on the workers' recruitment document and interviews with the workers, UoC had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the gender committee, female workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work.

**6.1.2**

UoC showed job vacancy announcements and work agreement letters between workers and company which showed that there was no payment requested during the recruitment process. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the manpower agency, gender committee, labor unions, and workers (harvesters and mill operators) at LPYE, LPYM, PBNE, and NRME, it is known that workers have never felt that the company has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in labor unions, politics, or age. There was no difference in the communication between superiors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by the superiors. The company also didn't request for any payment during the recruitment process.

**6.1.3**

During recruitment process, the company had set the standard of competence that required based on the offered position. Selection had include evaluation of skills, performance and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of the worker as well. Records on manpower procedure had been documented, as verified randomly to the several documents, here as follows:

- Recruitment document in accordance with the recruitment requirements such as employment request form, statement of police report, identity card (KTP), family identity card (KK), the result of medical check-up, and work agreement letter. For example, a worker on behalf of MAD (initial) who sent the recruitment letter on 22 December 2022 and started working as a worker in field on 3 January 2023 to 2 January 2024.
- Promotion documents such as management decree for worker's promotion. For example:
  - a) Worker on behalf of ES (initial) who had a promotion based on worker's appraisal, from grade PT 4A to grade PT 3 on 6 July 2022.
  - b) Worker on behalf of ARH (initial) who had promotion based on worker's appraisal from PT 4A to PT 2 on 1 March 2023.

**6.1.4**

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in

pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. UoC also showed the list of pregnant women which informed all pregnant workers are placed in non-agrochemical works such as day care officer, loose-fruit picking, and housing maintenance.

Based on the interview with women workers in field, there was no pregnancy test during recruitment process. The pregnancy test only carried out once in three months for female workers to make sure that they not do any agrochemical works when pregnant.

**6.1.5**

Gender committees had been formed and still active until today in LPYE, LPYM, PBNE, and NRME which are chaired by the coordinator along with the head of gender committee. The structure of the gender committee consists of female workers assisted by male worker. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (especially women).

UoC informed that they also socialized the protection of worker's reproductive rights and sexual harassment on 19 June 2023. This procedure stated that if there were any violence or harassment, workers can communicate to the gender committee.

Based on the interviews with several workers, they also knew of the existence of the gender committee also the head of gender committee because it had been routinely socialized by the management, the last socialization related to the sexual harassment and domestic violence against women. The activity was carried out once a month and attended by female workers and housing residents. The results of this socialization can be seen with the absence of sexual harassment in company operational activities and the workers given equal opportunities for all genders (male or female).

**6.1.6**

Equal payment of wages has been made by the unit of certification properly, by considering the ability, performance, expertise, work period and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the UoC already had a wage scale structure for each worker based on position and grade (not based on gender or origins).

Based on the interviews with workers (harvesters, maintenance workers, and mill operators), the workers already know that there was a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. Based on the document review of worker's pay slip in both gender and the interviews with the workers in the same grade and same job, it's known that the monthly wages received are in accordance with the grade owned by each worker. For example: the female worker in loose-fruit picking on behalf of NA (initial) received the same wage as male worker on behalf of RS (initial) at the same grade.

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

**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**

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in *Bahasa*. The CLA has been reported to Manpower Agency of Labuhanbatu Selatan District on 9 July 2023. This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. It's applied to all workers and had been routinely disseminated by the certification unit to all employees, one of the socializations that was carried out on 19 June 2023 in NRME.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union

representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) as listed in the CLA and in accordance with routine socialization provided by the certification unit. Workers' wages in 2023 have been above the minimum wage set by the government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month.

UoC also showed that the work agreement of contract worker has been registered to Manpower Agency of Padang Lawas Utara and Labuhanbatu Selatan District, for example: 17 contract workers in PBNE registered in Padang Lawas Utara district in June 2023. Based on the document review of workers' list and the interview with the workers, it's known that the types of employment arrangements in the company was contractual and piecemeal basis.

Based on the explanation above, it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language (*inim*).

### **6.2.2 and 6.2.3**

UoC has CLA period 2022 to 2024 provided in *Bahasa* that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave, and other provisions. These all stated in each worker's work agreement. Explanations related to the contents of the company regulation, including:

- Article IV concerning working time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week in which the total working hours are 40 hours in a week.
- Article V concerning wages which explains that the lowest wage of worker couldn't be lower than the minimum wage set by the government every year.

In addition, remuneration is generally stated in company regulation, and specifically stated in a decree explaining these matters, as follows:

- Decree of the Governor of Sumatera Utara No. 188.44/1013/KPTS/2022 concerning the minimum wage of Labuhanbatu Selatan District for the period of 2023 is Rp. 3,152,341.69/month.
- Decree of the Governor of Sumatera Utara No. 188.44/1083/KPTS/2022 concerning the minimum wage of Padang Lawas Utara District for the period of 2023 is Rp. 2,965,127.84/month.
- Management Decree No. 046/CEO PSM 1/HR PSM 1/02/2023 concerning the wage structure and scale of permanent worker (PT) of PT Tapan Nadenggan Sumatera Utara Region in 2023 with the lowest grade was PT 4T with the basic wage Rp. 3,067,735.-/month for workers.
- Management Decree No. 044/CEO PSM 1/02/2023 concerning the wage structure and scale of permanent worker (PT) of PT Satya Kisma Usaha in 2023 with the lowest grade was PT 4T with the basic wage Rp. 3,180,575.-/month for workers.
- The Decree No. SE 18/02/VPA/2023 regarding the harvesting and loose-fruit picking prize validated on 15 February 2023. The document stated the daily workers in loose fruit picking were based on their outcome, for example: loose-fruit picking for early plant year received Rp 810/Kg.

UoC also showed overtime payment in June 2023 that has been in accordance with applicable laws for boiler operators, engine room operators, securities, and WTP operator. In the pay slip document and their attendance list, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation, as follows:

- Boiler operator on behalf of IW (initial) had basic salary of Rp. 3,070,235 and total overtime hours in June were 206.50 overtime hours so the overtime payment was Rp. 3,859,023.
- Security on behalf of ST (initial) had basic salary of Rp. 3,070,235 and total overtime hours in June were 112.50 overtime hours so the overtime payment was Rp. 2,102,384.
- WTP Operator on behalf of SM (initial) had basic salary of Rp. 3,070,235 and total overtime hours in June were 140.50 overtime hours so the overtime payment was Rp. 2,694,666.

A review of payslip document (harvester, maintenance worker, security, and mill operators) for April 2023 and June 2023, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2023. For example, workers' wages on behalf of SD (initial) in PT 4A grade, SG (initial) in PT 3



grade received different wage based on wage scale structure in 2023 and all wages above the minimum wage. Payslip document gives accurate information on compensation consist of basic wage, allowance, overtime, working days and deduction.

UoC also showed paid leave letter which showed that maternity leave was given 3 months of paid leave. For example, the paid leave letter on behalf of AT (initial), who had given 3 months (1.5 months before give birth and 1.5 months after give birth) and had been approved by the supervisor.

UoC also showed workers' agreement of each type of works, for instance: Contract worker on behalf of MH (initial) No. 002/NRME/PKWT-SH/VI/2022 placed as worker on field under the following scope of works: loose fruit picking, manuring, and manual upkeep. The agreement valid from 10 June 2022 until 10 July 2023.

Unit of certification had shown their consistency in this assessment of work agreements that are owned by every worker so there was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties and the workers' work agreements has in accordance with their work on field.

#### **6.2.4**

UoC has provided welfare facilities to occupants in the form of housing, water supply, *masjid*, clinic and other facilities in each unit. Based on the field visit in the housing area of each unit, it revealed that workers were provided with adequate housing facilities with and there was daycare for children. The house is inhabited by 1 family.

In addition, the company also provided waste disposal sites for domestic waste management. For health services, the company provides clinics and paramedics. Based on field observations, it's known that the facilities and infrastructure provided for workers are still functioning properly.

In general, the facilities provided by the certification unit are in good condition and sufficient quantities related to the number of workers in each unit. Based on field observation, all housing has well-maintained drainage. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing which repaired if there were damage (usually if there were any damage, the worker will inform it and it will be handled directly by the company).

#### **6.2.5**

Based on the interviews and the field visit, there were traditional market located close to company's housing complex which can be accessed by workers within thirty minutes. There was also temporary market comes from surrounding communities at the time of wage payment. In addition, there were also workers who open small business stalls to sell daily necessities in each housing.

Based on the interviews with workers (harvesters and mill operators), labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities. In addition, workers can buy these needs to the markets around the company's area without any difficulties.

#### **6.2.6**

In Indonesia there were no living wage standard is established, so UoC still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been assessing the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing the Living Wage (RSPO has recently aligned the terminology from 'Decent Living Wage' to 'Living Wage' to ensure consistency of terminology used globally).

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation of each unit in 2023 has been included in the calculation of housing facility costs, educational cost, daycare facility, health cost, electricity, water costs, and rice costs. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage in each work type, as follows:

- Contract worker (PKWT) in Normark Estate: basic salary as much as Rp. 3,300,000 per month and the total wage

- and inkind benefits are Rp. 3,699,908 per month.
- Permanent worker (PT 4A) in Normark Estate: basic salary as much as Rp. 3,350,000 per month and the total wage and inkind benefits are Rp. 3,732,950 per month.
- Contract worker (PKWT) in Estate: basic salary as much as Rp. 3,007,235 per month and the total wage and inkind benefits are Rp. 3,436,474 per month.
- Contract worker (PKWT) in Estate: basic salary as much as Rp. 3,067,735 per month and the total wage and inkind benefits are Rp. 3,502,016 per month.

Based on interview with works and document verification, the calculation data of prevailing wages is rational in accordance with the local price (Labuhanbatu Selatan District and Padang Lawas Utara Ditsrict).

**6.2.7**

Based on the list of workers for the period of June 2023, it's known that there were 319 workers in Paya Baung Estate, 728 workers in Langga Payung Estate, 306 workers in Normark Estate and 134 workers in Langga Payung Mill. There were three types of workers namely permanent workers, contract workers, and daily workers. Contract workers and daily workers were placed in upkeep and loose fruit picking activity. Meanwhile, all core job in fields (both estate and mill) were done by permanent workers.

**Status: Comply**

**6.3**

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

**6.3.1**

UoC had a policy concerning on the freedom of association stated in Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It stated that the group respects workers' rights to freedom of association and association with other individuals and collectively expresses, encourages, pursues, and defends the common interest. The policy was published in *Bahasa* which can be understood by all employees.

Based on the interviews with labor union representatives in each unit, it explained that the company had given freedom of association and labor unions have been formed. The establishment of the union was in accordance with the applicable laws and regulations and has been recorded in Manpower Agency of Labuhanbatu Selatan and Padang Lawas Utara District, for instance the Registration Number. 560/0049/NakerKopUKM/2020 of Langga Payung Estate Labor Union on 30 December 2019. UoC gave the freedom for worker to express their aspiration democratically and there was no intervention against labor union activity.

Based on the document review, it's known that the UoC also documented the number of labor union operating in UoC operations area and its members' number, as follows:

- Labor Union of Langga Payung Estate and Mill with 531 total members.
- Labor Union of Paya Baung Estate with 230 total members.
- Labor Union of Normark Estate with 257 total members.

Based on the interviews with labor union members representatives, it's known that there was no force or pressure to be a member of labor union. The membership of labor union was voluntary yet all the permanent workers registered in labor union to ease them if once there's a manpower case.

**6.3.2**

UoC has well-documented the records of meetings between labor unions and management representatives as well as with internal labor union meetings. The following are examples of records of meetings conducted by labor unions in 2023, for instance: The meeting between the labor union in all units and management representative on 30 May 2023 regarding workers' bonus.



Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings whenever it's needed. The meetings accommodated in bipartite and internal meeting and there has been no labor issue that brought to Manpower Agency.

**6.3.3**

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

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

**Status: Comply**

**6.4**

**Children are not employed or exploited.**

**6.4.1**

UoC had a policy concerning on children/underage worker protection stated in Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It stated that the group committed to not employ child labor in any operational activities. Uoc also showed the Policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which stated that they do not employ underage worker.

UoC then showed that they had socialized the policy to all parties including contractors for instance the socialization held on 19 June 2023 attended by workers and contractor workers.

**6.4.2**

UoC showed the recruitment document in accordance with the recruitment requirements such as application letter of workers on behalf of MAD (initial), statement of police report, identity card (KTP), family identity card (KK) which stated that the worker is above the minimum age of worker.

Uoc had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 19 June 2023 attended by workers and contractor workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.

**6.4.3**

Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. UoC also did not employ young worker and there were no internship program.

**6.4.4**

Uoc had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 19 June 2023 attended by workers and contractor workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.

**Status: Comply**

**6.5**

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

**6.5.1**

UoC had a policy concerning on reproductive rights and the prevention of sexual harassment and violence stated in GAR Social and Environmental Policy validated on 8 September 2015 by Head of Upstream. This policy stated that every worker is entitled to receive protection against sexual harassment in the workplace and if convicted of sexual abuse, there will be penalized in accordance with applicable regulations.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union).

**6.5.2**

UoC showed the collective labor agreement period of 2022 to 2024 which stated about the UoC provide paid leave for maternity as three months and for woman in menstruation period as 2 days paid leave. Based on the documents review and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment, violence, and pregnant worker in any agrochemical activities had been routinely socialized by the management, one of the socialization was carried out on 6 March 2023 which was attended by workers and occupants in Langga Payung Estate.

Based on the interviews with the gender committee and daycare officer, the company had given about 30 minutes for breastfeeding woman and provided certain place for breastfeeding. There were no grievance or complaint related to sexual harassment during 2022 to 2023.

**6.5.3**

Based on the interviews with gender committee representatives and field observation, it is known that the UoC has provided a certain place for breastfeeding at daycare with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

UoC also showed that they had well-evaluate the needs of pregnant women by periodically identify the needs of new mother and also involved the pregnant workers. UoC then showed the result of new mothers' need identification which was conducted on 2 January 2023 attended by gender committee. This document informed the needs of new mother, as follows: providing the room to breastfeed, the time leave for breastfeeding, monthly new mom and their baby check-up, medical consultation, and extra food during monthly check-up.

**6.5.4**

UoC showed the procedure to accommodate complaints and grievance from employees specifically in sexual harassment and violence (No. SOP/SMART/GIMS-SCMD/USDV/001 validated on 11 April 2017). In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower). UoC also provided whistleblowing by email, company website, and letter to complaint reporting unit for any confidentiality grievance.

Based on the interviews with workers it's known that the workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee. In the last year period, there was no complaint related to sexual harassment, violence at work/reproductive rights.

**Status: Comply**

**6.6**

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

**6.6.1**

UoC had a policy concerning on force-labor ban stated in Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. The policy stated that the company respecting human rights and respecting employee rights such as the elimination of discrimination, the prohibition of forced and child labor, fair wage provisions, upholding the principle of gender equality in accordance with legal norms, and respecting the freedom of labor union.

UoC also showed the policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which informed that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. UoC then showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors.

Based on the interviews with manpower agency, gender committee, labor unions, and workers at Mill and Estates, it's known that workers have never felt discriminated and forced to work by the company. There were no significant obstacles related to employment or violations of company regulations. UoC provided output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on pay slip document and foreman notes of harvesters daily output, the harvesters have earned more than daily output target and the wages the harvesters received was above the minimum wage.

There was no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.

**6.6.2**

Based on documents review and interviews with the manpower agency, gender committee, labor union, and workers at LPYE, LPYM, PBNE, and NRME, it's known that there was no migrant worker in all units. UoC still have workers with contract status (*PKWT*) for few works such as upkeep and loose-fruit picking. All the rights for each employment status has been distinguished for workers with contract status (*PKWT*) and the permanent status (*PKWTT*). There was no discrimination between contract workers and permanent workers. UoC also showed they had paid the contract worker compensation payment in every expired contract period.

**Status: Comply**

**6.7**

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

**6.7.1**

UoC has a person in charge of OHS by establishing an OHS committee in each unit that has been approved by the local Manpower Agency, including:

- Decree of the Manpower Agency of the Province of Sumatera Utara No. 359-7/DTK-SU/WIL.V/2021 regarding the Ratification of the OHS committee at PT. Tapian Nadenggan Langga Payung Estate validated on 20 September 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries and Members. General OHS Expert on behalf of Abdi Ogi Rianto as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 5/33143/AS.02.04/XII/2020 dated on 22 December 2020 with status still valid until December 2023.
- Decree of the Head of the Manpower Agency of the Sumatera Utara with the number 870-7/DTK-SU/WIL.V/2022 regarding the Ratification of the OHS committee at PT. Tapian Nadenggan Paya Baung Estate validated on 9 October 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Deputy Chairpersons, Secretary, and Members. General OHS expert on behalf of Abdi Ogi as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 5/33143/AS.02.04/XII/2020 dated on 22 December 2020 with status still valid until December 2023.
- Decree of the Head of the Manpower Agency of the Sumatera Utara Province with the number KEP.356.a-7/P2K3/WIL-IV/DTK/SU/2022 regarding the Ratification of the OHS committee at PT. Tapian Nadenggan Normark Estate validated on 16 Juni 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries, and Members. General OHS Expert on behalf of Desfredo Feryadi as Secretary which was decided by the Minister of Manpower of the Republic of Indonesia No. 5/281/AS.01.03/II/2022 dated 17 February 2022 with the status still valid until February 2025.
- Decree of the Head of the Manpower Agency of the Sumatera Utara Province with the number 213-7/DIS NAKER/WIL.V/III/2023 regarding the Ratification of the OHS committee at PT. Tapian Nadenggan Langga Payung Mill validated on 28 March 2023. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Deputy Chairpersons, Secretary, and Members. General OHS Expert on behalf of Reyhan Nafis as Secretary decided

by the Minister of Manpower of the Republic of Indonesia No. 5/33135/AS.02.04/XII/2020 dated 22 December 2020 with status still valid until December 2023.

UoC showed the OHS committee program including their monthly meeting in order to discuss OHS issues and evaluate the OHS work program, for instance: OHS committee of Langga Payung Mill conducted on 5 June 2023 discussing related emergency response simulation, first aid box monitoring, the readiness of emergency response, OHS symbol, and the cleanliness of working area.

#### **6.7.2**

UoC already has emergency response procedures contained in the SOP/SMART/GENERAL/SADV/II/005 document which explains Emergency Preparedness and Response. The company shows the Emergency Response Team Structure in each unit, for instance: Emergency Response Committee at NRME which was ratified by the Chair of OHS committee on 2 July 2023. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, and Teams.

UoC also shows a list of workers who have attended first aid certification training by the Manpower Agency, such as:

- First aid officers at LPYE are 3 persons, the time for training for license renewal is July 1, 2019 and the license is valid until 1 July 2024.
- First aid officers at LPYM are 3 persons, the time for training for license renewal is 30 June 2021 and the license validity period is 30 June 2024.
- First aid officers at NRME are 3 persons, the time for training for license renewal is 26 June 2019 and the license validity period is 1 July 2024.

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 as in the first aid bag. The foreman has also been given training and can explain how to use each items of the first aid bag. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

Based on interviews and document review, it is known that the company has reported work accidents and it is reviewed regularly in the OHS committee quarterly report to the Manpower Agency.

#### **6.7.3**

The company has shown PPE Matrix Documents for Estate and Mills. The document describes the type of PPE that must be worn for each type of work. For example, in harvesting work, the PPE that must be used were helmet, goggles, and boots. Based on the field observation in Block B32 Normark Estate, it is known that workers have used PPE according to company standards. In addition, the worker also explained that once the PPE is in damaged, the worker can report it to the foreman to ask for the replacement of the PPE with the maximum time in replacing was 2 days.

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

#### **6.7.4**

UoC provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided due to medical services for workers were in proper condition. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it's known that total workers in June 2023 was 134 workers in LPYM, 728 workers in LPYE, 306 workers in NRME, and 319 workers in PBNE. And it revealed that all workers were registered in the BPJS program. The BPJS has been paid for all workers in accordance with the number of total workers in its payment period, proven as follows:

- BPJS (Health Insurance) payments for Paya Baung Estate have been completely fulfilled for the period of May 2023 paid on 10 May 2023 for 342 workers.

- BPJS (Social Security Insurance) payments for Paya Baung Estate have been completely fulfilled for the period of May 2023 paid on 9 June 2023 for 265 permanent workers and 67 daily workers.
- BPJS (Health Insurance) payments for Langga Payung Estate have been completely fulfilled for the period of May 2023 paid on 10 May 2023 for 731 workers.
- BPJS (Social Security Insurance) payments for Langga Payung Estate have been completely fulfilled for the period of May 2023 paid on 9 June 2023 for 605 permanent workers and 121 daily workers.

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

**6.7.5**

UoC showed their consistency in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year, Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of OHS Committee. For example, LTA recordings for the May 2023 period were as follows:

Unit	Work Hours	Case	LTI	FR	SR
LPYM	27,436	0	0	0	0
LPYE	108,458	1	0	10.00	0

An investigation has been carried out for work accidents that inform the chronology of events, causes of accidents, corrective and preventive actions.

**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 shown an integrated pest control plan contained in the SOP / SMART /MCAR/ VII / TA-HPT) date July 15, 2020, which aims as a guide in Integrated Pest Management activities as one of the activities in the process of treating oil palm plants. The job description explains the work stages of Pest and Disease Control which are presented briefly as follows. The EWS stages consist of Detection and Census. Detection aims to determine as early as possible the occurrence of pest attacks (EWS) including insects and vertebrates, if a pest or disease attack is found, then a census is carried out. Detection activities are carried out periodically every 2 months.

The company also controls Caterpillars pests by planting and maintaining host plants for natural enemies of Caterpillars pests such as *Turnera subulata*. Companies can show records of the development of these beneficial plants.

Based on the monitoring documents for owl kennels, it is known that the company has used *Tyto alba* as a method of biological pest control.

The company shows records of Pest observation and control, including:

- Pest control has been carried out in an integrated manner (integrated pest management/IPM), which combines various biological and chemical control techniques. Biological control is carried out by using owls to control rat pests and planting biological control agents such as *Turnera subulata* to develop natural enemies of oil palm leaf-eating caterpillars. Chemical control is carried out if the level of attack exceeds the threshold value. There is a document monitoring the activity of owls which is carried out routinely every month.
- Caterpillars Detection Recap Documents, for example in NRME, LPYE and PBNE for period 2022 and 2023, it is known that there was an attack by Caterpillars is under threshold.

- Rat Detection Recap Documents, for example in NRME, LPYE and PBNE for period 2022 and 2023, it is known that there was an attack by rats is under threshold.

Based on the results of field observations in Block E54 Division 5 LPYE and Block B15 Division 2 NRME, it is known that there are no indications of caterpillar and rat attacks in the area. In addition, there is also a Barn Owl Box available at that location.

**7.1.2 & 7.1.3**

Verification of documents and interviews with management and field observations in the is known that there are no species referred to in the global database and cabi.org and Minister of Environment and Forestry Regulation No. P94/MenLHK/Secretary General/KUM.1/12/2016 concerning the type of invasive used by the Certification Unit. Furthermore, based on the study of documents, field observations, as well as interviews with workers and external stakeholders, it is known that the company does not use fire for pest control.

**Status: Comply**

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

**7.2.1**

The company has SOPs and work instructions on weed management, guidelines covering the selection, storage, application, handling of contaminated, known about the signs and symptoms of pesticide poisoning and first aid for poison cases. The company has a written commitment to reduce paraquat pesticides in plantation operations, which is indicated in the President Director's Memorandum number 032/PD/VIII/2015 dated August 13, 2015, regarding the cessation of the use of paraquat herbicides. The memo states that starting in early 2016 there should be no longer weed eradication using herbicides with the active ingredient Paraquat. With this concept, the use of pesticides that are limited in nature such as paraquat is not used.

Measures to avoid the development of resistance are to use pesticides selectively (for weeds) and develop biological control (for pests). The company shows a list of all types of pesticides used for the period 2023, for example at the Normark Estate namely:

Pesticides	Active Ingredients	No. Registration	Objective
Erkafron	<i>Metsulfuron methyl</i>	RI.01030120134861	Broadleaf weed ( <i>Borreria alata</i> , <i>Calopogonium mucunoides</i> , <i>Passiflora foetida</i> ), gulma berdaun sempit ( <i>Axonopus compressus</i> , <i>Ottochloa nodosa</i> )
Garlon	<i>Triklopir</i>	RI.01030120155148	Broadleaf weed ( <i>Chromolaena odorata</i> )
Roll Up	<i>Isopropil amina glyphosate</i>	RI.01030120042133	Broadleaf weed ( <i>Clidemia hirta</i> , <i>Mikania micrantha</i> ), narrow leaf weed ( <i>Ischaemum timorense</i> , <i>Ottochloa nodosa</i> )
Starane	<i>Fluroxypyr</i>	RI.01030120083155	Broadleaf weed ( <i>Mikania micrantha</i> )

Based on observations and interviews conducted with spray workers in block B31 Division 2 of NRME, it was concluded that workers knew about the function of the chemicals used and were selective when spraying activities. As an example, for the material *Isopropyl amine glyphosate* and *Fluroxypyr* is used for path spraying.

**7.2.2**

The unit of certification has documented pesticide toxicity records in the Monthly Pesticide Toxicity Data document. The document records product name, active ingredient, LD50, area treated, amount of active ingredient applied per Ha, and total application. This document is continuously recorded and updated by the Estate Sustainability Officer on a monthly basis.



**7.2.3**

The company shows records of pesticide use in 2021 and 2022, for example at Normark Estate which shows a decrease in pesticide use, such as:

Pesticides	Unit	2021	2022
Starane	L	93.42	62.27
Roll Up	L	839.58	686.60
Erkafuron	kg	771.82	318.00
Garlon	L	180.99	128.71

The company has also planted beneficial plants, such as *Antigonon leptopus* and *Turnera*. In addition, the company also develops owls as natural predators of rats. Based on field observations in several areas such as block B15 Division 2 NRME, block E54 Division 5 LPYE, and block 43 Division 3 PBNE, there are owl cages with active conditions.

Based on field observations, interviews, and document review, it is known that the company has maintained records of the use of pesticides and their reduction to a certain extent by substitution of environmentally friendly materials/use of biological agents for the maintenance of plantation crops.

**7.2.4**

There is no prophylactic use of pesticides. The company shows a plan document for pest control activities consisting of detection and census of rats, leaf-eating caterpillars, and biological control, such as planting beneficial plants and developing owl populations. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars and developing owls for mice. The use of insecticides is carried out if the level of pest attack is above the threshold (> 5 caterpillars / midrib). The company shows the caterpillar pest observation document in April 2023 at LPYE and NRME, it is known that the average caterpillar is below the threshold. The observation of rat pests in June 2023 at LPYE and NRME shows the average percentage of rat attacks is also below the threshold.

**7.2.5**

The company has a written commitment to reduce pesticides in plantation operations, which is indicated in the President Director’s Memorandum number 032/PD/VIII/2015 dated August 13, 2015, regarding the cessation of the use of the herbicide paraquat. The memo states that starting in early 2016 there should be no longer weed eradication using herbicides with active ingredients. Regarding Pesticides categorized as WHO Class 1A or 1B, there are Social and Environmental Policies that are stated to be minimized and eliminated as part of the plan and will only be used in exceptional circumstances. Based on document verification, UoC does not have paraquat and WHO Class 1A or 1B, or those registered by the Stockholm or Rotterdam Convention applications.

Based on the results of the physical verification carried out at the Langga Payung Estate, Paya Baung Estate and Normark Estate chemical warehouse, it can be concluded that the stock records are in accordance with the actual physical in the chemical warehouse.

**7.2.6**

Procedure for mitigating the use of pesticides is contained in weed procedures, pest control and work instructions, including in the PUKBP Attachment document (General Instructions for Safety in Working with Pesticides) of the Weed Control SOP (SOP/SMART/MCAR/VIII/TA-PGM). This procedure regulates, among others:

- Selection of pesticides according to the body of the nuisance.
- The use of pesticides is registered and authorized by the government.
- Storage of pesticides in a locked room, out of reach of children, pets/livestock, away from food, drink, or sources of ignition, but with good ventilation.
- Provide water and cleaning agents, pesticide absorbent materials, and containers to dispose of spilled pesticides, and



provide fire extinguishers.

- Prohibition of pregnant women and unsanitary workers as pesticide applicators.
- Use of protective PPE for all arms and legs, gloves, face shield, and breathing apparatus.
- Safe procedures for mixing pesticides.
- Procedures for handling poisoning.
- Overcoming pesticide contamination.

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

There a training plan and training records for workers who apply or handle pesticides which has been included in training identification and program for 2023. For example, training of handling chemical material spills conducted on 28 June 2023 which was attended by 5 workers.

Based on interview with the warehouse officer, warehouse officer has been able to demonstrate understanding of the hazards and risks related to chemicals used.

Based on field observation to LPYE, PBNE, NMRE, Safety Data Sheet (SDS) for pesticides used readily available for easy reference. Warehouse officer also used PPE appropriate according to recommendations in any risk assessments done and can be easily replaced if PPE damage.

#### **7.2.7**

Result of field visit in LPYE, PBNE and NMRE, it is known that the company already has sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for work tools and PPE, milk drinking rooms, no pesticides were found in the building. Result of field visit at the chemical/pesticide storage warehouse in LPYE, PBNE and NMRE, it is known that the chemical storage area has been equipped with closed containers, arranged on shelves equipped with MSDS and labeled Toxic and Hazardous Material as well as warnings outside the building, cloth and other cleaning tools are available to anticipate spills from pesticides, the fertilizer storage area is equipped with ventilation and is lined with pallets. Based on this explanation, it is concluded that the unit of certification has stored the chemical materials in accordance with the applicable regulations.

#### **7.2.8**

Unit of certification has SOPs and work instructions related to hazardous waste management which are contained in;

- SOP for Waste Management with document number SOP/SMART/LEMS-EHSD/SADV/002 dated July 2, 2014 which was legalized by the head of upstream. This procedure describes the identification and management of waste generated from the company's operational activities, including agrochemical packaging waste.
- Regarding the procedure, unit certification applies the steps outlined in the work instructions (known as work instruction) for the handling of the pesticide packaging produced (IK/SMART/LEMS-EHSD/SADV/002/001), among others by doing:
  - Separate the used pesticide packages measuring 20 liters and sizes <20 liters. Visually make sure that the packaging submitted does not contain chemical residues.
  - Bring the used pesticide packaging <20 liters to the hazardous and toxic waste storage and record it in the logbook.
  - Bring the used pesticide packaging 20 liters to the pesticide packaging rinsing place.
  - Enter pressurized clean water of  $\pm 1/10$  of the volume of the container and rinse by shaking until it hits the entire wall of the container. Rinsing was carried out 3 times. Collect the rinsed water into the rinse water reservoir.
  - Store rinsed clean packaging in the warehouse, used rinsed packaging can be reused for the same activities and/or stockpiled and/or returned to the supplier and/or in accordance with the MSDS of the material.
  - The remaining rinsing water can be used for the next mixing process to optimize the use of agrochemicals.

From the results of field visit in housing area at LPYM, LPYE, PBNE and NMRE, it was found that there were no traces of chemical packaging used as water reservoirs or other housing activities. Based on interviews with employees and the

foreman of pesticide application LPYE, PBNE and NMRE it is known that all pesticide packaging is collected at the designated storage area and the company coordinates with collectors to recycle and not be used for purposes other than pesticide application activities with documented and traceable.

**7.2.9**

Based on the results of a review of pesticide application documents and interviews with management, spray workers and the village head of Situmbaga Village and Perkebunan Normark Village, it was found that during the company did not apply airborne spraying.

**7.2.10**

UoC has implemented an MCU for workers dealing with pesticides. The minutes of the MCU Estate and Mill workers who were at high risk in December 2022 have shown that all workers were in normal condition.

**7.2.11**

Based on field observations and interviews with workers, it's known that there are no workers who are pregnant or breastfeeding. There is a prohibition for workers who's pregnant and breastfeeding to work in any agrochemical including pesticides. If the workers found pregnant, they will be transfer to non-agrochemical jobs.

**Status: Comply**

**7.3**

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

**7.3.1**

Unit of certification already has SOPs and work instructions related to Hazardous and Toxic Waste management which are contained in the SOP for Waste Management with the document number SOP/SMART/LEMS-EHSD/SADV/II/002 dated July 2, 2014 which signed by the head of upstream. This procedure describes the identification and management of waste generated from the company's operational activities, for example:

- Solid waste in the form of shells, fiber and empty leaves is fully utilized to support plantation activities and palm oil processing factories. The shell and fiber are used for boiler fuel, while the empty leaves are applied as organic fertilizer in oil palm plantations.
- Liquid Waste from processed FFB (Raw effluent) is fully utilized for plantation activities as organic liquid fertilizer (Land Application) after going through the processing process in a wastewater treatment plant (WWTP) pond to meet the quality standard requirements according to regulations.
- Boiler ash is used for stockpiling.
- Liquid waste from ex-factory operations is accommodated in a sedimentation tank to settle dissolved solids. The solids in the sedimentation tank are then removed and stockpiled periodically, while the sediment water is discharged into the waters.
- Waste gas is generated from boiler chimney and generator emissions. Gas waste is periodically monitored for emission tests in accordance with applicable regulations.
- Domestic solid waste in the form of household and office waste is managed by collecting and stockpiling in the final waste disposal site and the final waste storage requirements are far from settlements, flood-free locations, and not swampy puddles.
- Hazardous waste is stored in hazardous dan toxic waste storage and handling according to its type and characteristics.
- Non-solid hazardous waste is collected and can be reused or sold.
- Medical waste in the form of used syringes, expired drugs, used bandages, etc., is stored in a place provided and handed over to a hospital that has a permit for destruction.

Regarding the procedure, unit certification applies the steps outlined in the work instructions, for example in:

- Handling of pesticide packaging produced with No. IK/SMART/LEMS-EHSD/SADV/002/001
- Handling of used fertilizer packaging with No. IK/SMART/MCAR/IX/TA-PPK rev.01 February 1, 2019

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

**Hazardous and Toxic Waste**

- PT Tapian Nadeggan has a temporary storage permit for Hazardous and Toxic waste, through the document for the Extension of the Temporary Storage Permit for Hazardous and Toxic Waste (Operational Permit for Management of Hazardous and Toxic Waste for Producers) PT Tapian Nadeggan based on the Decree of the *Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency. No. 503/0001/L-LB3/II/2021 and No. 503/003/I-LB3/VI/2021 dated January 8, 2021 with a validity period until November 9, 2025. Maximum storage period is 180 days. Those permits have 3 storage locations, namely at Langga Payung Estate and Langga Payung Mill in Hutabaru Nangka Village, Holongonan Timur District, Padang Lawas Utara Regency, and and Paya Baung Estate in Huta Baringin Village, Simangambat Sub-District, Padang Lawas Utara District, with 1 building with an area of 18 m<sup>2</sup> in each unit. The types of waste that are permitted to be stored in each area such as; used oil, used batteries, expired chemicals, contaminated packaging, contaminated materials, LED lamps, printer ribbons, rags contaminated with hazardous and toxic materials, oil filters, used diesel fuel, paint cans, medical waste, and laboratory waste.
- PT Satya Kisma Usaha has permit for storage of hazardous and toxic waste PT Satya Kisma Usaha based on decree of Labuhanbatu Selatan Regency Government dated August 08, 2019 is valid for 5 years until August 6, 2024 in Perkebunan Normark Village, Kota Pinang District, Labuhanbatu Selatan Regency with No. 503/0003/DMPPTSP-LS/LB3/VIII/2019. Maximum storage of 90 days, with the type of waste allowed to be stored in the form of hazardous and toxic waste from the results of their own activities.

The hazardous and toxic waste stored in permitted temporary storages will then be transported by a licensed party every 3 months. The latest transportation is evidenced through electronic manifest document and the minutes of transportation carried out on 19 June 2023 in PBNE & NMRE, and on 20 June 2023 in LPYM & LPYE, by PT Amindy Barokah Sumut which is a licensed party. Unit of certification can show a cooperation agreement with the carrier, which is based on Agreement Number 016/TN-ABS/LB3/II/2023 for PT Tapian Nadeggan and Agreement Number 014/SKU-ABS/SPK-LB3/II/2023 for PT Satya Kisma Usaha which was made on 03 January 2023 and valid until 02 January 2024. Unit of certification can also show the legality documents of the carrier such as a valid transportation permit from Ministry of Environment and Forestry, a special freight transportation permit from the Ministry of Transportation that is still valid, Business Identification Number which is still valid as well as agreement between the transporter and the licensed processing/utilization party.

Unit of certification can also show documents for storing and handling Hazardous Waste in accordance with their SOPs and Government Regulation Number 22 of 2021. These documents include manifest, balance sheet, and logbook. Based on the results of the document review by comparing the manifest, balance sheet and logbook, it can be seen that the data on waste transported on 21 June 2023 is in accordance with data recorded in the balance sheet and logbook for period before transportation is carried out. Similarly, comparison between months after the transportation was carried out (June 2023) starting from empty. Unit of certification records all waste that enters and leaves temporary storage properly so that waste management data can be tracked easily and there are no recording differences.

Result of field visit to hazardous waste temporary storages in LPYM, LPYE, PBNE and NMRE also show that unit of certification has carried out hazardous waste management quite well. All obligations listed in waste storage permit have been fulfilled, such as availability of fire extinguishers, showers, eyewash, coordinates, alarms, first aid kits, oil traps and appropriate labelling. In addition to good lighting and air ventilation, unit of certification also has drainage channels on the outside of storage to anticipate pollution to the surrounding environment. Result of interview with storage managers also show that managers fully understand procedure for hazardous waste management and mitigation actions in the event of potential pollution. Unit of certification has also reported result of hazardous waste management which is carried out quarterly with evidence of Hazardous Waste Management Report for PT Tapian Nadeggan and PT Satya Kisma Usaha for the second quarter of 2023, which was reported to Environmental Agency of Padang Lawas Utara Regency and Labuhanbatu Selatan Regency showed in electronic receipt as shown in 1.1.2 indicator.

**Non-Hazardous and Toxic Waste**

Non-hazardous waste such as domestic waste and used fertilizer sacks is managed in the form of reuse for goods that can still be used. In addition, waste that cannot be reused will be collected, if it still has economic value such as scrap

metal and used tires, it will be sold to parties who cooperate with unit of certification. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or emplacement areas is carried out twice a week using dump trucks and immediately disposed of in landfills, and when the landfill is full, stockpiling will be carried out and signboard marking the opening and closing dates will be installed. Unit of certification has a policy regarding the prohibition of burning waste, including in landfill areas.

Result of field observations in landfill and housing complex area in LPYM, LPYE, PBNE, and NMRE showed that there were no traces of combustion. All domestic waste was disposed of in waste collection tanks scattered throughout the building with the classification of organic and inorganic waste types. Result of interview with resident of housing complex also stated that unit of certification routinely carried out socialization related to domestic waste management, either directly through meetings, or indirectly by installing signboards prohibiting burning trash and littering.

### **Liquid, Solid and Air Waste**

Solid waste from the FFB processing process in the form of shells and fiber is reused by unit of certification as a substitute for fossil fuels (solar) for power generation in boilers, while for empty fruit bunches, it is used to substitute fertilizer applied to plantation land. Some of the solid waste in the form of shells is also sent or sold, while for the empty bunch, some is given to the community as plasma plantation management to be used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1. In domestic liquid waste management, unit of certification also has Permit for Disposal of Domestic Wastewater for PT Tapan Nadenggan unit based on Decree of Head of Environmental Agency of Padang Lawas Utara Regency Number 503/005/I-LC/VI/2021 which was ratified on 04 June 2021 and valid for 5 years. In addition, PT Satya Kisma Usaha has also Technical Approval of Disposal of Domestic Wastewater to Surface Water based on and Letter Number 660/702/DLHP-3/VII/2022 issued by Head of Environmental Agency of Labuhanbatu Selatan Regency on 11 July 2022.

Unit of certification also utilizes POME by applying it to land application for fertilizer substitution. The regulation and management of land application are explained in more detail in indicator 7.8.3. As for air waste, unit of certification has not made a common use for air waste, namely the Biogas Plan. So far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

### **7.3.2**

Based on interview result with managers of Hazardous Waste Storage in LPYM, LPYE, PBNE, and NMRE, it was found that they had an understanding of the handling of waste disposal, including domestic waste and hazardous waste management in accordance with unit of certification procedures. Result of interview with workers living in housing complex area also stated that waste management carried out by unit of certification was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by unit of certification such as organic and non-organic waste bins that will be replaced if damaged, hazardous waste storage and landfills. The resource persons also understand very well how to separate the types of waste they produce and what types of waste should not be reused. Field observations in the residential area of LPYM, LPYE, PBNE, and NMRE also showed that the housing conditions were quite clean and there was not a lot of scattered garbage. Based on interview with manager known that the company has commitment not to burn the waste, domestic waste from housing area is collected and segregated into organic with composting and an-organic picked 2 times every week to landfill area. From field observation in landfill area Block E35 Division 5 LPYE and Block B21 Division 2 NMRE found location of landfill is far away from waterways and the housing area, so there is no potential for contamination of the environment.

### **7.3.3**

Unit of certification does not carry out open burning to destroy waste. This can be proven from field observation result in housing complex and landfill in LPYE, PBNE, and NMRE, no traces of burnt waste were found. Result of interview with workers also stated that they had never burned waste because they were aware of the prohibition on burning activities and the sanctions they would receive if they burned them. Organic waste from housing and inorganic waste is disposed of in the bins that have been provided, then transported every 2 times a week and disposed of in landfills and then buried when it is full. Result of field observation in housing complex areas also show many warnings to prohibit waste burning activities as well as the dangers that can arise from burning activities. Interview result with management also explained that the regulations regarding the prohibition of burning have been understood by all workers and strict action would be

taken if they violated them.

**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**

Unit of certification has a Fertilization SOP (No. SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. Unit of certification has implemented practices to optimize production results according to established procedures, including:

- SMARTRI takes soil and leaf samples regularly to ensure the elements needed by plants for optimal production. The results of the analysis of the tested soil and leaves will be the basis for determining the dose of fertilizer in each estate.
- Fertilization activities that prioritize the principles of being on time, on target, at the right dose and on application. In addition, marginal soils (sandy) are given extra fertilization in the form of empty bunches at a dose of 40 tons / ha.
- The company's commitment to no longer use pesticides with the active ingredient paraquat or those belonging to the WHO Class 1A and 1B groups.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application at LPYE.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*). To all employees, spraying is always conveyed at morning apples not to spray the plants.
- Monitoring the implementation of SOPs, among others, is carried out through an internal audit mechanism conducted by the OIA Department every semester.

**7.4.2**

Unit of certification already has SOP for Soil Sampling Unit (SSU) No. IK/SMART/MCAR/IX/TA-PPK/06-Soil Sampling Unit (SSU) Collection. In this procedure, it is explained that soil analysis is carried out at the age of 3 years, 8 years, 13 years, 18 years, 23 years and before replanting which represents the age range of plants, namely the age of young, juvenile and old plants.

In addition, the company also has a Leaf Sample Return Work Instruction (LSU) IK/SMART/MCAR/IX/TA-PPK/05- LSU collection as the basis for leaf sampling activities which are carried out once a year. In the Fertilization SOP made by SMARTRI Fertilizer dosage is determined based on consideration of LSU results, research results (specific location), age, plant conditions, soil, and climate as well as cost-efficiency.

Unit of certification shows the implementation document for taking leaf samples by analyzing the content of active cations, N, P, K, Mg, Ca, and B, including:

- Leaf sampling at LPYE on 17 May 2023, as many as 100 samples.
- Leaf sampling at NRME on 29 May 2023, as many as 44 samples.
- Leaf sampling at PBNE on 19 May 2023, as many as 38 samples.

Unit of certification shows the implementation document for taking soil samples by analyzing texture (hydrometry), pH (pH meter), C.Org (W&B titrimetry), N tot (kj+FIA), P, K, Mg Cad, QCP-OES exchange base), P Bray, CEC (FIA), H-Al exchange (titrimetric), including Taking 30 samples of soil at NRME on December 30, 2020.

Based on the explanation above, it is concluded that unit of certification records the activities of analyzing leaf tissue and soil samples on a regular basis.

**7.4.3**

Unit of certification shows a record of the realization of empty bunches at PT Tapian Nadenggan for the period January — December 2021 and January — May 2022, with details:

Location	Empty Bunch			
	Tonnage Jan – Dec 2022		Tonnage Jan – June 2023	
	NRME	LPYE	NRME	LPYE



PT. Tapan Nadenggan	7.581	28.189	1.089	23.656
<p>The company also showed the realization of palm oil liquid waste (POME) applications in LPYE for the January-December 2022 period of 157,596 m<sup>3</sup> and the January — May 2022 period of 72,472 M3</p>				
<p><b>7.4.4</b> Unit of certification shows records of fertilizer use in 2022 and the period January — May 2023. For example, records of fertilizer use from January — May 2023 are as follows:</p> <ul style="list-style-type: none"> <li>• LPYE: Application of urea fertilizer (577,400 Kg), MOP fertilizer (801,600 Kg), kieserite powder (50,450 Kg), HGFB fertilizer (24,950 Kg), dolomite fertilizer (155,100 Kg), SP-6 fertilizer (457,500 Kg), NPK 15,15,16 (58 Kg), and RP fertilizer (28,601 Kg).</li> <li>• PBNE: Application of urea fertilizer (238,950 Kg), MOP fertilizer (418,150 Kg), dolomite fertilizer (23,400 Kg), Kieserite powder fertilizer (67,900 Kg), fertilizer kieserite granular (64,400 Kg), SP-6 fertilizer (209,800 Kg), TSP fertilizer (25,050 Kg), and HGFB fertilizer (12,300 Kg).</li> <li>• NMRE: Application of urea fertilizer (324,800 Kg), MOP fertilizer (300,600 Kg), dolomite fertilizer (128,450 Kg), rock phosphate fertilizer (200,600 Kg), kieserite granular fertilizer (51,250 Kg), SP-6 fertilizer (41,500 Kg) and HGFB fertilizer (14,050 Kg).</li> </ul> <p>Based on the data above, it is known that the company has a record of the use of fertilizer every month which is in accordance with the actual and the recommended.</p>				
<b>Status: Comply</b>				
<p><b>7.5</b> <b>Practices minimize and control erosion and degradation of soils.</b></p>				
<p><b>7.5.1</b> The company shows document maps that identify marginal and fragile soils, including land with steep slopes, namely:</p> <ul style="list-style-type: none"> <li>• LPYE: PT TN semi-detailed report from 2011 edition with a semi-detailed land map at 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographic area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30—45%. But there is no land with a topography of &gt; 45%.</li> <li>• NRME: PT SKU-Kebun Normark on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30% and more than 30%. The soil type is Typic Dystropepts.</li> <li>• PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with a topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal).</li> </ul>				
<p><b>7.5.2</b> The company carries out extensive oil palm replanting activities, not on steep slopes. This can be seen through a semi-detailed soil map as follows:</p> <ul style="list-style-type: none"> <li>• LPYE: Semi-detailed report with a scale of 1:50,000 with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographic area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30—45%. But there is no land with a topography of &gt; 45%. The replanting activity at LPYE has been completed in 2020, with activity items in the form of mechanical chipping and making felt by PT Surya Baru Prima Nusantara.</li> <li>• NRME: PT SKU-Kebun Normark on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30%, and more than 30%. The soil type is Typic Dystropepts. There is no replanting activity at NRME yet.</li> <li>• PBNE: Extensive replanting of oil palm is not carried out on the land with steep slopes and is planned to start in October 2021. Based on the semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated 21 March 2006 with the topography of 0-8%, 8-15%, and 15-30% which means there is no land with steep topography. The replanting activity at PBNE will be carried out in 2021, with activity items in the form of mechanical chipping, mechanical planting holes, and trenching carried out by PT Surya Baru Prima Nusantara.</li> </ul> <p>Based on field observations in PBNE's 2021 planting year area, it is known that there is no replanting activity in steep</p>				



areas.

**7.5.3**

Based on document review, interviews, and field observations during the RSPO ASA-2.1 audit, there were no land clearing and new planting activities carried out by the company.

**Status:**

**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**

Companies show the long-term suitability of land and oil palm cultivation as well as identify soils that are marginal and vulnerable, including steep areas through the guidelines in semi-detailed soil survey reports for example:

- LPYE: Semi-detailed soil map 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographical area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30-45%. But there is no land with a topography of > 45%. However, the company has made it feel in accordance with the SOP for Planting and Land Preparation (SOP/SMART/MCAR//TA-PPA).
- NRME: on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-15%, 8-30%, and more than 30%. The soil type is Typic Dystropepts, and no peatland is identified.
- PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with the topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal).

**7.6.2**

The company shows the Minutes of Payment for the results of the work of land clearing for replanting No.031/CEO-LOA/PBNE/09/2021 dated December 10, 2021, at PBNE, with a mechanical system that includes chipping work, mechanical planting holes, construction of a 2,350 Mtr long 1x1 trench, construction of a 2x2 trench with a length of 2,870 meters, washing a 2x2 trench with a length of 4,260 meters. The company also shows the Minutes of Payment for the results of the work of land clearing for replanting No. 015/CEO/Sumut-LOA/II/2020 on February 21, 2020, at LPYE, with a mechanical system that includes chipping work and terrace-making.

The results of field observations in the 2021 Planting Year area in PBNE, it is known that trenches have been made and planted with beans, and in the 2020 LPYE Planting Year area with sloping topography, terraces have been made and planted with beans.

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

**7.6.3**

The company shows records and maps of land management that are in accordance with topographical conditions, including those listed in the available semi-detailed soil map document that informs the areas that need drainage and roads, for example:

- LPYE: Semi-detailed soil map 1:50,000 scale with register number: 988/202/PMNP/XII/10. On the map, it can be seen that the topographical area of Langga Payung Estate is from 0-8%, 8-15%, 15-30%, to 30-45%. But there is no land with a topography of > 45%. The replanting activity was carried out in 2020 with mechanical chipping, making contour terraces, contour roads, trenches, and planting holes carried out by PT Surya Baru Prima Nusantara based on Letter of Appointment Number 015/CEO/Sumut-LOA/II/2020 dated February 21, 2020, which has also been equipped with a work plan map for making felt and trenches.
- NRME: Normark Estate on a semi-detailed soil map document (Review 2006) with a scale of 1:35,000 that the location of the plantation is topographically 0-8%, 8-15%, 15-30%, and more than 30%. However, there is no land with a topography of > 45% and no peat land is identified. There is no replanting activity at NRME yet.
- PBNE: Semi-detailed PBNE map with a scale of 1:50,000 with registration number 109/202/PMNP/III/06 dated March 21, 2006, with the topography of 0-8%, 8-15%, and 15-30%. Mineral soil type and texture of clay and sandy loam with land suitability of S2 (moderate) and S3 (marginal). The replanting activity will be carried out in 2021 with a mechanical

<p>system that includes chipping work, mechanical planting holes, making a 1x1 trench of 2,350 Mtr, making a 2x2 trench of 2,870 Mtr, washing a 2x2 trench of 4,260 Mtr carried out by PT Surya Baru Prima Nusantara based on Letter of Appointment Number 031/ CEO-LOA/PBNE/09/2021 on 10 December 2021.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.7</b>  <b>No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.</b></p>	
<p><b>7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6 and 7.7.7</b>          Based on interviews, field observations, and data on soil types (semi detail soil maps), it is known that the company does not own peat areas. Based on the planting map and area statement data, it is known that there were no new plantings after November 15, 2018.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.8</b>  <b>Practices maintain the quality and availability of surface and ground water</b></p>	
<p><b>7.8.1</b>          Unit of certification has a water management plan that is implemented to support efficient use of water sources and continuous availability, through operational procedure documents to control the Protection of River Border Areas with document No. SOP/SPO/SMART/LH-06 dated 1 July 2010, which contains: objectives, scope, references, definitions, duties and responsibilities, and work steps. To avoid negative impacts on other users in the water catchment area, the company carried out activities, including: prohibiting the planting of oil palm on the river border with a width of 50 meters left and right, prohibiting land cultivation on the river border by installing information boards, constructing a border road (known as <i>pringgan</i> area) in managed areas, cultivation without spraying (no spraying) around the river, manual maintenance. Through a map of the HCV area with a scale of 1:100,000, it is described that the type of HCV in unit certification is a river border. Some examples of management and monitoring procedures that the company has, such as:</p> <ul style="list-style-type: none"> <li>• Procedures for managing and monitoring water resources with document No.SOP/SMART/BCOS-EHSD/SADV//2014 dated July 1, 2014 which was approved by the sustainability head which explains the plan for managing and monitoring water resources, water resources conservation techniques based on the <i>Keppres</i> No. 32 tahun 1990, for example planting erosion-reducing plants, manual maintenance of oil palms, outreach activities, and monitoring of water resources.</li> <li>• Memorandum No. 002/SMD OPS//2009 dated January 6, 2009, which explains that in clearing land for new plantings, it is ensured that the watershed is protected by not opening the riverbank area as wide as 50 – 150 meters depending on the size of the river. In that area, a notice board should be installed that the area is a protected watershed area and should not be cultivated. On the border of the managed area with the watershed area, a border road (known as <i>pringgan</i> area) should be made.</li> </ul> <p>Unit of certification has a surface water quality monitoring program contained in the environmental management and monitoring matrix which is managed and reported periodically, every 6 months. Surface water quality monitoring activities are carried out at upstream, middle and downstream locations Batang Galoga and upstream rivers, downstream of Payabaung river. Meanwhile, for the Normark Estate area, the location for sampling surface water is at the Sosopan River inlet (Blok B-32) and the Sosopan River outlet (Block B-31, near the bridge that crosses the highway).</p> <p>If referring to the quality standard used by the testing laboratory, in collaboration with accredited laboratory (LP-1284-IDN), using <i>PP No. 22 Tahun 2021 (Air Kelas II)</i> then there are no parameters that are above the applicable quality standards for the period July-December 2021. Even though, the certification unit continues to make maximum efforts in managing and monitoring surface water to avoid negative impacts on other users in the water catchment area so that the results remain below the required quality standards, including:</p> <ul style="list-style-type: none"> <li>• Application of best management practice principles in surface water and ground water quality management activities, carried out in river border areas, by prohibit application agrochemical in controlling weeds activities on oil palm plantations located in river border areas;</li> <li>• The maintenance of oil palm plantations in the border area is carried out manually (weeding and raking circles) without chemical fertilization, not spraying pesticides and plant maintenance only mechanically in the river border area (50 m left and right of the river). Economically, this activity is considered less effective and efficient, because it will be quite</li> </ul>	

- costly and labor intensive. However, ecologically this is expected to help in maintaining the quality of river flow;
- Increase the efficiency of fertilizer and pesticide use in plant maintenance to minimize the effects of fertilizer and pesticide residues that may enter river water bodies;
  - Rehabilitation of river border areas in stages, where the purpose of river border rehabilitation is to protect water systems, protect against erosion and as a source of animal feed. Efforts to rehabilitate riverbanks that have been carried out currently are in the form of planting vetiver grass and bamboo. This river border management activity is quite in accordance with the recommended HCV area management plan, because the function of the river border itself is to regulate water management, control erosion and feed/habitat for animals.
  - Conducting socialization to the community, employees and contractors in the company area.
  - Installing information boards for activities limited to HCV areas, such as; prohibition of burning, hunting and maintaining cleanliness.
  - Regular monitoring of river riparian areas.

### 7.8.2

Water courses and wetlands protected in accordance with the RSPO Manual on BMPs for the management and rehabilitation of riparian reserves. Water resource protection carried out at the unit of certification on river borders which are also identified as HCV 4 areas. River border protection efforts refer to the 2014 Sustainability SOP, which aims to:

- Ensure the quality of river water so that it can be used sustainably.
- To prevent high erosion and sedimentation.

With a management strategy in the form of:

- Establish boundaries with the HCV attributes of environmental services.
- Do not apply chemical fertilizers on riverbanks that have been designated as HCV.
- Do not jack up natural wood saplings on river borders.
- Planting erosion prevention plants on riverbanks to avoid high erosion.
- Internal and external socialization (employees, staff, and community) in the scope of the plantation and mill.

Unit of certification has documents on water management and maintenance of water sources for the period 2022. These include:

1. Report on the Implementation of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RKL) which contains management and monitoring of surface water (rivers) in each unit of certification which are carried out every semester.
2. HCV Management and Monitoring Implementation containing river border management. For example, based on the PT TN and PT SKU HCV area management and monitoring reports, the following activities have been carried out:
  - Set a border with the HCV attribute for Environmental Services with a red cross on the oil palm tree up to 50 meters/ 5<sup>th</sup> palm tree and create a "spray area boundary".
  - Installation of HCV boundary markers in forested valley areas, river border areas and conservation forests.
  - Prohibition of the application of chemical fertilizers on riverbanks that have been designated as HCVs. Palm oil that is in the "spray area boundary" is maintained manually (chemically free) or by scratching the circle.
  - Prohibition of jacking natural wood saplings on river borders.
  - Planting erosion prevention plants on riverbanks to avoid high erosion.
  - Carry out rehabilitation activities for HCV areas at the border to return the river border area to a forested area.
  - Carry out rehabilitation plant maintenance carried out and reported by the HCV PIC for each unit.
  - Conduct direct socialization which is carried out periodically once a year to workers and villages around the plantation.
  - Installation of attributes, warnings, and posters in HCV areas, as an indirect means of socialization.
  - Involve the community if there is an environmental conservation program that requires the attention of the surrounding community.

There a map identifying water courses and wetlands with scale of 1:55.000. Water courses and wetlands protected in accordance with the RSPO Manual on BMPs for the management and rehabilitation of riparian reserves. Based on field observations of the conservation area at Langga Payung Estate on Sijabi-jabi riparian Block E24 Division 5, Paya Baung

Estate in Paya Baung riparian Block B62 Division 2, and Normark Estate in Mahuam riparian Block B31 dan B24 Division 2, is known that all area has been equipped with an identification board for protected areas, restricted areas for springs, prohibit on chemical application or washing activities in the spring area, the river border has also been equipped with spray boundary markings, identification of protected species, and planting areas of woody plants. It also shows that riparian and buffer zones maintained and restored in existing plantation and replanting areas.

### 7.8.3

Management of POME from oil palm processing from the Langga Payung Mill with totaling 6 waste ponds Before being used, the liquid waste is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l. POME is managed in accordance with applicable national regulations, according KepmenLH No. 28 & 29 of 2003 regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet is then pumped and used as a designated location for the use of waste water on the ground (Land Application).

The company already has a permit for the utilization of POME for Land Application (LA) from the Permit for Utilization of Liquid Waste for Land Application (LA) based on the document of Extension of Permit for Utilization of Liquid Waste to Soil for Land Application PT Tapan Nadenggan through the *Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*, Padang Lawas Utara Regency No. 503/0001/LA/2020 January 29, 2020. Permit valid until December 23, 2022.

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month and land application monitoring well. The test is carried out by the PT Sucofindo and PT Mutuagung Lestari Laboratory which has been accredited by KAN. Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD) and for waste water utilization to be applied to land its does not cause pollution to the environment. The results of field observations at the *Sumur Pantau* (Monitoring Well) 3 also found that there was no indication of pollution due to liquid waste management at the certification unit. Interviews with workers and the surrounding community also obtained information that there were no complaints related to the waste generated by the company. Based on this information, it can be concluded that the certification unit has managed liquid waste in accordance with applicable regulations.

### 7.8.4

Unit of certification already has a Surface Water Utilization Permit for PT Tapan Nadenggan No. PB-UMKU: 812010792074200180003 on 19 January 2023 from One-Stop Integrated Service and Investment Service of Sumatera Utara Province. This permit is published based on Technical Permit Recommendation for Surface Water Utilization No. 610/2800/III/2022 on 21 December 2022 from *Dinas Sumber Daya Air, Cipta Karya dan Tata Ruang* of Sumatera Utara Province which describes that a provision for a quota of surface water intake of 33,3 liter/s.

Unit of certification can also show documents for recording daily water use, as well as the results of the recapitulation of water use for palm oil processing units every month. For example, unit of certification can show recapitulation of water use for January-June 2023 period. Based on those data, it can be obtained that average water use for FFB processing is 6.498 m<sup>3</sup>/month while the total water use is 160.078 m<sup>3</sup>. The document of water usage in period of January-June 2023 shown that the water usage ratio in the range of 1.06 m<sup>3</sup>/ton of FFB, this range is still in accordance with the water quotas that can be utilized, that is 1.44 m<sup>3</sup>/ton of FFB. Based on these data, the use of water is in accordance with actual conditions.

Unit of certification can also show proof of payment of water levy to Regional Revenue Management Agency of Sumatera Utara Province for period March-May 2022 with payment period being made every month. Unit of certification shows an example of proof of payment of the last water levy made for the period of water use in May 2023 based on receipt of water levy paid on 15 June 2023. Payment of water levy covers use of water for process, boiler, and domestic activities. The results of the document review show that the payment has been in accordance with the use of water used every month.

Result of field observation in Water Treatment Plan (WTP) and water intake also show that the flowmeter used is still functioning properly. Result of interview with officers responsible for WTPs also show that operators are very

understanding about how WTPs work and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

**Status: Comply**

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

Unit of certification has consistently implemented efficiency of fossil fuel efforts through renewable energy usage by using shell and fiber. Its efforts have documented and monitored well. For example, in monitored renewable energy usage and efficiency analysis document recorded as follows:

- Daily monitoring of the use of solid waste for boiler fuel.
- Daily monitoring on fossil fuels uses in each unit.

Unit of certification has a record of the use of renewable energy or fossil energy are explained on document "*Konversi Fibre dan Shell Terhadap Solar*" which has been described annually. Directly, unit of certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January-October 2022 has produces 5,714,841 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 23.67 kwh/ton FFB. Result direct fossil fuel used is 6.76 liter/ton FFB.

**Status: Comply**

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

**7.10.1**

Unit of certification has identified source of pollution and air emission sources, including gaseous, particles and shoot emissions and effluent covering emissions and pollution sources from estate and mill operations. The emission source identified from estate and mill operation among others are land use change, vehicle operation, machine operation, fertilizer and pesticide application, use of AC/refrigerator, waste piling and electricity consumption.

Identification of significant GHG gas emission source is identified and mitigation plan has been developed by unit of certification covering mill and estate. The significant GHG emission among others are land use change, POME, use of fertilizer and pesticide, use of fossil fuel for operation and transport. The mitigation plan among others is correct dosage use for fertilizer and application as recommended, reduce, reuse, and recycle action, electric use limitation, transport and engine maintenance, periodic air quality test.

Langga Payung Mill have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods June 2022-May 2023 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification etc. found that accurate data has been put into the RSPO palm GHG Calculator. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Langga Payung Mill and its supply base for period of January-December 2022 are listed as follows:

**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	7.35	tCOe2/tProduct	Oil palm planted on mineral soil	21602.32	Ha
PK	7.35	tCOe2/tProduct	Oil palm planted area on peat	2363.31	Ha
PKO	0.00	tCOe2/tProduct	Total oil palm planted area	23965.63	Ha
PKE	0.00	tCOe2/tProduct	Conservation area (Forested)	0.00	Ha
OER	21.85	%	Conservation area (non-Forested)	687.38	Ha
KER	5.90	%	FFB Production per hectarage	21.72	t/ha

**Mill Emissions and Credits & Emissions from Palm Kernel Crusher**

Mill Emissions and Credits	Emissions from Palm Kernel Crusher
----------------------------	------------------------------------



Emission Source and Credits	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	47306.68	0.20	PK from own mill	0.00
Fuel Consumption	542.64	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	47849.32	0.20		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO <sub>2</sub> e)			TOTAL
	Own	Group	3 <sup>rd</sup> Party	
<b>Emission Source</b>				
Land Conversion	84427.31	0.00	0.00	84427.31
CO <sub>2</sub> Emissions from Fertilizer	7990.11	0.00	0.00	7990.11
N <sub>2</sub> O Emissions from Peat	141.25	0.00	0.00	141.25
N <sub>2</sub> O Emissions from Fertilizer	6858.73	0.00	0.00	6858.73
Fuel Consumption	348.87	0.00	0.00	348.87
Peat Oxidation	1030.24	0.00	0.00	1030.24
<b>Sinks</b>				
Crop Sequestration	-80212.98	0.00	0.00	-80212.98
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
<b>Total</b>	<b>20583.53</b>	<b>0.00</b>	<b>424085.00</b>	<b>444668.53</b>

**Palm Oli Mill Effluent Treatment**

POME Treatment	Unit	Value
POME Diverted to Compost	%	0
POME Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

\*POME is processed in WWTP

Production	t/yr
FFB processed	241,339.74
CPO produced	52734,56

Based on the data above, escalation of GHG value in 2022 (7.35 tCO<sub>2</sub>e/tProduct) from 2021 (1.10 tCO<sub>2</sub>e/tProduct) is due to the supply of FFB from plantations outside the certification unit starting in 2022. This causes a change in the history of land use change which results in an increase in greenhouse gas emissions.

**7.10.2**

Unit of certification did not carry out new developments after 2014, only replanting activities had been carried out since 2015. Unit of certification continues to manage GHG by conducting an inventory of emission sources. They can show identification documents of activities that generate emissions for the period 2022-2023 for Mills and Plantations. This is done to estimate carbon stocks in the management area along with potential sources of emissions that can occur directly



as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

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

**7.10.3**

Unit of certification has identified source of pollution and mitigation plan contained in identification and evaluation form document of environmental aspects number F/LEMS-EHSD/SADV/001/001. Unit of certification has also carried out management and monitoring related to results of identification and mitigation plans as evidenced through Report of Management and monitoring Implementation of Second Semester 2022 and has reported it to Environmental Agency of Padang Lawas Utara Regency and Labuhanbatu Selatan Regency on 16 April 2023.

Based on verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test is carried out by an accredited laboratory (LP-1284-IDN) on 04-05 February 2023. Based on the analysis of the test results, it can be concluded that there is no value above the applicable quality standard, namely Environment Ministry Regulation Number 07 of 2007 for Boilers, Environment Ministry Regulation Number 11 of 2021 for Gensets and Government Regulation Number 22 of 2021 for ambient air.

In addition, unit of certification has also carried out management for interference from immovable sources. The tests were carried out by accredited laboratory (LP-1284-IDN) on 04-05 February 2023. The tests carried out by unit of certification included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation.

Result of interview with boiler and generator officers stated that there was never any hearing loss experienced by the informants or other factory workers. Unit of certification has also carried out routine health checks. The resource person also explained that the obligation to use PPE in the work area is an obligation that must not be violated, warnings about the use of PPE and checking the completeness of PPE are also applied in the unit of certification.

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

**7.11**  
**Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1**

Based on the results of the document review and interviews with the unit of certification's management, it is known that the unit of certification has a policy stated in the procedure document regarding land clearing without burning, through the Procedures in Technical Guidelines for Land Preparation dan Land Fire Handling with No, SOP/NP/SMART/XI/L-H002 which was legalized on July 1, 2010 by the Division Head of SMARTRI.

This procedure includes efforts to identify, prevent and overcome the danger of land fires in the plantation area (reference: Technical guidelines for oil palm cultivation. Indonesian Government Regulation No. 4 of 2001 concerning "Control of Environmental Damage and/or Pollution related to Forest and/or Land fires). The goal is to;

- Anticipating and handling land fires quickly and accurately.
- The basis for determining the system for handling and overcoming the danger of land fires.
- Formation of a land fire prevention and control team referring to the SOP for Handling Emergency Conditions.

Regarding procedures for handling work accidents and fire emergency response, the company also has SOP for Emergency Response No. SOP/SMART/GENERAL/SADV/II/005 was approved by the Head of Upstream on July 01, 2014, discussing the identified emergency response conditions including fires, land fires, explosions, pollution, natural disasters, riots, demonstrations, work accidents. Broadly speaking, the SOP contains the definition of an emergency and the emergency response team, the flow of reporting in the event of an emergency, the duties and responsibilities of the emergency response team, planning and handling actions in the event of an emergency, and recovery due to an

emergency.

The certification unit did not clear new land after 2015, from interviews with management it was found that land clearing was done mechanically. From the results of the field visit in LPYE, PBNE, and NMRE, no burnt for land clearing areas were found.

**7.11.2**

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

- The existence of document procedure for land fire control No. SOP/SMART/UMUM/SADV/II/005.
- There is a trained fire team, for example; *Struktur Organisasi Penanggulangan Kebakaran Hutan dan Lahan (KARHUTLA)* PT Tapan Nadenggan and PT Satya Kisma Usaha in document No. F/SMART/GENERAL/SADV/005/001. The organizational structure of the firefighting team, set on 25 Agustus 2022 in PT Tapan Nadenggan and on 02 July 2023 in PT Satya Kisma Usaha.
- Socialization of land fire prevention.

Unit of certification has carried out emergency and fire simulations, for example:

- Simulation of fire emergency response at Normark Estate and Langga Payung Estate on 27 February 2023, attended by 33 participants.
- Training on forest and land fire control of PT SMART Tbk, PT Tapan Nadenggan, PT MP Leidong West Indonesia, and PT Satya Kisma Usaha with Manggala Agni for operational area of Labuhanbatu on April 22-24 2019, attended by 35 participants.

Unit of certification can show a recording of the implementation of fire monitoring in the fire patrol monitoring form document in 2023. The results of the inspection of the document revealed that there were no fire incidents in the unit of certification's operational areas, this was reinforced by the results of interviews with the Padang Lawas Utara Regency and Labuhanbatu Selatan Agriculture Agency that there were no fire incidents for the past one year. In addition, as an effort to prevent fires, the unit of certification also puts up warnings related to fires, prohibits burning garbage and so on. And it's reported by PT Tapan Nadenggan and PT Satya Kisma Usaha Land Fire Management Report document for the Second Semester 2022 which is submitted to the Minister of Agriculture of Padang Lawas Utara Regency and Labuhanbatu Selatan Regency on 03 January 2023. Based on the results of field observations in LPYE, PBNE, and NMRE, it is known that the replanting process is carried out mechanically and there are no signs indicated burning activity.

**7.11.3**

Unit certification also involves the community in monitoring fire prevention as a prevention and control measure, namely the *Masyarakat Siaga Api (MSA)*, an example of which is shown by the *Keputusan Kepala Desa Hutabaru Nangka* No. 2033/27/KD/2022 concerning the Appointment of the Management of the *Relawan Masyarakat Siaga Api Desa Hutabaru Nangka*, Holongonan Timur District in 2022 on March 17, 2022, for 8 names of member representatives from the Hutabaru Nangka village community.

In its implementation, land fire prevention and control activities are supported by facilities and infrastructure, which are listed in the emergency preparedness and response equipment monitoring document in document No. F/SMART/UMUM/SADV/05/006 dated 03 January 2023, made by the Head of the KTD team. Based on the document, it is known that the facilities and infrastructure referred to by the Minister of Agriculture Number 5 of 2018. From the results of field observations in the fire department warehouse, it is known that the facilities and infrastructure owned are in good condition and suitable for use. Based on the results of field observations in LPYE, PBNE, and NMRE, as well as result of interview with representatives of Situmbaga Village, Batang Nadenggan Village, and Perkebunan Normark Village, it is known that there were no fire incidents for the past one year.

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

**7.12**  
**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

**7.12.1 and 7.12.8**

GAR-SMART as the parent of PT Tapian Nadenggan and PT Satya Kisma Usaha has reported liability data and zero liability disclosure via email to RSPO on 22 August 2019. Based on this data, it is known that unit of certification has not cleared any new land since November 2005 without prior HCV identification activities. HCV identification activities at PT Tapian Nadenggan and PT Satya Kisma Usaha were carried out in 2011. Up to recertification assessment there was no expansion of the operational area carried out by the unit of certification.

**7.12.2**

Unit of certification has identified protected areas and high conservation value areas. The identification results are listed in the HCV Assessment report as follows.

**PT Tapian Nadenggan (Langga Payung dan Paya Baung Estate)**

The High Conservation Value (HCV) Identification Report in the PT Tapian Nadenggan area (Padang Lawas Utara Regency and Labuan Batu Selatan Regency, Sumatera Utara in 2011 by the PT SMART Tbk Internal HCV assessment team of Environmental Department's) The assessor team consists of 6 people with Lead Assessors who have been approved by the RSPO, the assessment is carried out using the guidelines for identifying high conservation values in Indonesia issued by the Indonesian HCV toolkit consortium, June 2008. The area is 8,066.23 hectares consisting of 2 units of Langga Payung and Paya Baung estate, with a total conservation area of 257.15 ha. Most of the land cover conditions in the oil palm plantation area of PT Tapian Nadenggan are in the form of oil palm cultivation with planting years of 1985, 1986, 1998, and 1987. Natural vegetation is no longer available, the only remaining forest community is secondary forest which is distributed in the border area of the Batang Galoga river. All of indicated HCV areas was mapped by 1:40.000 scale and this HCV identification covered all estates/mill operational areas including surrounding landscape and RTE species.

The results of interviews with unit of certification and document review show that there are differences between the data on the HCV area and the data on the area statement and basic info, this is because the location names in the area statement and basic info documents refer to actual conditions in the field and not based on the status of the area. The following is a description of the HCV area described referring to the actual conditions in the field, among others:

Estate	Actual Condition	Area (Ha)
LPYE	Planted Area	200.90
	Road	9.99
	Ditch/Swamp/River	18.55
PBNE	Planted Area	27.17
	Road	0.53
<b>Total</b>		<b>257.15</b>

**PT Satya Kisma Usaha (Normark Estate)**

The High Conservation Value (HCV) Identification Report in the Normark Estate unit area of PT Satya Kisma Usaha assessed by the HCV Dept. Team. Environment PT SMART Tbk in 2011. With an area of 2,195.1 ha which is presented in a 1:50,000 map, few plant species were found, this is because the Normark plantation area is already in the form of oil palm cultivation, so only a few types of plants can be found. The total conservation area is 226.83 ha.

Unit certification also has the list of endangered species based on Government Regulation No. 7 Year 1999, CITES and IUCN in terms of preservation for flora and fauna on unit certification area. For example, the wildlife found were *Cekakak belukar (Halcyon smyrnensis)*, *elang hitam (Ictinaetus malayaensis)*, *macan akar (Felis bengalensis)*, and *elang coklat (Butastur liventer)*, it were not incorporated on the list of rare, threatened or endanger species (RTE). Meanwhile, there was no endangered flora.

Based on the results of the document review and interview with management, it was found that there were no new clearing at unit certification since 15 November 2018, so HCS is not applicable.

Unit of certification also updated the HCV area data for the entire scope of PT Satya Kisma Usaha in 2023 conducted by the CVBI Department PT SMART Tbk, based on the study there were several changes in the HCV area which became the reference in HCV management in 2023. Unit of certification has also updated its HCV delineation in 2022 which was stipulated by CEO PSM 5 in 26 June 2023. The following are data from the 2011 HCV assessment for the scope of PT Satya Kisma Usaha.

Estate	HCV Location Area	HCV 2011 (ha)	HCV 2023 (ha)
Normark Estate	Mahuam River Riparian and wetlands	226.69	161.27
	Tapung River Riparian	0.14	0.3
<b>Total</b>		<b>226.83</b>	<b>161.57</b>

Based on the data above, it can be seen that the HCV area included in the scope of certification is NMRE covering an area of 161.57 Ha which is located in Mahuam riparian and wetland, and graveyard. The determination of the HCV area is based on the width of the 50-meter-wide river border for each side of the river. Based on the data above and when compared to the 2021 HCV Area Management and Monitoring Implementation Report document conducted by the unit of certification, it shows that HCV areas are still referred to 2011 HCV identification.

**7.12.3**

Indicator 7.12.3 currently irrelevant to Indonesia, until further decisions from the RSPO.

**7.12.4**

Unit of certification has integrated management plan to protect and enhance HCVs, HCS forests, peatland and other conservation areas developed, implemented, and adapted and contains monitoring requirements. The unit of certification has carried out activities in order to maintain protected areas and High Conservation Values which can be shown in Report on Management and Monitoring High Conservation Values. Based on document verification, the plan of HCV in 2023 has been reviewed by the unit of certification on 23-29 May 2023. HCV management implemented in line according with the HCV management and monitoring plan period 2022, which can be shown in the following documents.

**PT Tapian Nadenggan – Langga Payung Estate & Paya Baung Estate**

Report on the Implementation of Management and Monitoring of PT Tapian Nadenggan High Conservation Value Areas for the period 2022 in Padang Lawas Utara and Labuanbatu Selatan Regencies, Sumatera Utara Province, several activities including:

- HCV Area Management; boundaries and attributes Monitoring
- Direct and Indirect Socialization
- Communication and Consultation with stakeholder NGOs such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoo Society of London), and BICONS (Biodiversity and Conservation), and academics.
  - The approach that has been taken by PT TN internally with its stakeholders is:
    - Submit a list of protected species found in the PT TN area in 2022 to Nature Conservation Agency Sumatera Utara Province.
    - Socialization regarding HCV is carried out periodically to inform and provide understanding to the community about the presence of HCVs in the PT TN area
- Water Resources Protection
  - Set the boundaries of rivers and springs with HCV attributes
  - Do not apply chemical fertilizers on river and spring borders that have been designated as HCV
  - Do not jack natural wood saplings on river borders
  - Planting erosion prevention plants on the riverbanks to avoid high erosion, namely *vetiver grass*.
- Invasive Species Control. In PT TN throughout 2022 there were no identified HCV areas disturbed by invasive species
- Monitoring of HCV Areas
  - Security Patrol and Routine Monitoring
  - Operations: Monitoring of HCV Attributes
  - Strategic: Land cover change monitoring and species and wildlife monitoring
- Collective Agreements with the Community with support and participation in protecting and maintaining the presence of HCV areas.

- Threats and Countermeasures
- Potential internal threats; use of chemicals in plantation management, clearing of HCV areas for plantations. Handling: application of organic materials, installation of boundary markings for boundary areas and sprays, installation of warnings and HCV attributes, giving warnings and strict sanctions to employees in case of violations
- External threats; encroachment on the HCV area, land clearing activities by burning around the HCV area. Handling: installation of warnings, outreach to the community regarding the importance of protecting rivers, and routine patrols.

**PT Satya Kisma Usaha – Normark Estate**

Report on the Implementation of Management and Monitoring of PT Satya Kisma Usaha – Normark Estate High Conservation Value Areas for the period 2022:

- HCV Area Management; boundaries and attributes monitoring
- Direct and Indirect Socialization
- Communication and Consultation with stakeholder NGOs such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoo Society of London), and BICONS (Biodiversity and Conservation), and academics.
- Water Resources Protection
  - Bordering with HCV attributes
  - Do not apply chemical fertilizers to border areas
  - Do not jack up tillers in border areas
  - Planting *vetiver grass* on the riverbanks to avoid the danger of erosion
- HCV rehabilitation with enrichment activities carried out by planting in open areas around swamps and rehabilitation with erosion-reducing plants, namely *vetiver grass* at points that are prone to erosion.
- Control of invasive species in the form of legumes are plants grown by the management unit for agronomic purposes so that they are always controlled with routine agronomic activities
- Mutual agreement. PT. SKU — Sumatra Region has agreed on an agreement document with the surrounding village communities in January 2021, covering the Normark Village, Mampang Village, and Hadundung Village.

Periodically every year, unit of certification also has a report on the Implementation, Management and Monitoring of High Conservation Value Areas which also discusses the results of monitoring (field observations) of plant and animal species for the 2022 period which was reported on 11 July 2023 to Nature Conservation Agency Sumatera Utara Province.

Based on field observations of the conservation area at the Langga Payung Estate on Sijabi-jabi riparian Block E24 Division 5, Paya Baung Estate in Baung riparian Block B62 Division 2, and Normark Estate in Mahuam riparian Block B31 dan B24 Division 2, is known that all area has been equipped with an identification board for protected areas, restricted areas for springs, prohibit on chemical application or washing activities in the spring area, the river border has also been equipped with spray boundary markings, identification of protected species, and planting areas of woody plants as an effort to enrichment, *vetiver grass*, *guateamala grass*, and other local plants. From these results, it can be concluded that the unit of certification has identified and protected conservation areas within its scope. An integrated management plan to protect and/or enhance HCVs is implemented with the involvement of relevant stakeholders.

**7.12.5**

Based on the results of the document review and interview with management, it was found that there was no new clearing at unit certification since 15 November 2018. The oldest planting year was 1987, currently in the replanting period.

**7.12.6**

Unit of certification has a SOP for Management and Monitoring of High Conservation Values (Doc. No. SOP/SMART/BCOS-EHSD/SADV/II/002, dated July 1, 2014). The SOP aims to ensure that all management and monitoring activities of High Conservation Values also discuss the protection of rare and endangered wildlife. And the policy document for the Protection of Rare and Endangered Wildlife on June 25, 2015 which was legalized by the President Director of PT Smart Tbk. The protective measures set by the company are as follows:

- The company is committed to protecting and prohibiting the hunting of all types of wild animals that are included in the criteria for rare and endangered species that are in the plantation area
- The company will carry out continuous socialization and training activities on the protection of rare and endangered



wild animals and their habitats to employees of contractor companies as well as to the community and other relevant stakeholders around the company.

- The company will investigate every case of violation and impose strict disciplinary sanctions (up to layoffs) to company employees who commit acts of hunting, maintaining, injuring, harming and killing endangered and endangered wildlife.
- For the handling of rare and endangered wildlife both inside and around its concession area, the company will cooperate with government agencies or related competent institutions
- The company is committed to evaluating and reporting on the company's performance based on this policy on a regular and open basis through the website and the company's annual sustainability report and continuously involving key stakeholders in the palm oil industry.

Unit of certification has a flora and fauna identification document prior to plantation business and a flora and fauna monitoring program that is scheduled annually to update species data found in the company area using the latest protection regulations, namely Permen LHK Number 106 of 2018. This report is submitted to the institution that handles conservation and protection of plants and wild animals on a regular basis in *Laporan Pelaksanaan Pengelolaan dan Pemantauan Kawasan Bernilai Konservasi Tinggi* which including the results of species monitoring and observations.

Monitoring of protected areas in the period of 2022-2023 is carried out regularly every week to ensure the security of the area. Monitoring activities are carried out in several river border locations and all areas of the unit of certification's management. This monitoring is carried out to see the progress of the results of HCV management from the initial stage to the current condition. Unit of certification also monitors the diversity of flora and fauna which is routinely carried out every year by showing the results of HCV monitoring carried out in 2022-2023. The results of observations of fauna in the plantation area still found *Monyet Ekor Panjang (Macaca Fascicularis)*, *Lutung Kelabu (Presbytes Cristata)*, *Bajing Kelapa (Calosciurus Notatus)*.

There is a program to regularly educate the workforce about the status of the RTE species which is held annually based on HCV management plan in 2023. Unit of certification has socialization the existence of priority plants and animals to the worker and the community as stated in the high conservation value (HCV) socialization document for the 2023 period. The company has implemented the socialization with evidence of the following minutes:

- Socialization of HCV/HCV including the presence of flora and fauna to 261 employees of Langga Payung Estate which was held on 06-11 March 2023
- Socialization of HCV/HCV including the presence of flora and fauna to 87 employees of Normark Estate held on 13, 19, and 28 June 2023
- Socialization of HCV/HCV including the presence of flora and fauna to 3 local villagers represented by village heads and contractors conducted on 25 May 2023
- Socialization of HCV/HCV including the presence of flora and fauna to contractor on 10 July 2023.

Based on the results of interviews with representatives of Situmbaga Village, Batang Nadenggan Village, and Perkebunan Normark Village, it is known that the community understands the existence of the HCV area and the existence of flora and fauna in the unit certification area. The village community understands that the company protects the HCV area and protected flora & fauna, prohibits hunting, cutting, and burning forests. Respondents added that besides from direct socialization, the company also installed warning boards or signboards marking HCV areas as well as prohibitions on environmental destruction which were an indirect form of socialization. Based on this explanation, it can be concluded that the company already has a plan and evidence of the implementation of the socialization and is known by the surrounding community.

#### **7.12.7**

Unit of certification can show records of HCV management carried out in the period 2022. The results of the monitoring are used for follow-up improvements to the management plan, for example:

- Record of HCV Patrol Report with document No. F/SMART/BCOS-EHSD/SADV/002/014
- Record of HCV Attribute Monitoring Report (sign board, spray limit sign, HCV stake) with document No. F/SMART/BCOS-EHSD/SADV/002/019



- Records of Maintenance for the Rehabilitation of HCV Areas for *Waru* plants, vetiver grass, bamboo with document No. F/SMART/BCOS-EHSD/SADV/002/013
- Monitoring Records of Animal and Plant Species F/SMART/BCOS-EHSD/SADV/002/021
- Rehabilitation Plan of HCV areas for the period of 2023.

Unit of certification has a continuous action to improve the management plan resulting from the monitoring results as an effort to improve the quality of HCV management and monitoring activities in accordance with the recommendations as a reference for implementation in the next period, including by:

- Completing the equipment needed for management and monitoring activities in the HCV area, such as; binoculars, special GPS for HCV monitoring, and cameras as a means of documenting management activities
- Updating the cross signs "spray boundaries" in on 5 (five) palm trees in the faded river border area
- Adjusted the poster of protected animals based on PermenLHK No.106/2018
- Carry out various action plans for corrective actions based on management and monitoring recommendations that have been carried out
- Recheck the deforestation points in swamp areas with aerial photos related to point accuracy
- Improve knowledge and skills in flora and fauna data collection conducted by SPO Officer, HCV PIC and HCV foreman. This becomes important later in the process of reporting the results of monitoring and the completeness of the data series which is the baseline data of management
- Training related management techniques and monitoring of HCV areas must be carried out regularly and periodically.

HCV management activities that taken by the unit of certification has been implemented describe in HCV management & monitoring plan period 2022 consist of maintaining HCV attributes, socialization regular patrols, species monitoring, and enrichment in riparian. HCV monitoring is periodically evaluated by certification every 5 years and is used as a reference as a management plan for HCV management. The management plan is implemented effectively based on the results of monitoring from the previous period.

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

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or ✓</b>
<b>ASA-2.1</b>	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	✓
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or ✓</b>
<b>ASA-2.1</b>	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	✓
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product.</b>	<b>X or ✓</b>
<b>ASA-2.1</b>	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	✓
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or ✓</b>
<b>ASA-2.1</b>	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	✓
	<b>Status: Comply</b>	

**3.3 Summary of RSPO Partial Certification.**

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</p> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pulos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari) that has been certified with an internal audit plan on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit plan on 7 November 2022.</li> </ol> <p><i>Notes:</i>  <i>Verification of the realization of the internal audit carried out on the newly acquired units will be carried out at the nearest RSPO surveillance audit activity with the internal audit schedule that has been set.</i></p> <p>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set-up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT. Agrolestari Mandiri – Pekawai Mill: Compliance Audit 07 February 2022</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<ol style="list-style-type: none"> <li>2. PT. Kresna Duta Agrindo – Gunung Kombeng Mill: Compliance Audit 21 February 2022</li> <li>3. PT. Harapan Rimba Raya – Sungai Kedang Mill: Compliance Audit 17 May 2022</li> <li>4. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</li> <li>5. PT. Kresna Duta Agrindo – Rantau Panjang Mill: Compliance Audit 06 June 2022</li> <li>6. PT. Sawitakarya Manunggal – Sawita Mill: Compliance Audit 13 June 2022</li> <li>7. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</li> <li>8. PT. Paramitra Internusa Pratama – Belian Mill: Compliance Audit 26 June 2022</li> <li>9. PT. Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 03 October 2022</li> <li>10. PT. Sawit Mas Sejahtera – Sungai Kikim Mill: Compliance Audit 03 October 2022</li> <li>11. PT. Sinar Kencana Inti Perkasa – Kasuari Mill: Compliance Audit 03 October 2022</li> <li>12. PT. Sinar Kencana Inti Perkasa – Demta Bulking: Compliance Audit 06 October 2022</li> <li>13. PT. Aditunggal Mahajaya — Sako Mill: Compliance Audit 14 November 2022</li> <li>14. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</li> <li>15. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</li> <li>16. PT. Agrokarya Prima Lestari – Kuayan Mill: Compliance Audit 05 December 2022</li> <li>17. PT. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 12 December 2022</li> <li>18. PT. SMART — Bukit Kapur Mill: Compliance Audit 12 December 2022</li> </ol> <p><b>2.0</b> <b>Auditor Verification:</b></p> <p><b>3.0 Internal Audit report available for uncertified management unit:</b></p> <ol style="list-style-type: none"> <li>1. PT. SMART — Bukit Kapur Mill: Compliance Audit 12 December 2022</li> <li>2. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</li> <li>3. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</li> <li>4. PT. Aditunggal Mahajaya — Sako Mill: Compliance Audit 14 November 2022</li> <li>5. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</li> <li>6. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</li> </ol>



2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>7. PT. Bangun Nusa Persada – Kenari Mill: Compliance Audit 19 September 2022</p> <p>In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma plantations/KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).</p> <p>Internal audit activities have been carried out, as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit on 7 November 2022.</li> </ol>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12	<p><b>Company Group/Holding Statement:</b></p> <p>Several companies under GAR were planted above November 2005, while the HCV assessment process was conducted in the period 2010 – 2013.</p> <p>GAR and its subsidiaries carried out a Remediation and Compensation (RaCP) procedure beginning with Disclosure and Zero Liability reporting to the RSPO via email on 29 August 2014.</p> <p>From 25 companies, 7 of them are certified units, the remaining 18 companies are uncertified units. The following is an update on the RaCP progress as of 11 January 2022 for uncertified units:</p>

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>HCVRN, is PT Sawit Mas Sejahtera – Sumatera Selatan (2 reports).</p> <p>HCV assessments for 17 reports was conducted in the period of 2010 to 2018 by external (consultant) and internal parties. The HCV assessment is carried out by a team assessor with a Team Leader who has been approved by the RSPO. The reference for the HCV assessment using the HCV Toolkit 2008. The peer review is carried out by an independent consultant who has also been approved by the RSPO.</p> <p>Assessment of PT Sawit Mas Sejahtera – Sumatera Selatan has used Integrated HCV-HCS with the consultants who have been licensed in HCVN and HCSA</p> <p>The company continues to follow up on the RaCP process, so that the RSPO timebound for uncertified units can be realized immediately.</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated 04 August 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation regarding the fulfilment of RaCP obligations for the newly acquired company. The timeline that has been prepared for the fulfilment of this RaCP is:</p> <ul style="list-style-type: none"> <li>• Submission of Disclosure and LUCA on semester 1 of 2022</li> <li>• Submission of Concept Notes on Semester 2 of 2022</li> <li>• Approval RaCP Proposal on Semester 1 of 2023</li> </ul> <p>For the RaCP process, smallholders' scheme will be adjusted to the 2023 timebound along with the new acquisition company.</p> <p><b>Auditor Verification:</b> Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing after Nov 2005 has follow RaCP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Kencana Graha Permai — Kalimantan Barat (Delima Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022,</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>and is currently still being reviewed by the RSPO Compensation Panel.</p> <ol style="list-style-type: none"> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah (Jalemo Estate, Manuhing Estate, Kajui Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted the Concept Note Project Batu Menangis on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>3. PT Sumber Indah Perkasa – Papua (Mambruk Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>4. PT Kresna Duta Agroindo – Kalimantan Timur (Gunung Kombeng Mill, Rantau Panjang Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel</li> <li>5. PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process.</li> <li>6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process.</li> <li>7. PT Cahaya Nusa Gemilang – Kalimantan Barat (Kenanga Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>8. PT Paramitra Internusa Pratama – Kalimantan Barat (Belian Mill, Belian Estate and Tengkawang Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>9. PT Bangun Nusa Mandiri – Kalimantan Barat (Kenari Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>10. PT Persada Graha Mandiri – Kalimantan Barat (Kapuas Hulu Estate and Sungai Beran Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>11. PT Satya Kisma Usaha – Kalimantan Tengah (Medan Sari Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>12. PT Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>13. PT Aditunggal Mahajaya – Kalimantan Tengah (Sungai Ayawan Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</li> <li>14. PT Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>15. PT Agrokarya Primalestari – Kalimantan Tengah (Kuayan Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>16. PT Buana Adhitama – Kalimantan Tengah (Sairi Estate and Bukit Dua Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>17. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan (Sungai Magalau Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>18. PT Sawita Karya Manunggul – Kalimantan Selatan (Sawita Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO</p> <p>19. PT Satya Kisma Usaha – Jambi (Batang Gading Estate), the LUCA report has been approved in 12 November 2021.</p> <p>20. PT Sawit Mas Sejahtera – Sumatera Selatan, the LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains satisfactory status from the HCVRN.</p> <p>21. The companies were acquired by GAR on 2021 are PT Kruing Lestari Jaya (Sungai Perak Mill and supply bases), PT Harapan Rimba Raya (Sungai Kedang Mill and supply bases), PT Rimbaraya Tamajaya (Sungai Pahu Estate), PT Agrolestari Subur Sejahtera (Bukit Permai Estate), PT Agrolestari Hijau Sentosa (Bukit Lestari Estate), PT Kharisma Riau Sentosa Prima (Kharisma Estate), PT Mitranusa Permata (Sungai Manunggul Estate). The company is still collecting information and documentation regarding the fulfilment of RaCP obligations.</p> <p>22. PT. Agrolestari Sentosa – Kalimantan Tengah (Jalemo Mill and supply bases). The concept note was submitted on 22 September 2022 and is currently being reviewed by the RSPO</p> <p>23. PT. Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and Supply Bases). LUCA was submitted to the RSPO on 18 April 2018, feedback from RSPO on October 14 2021 and is currently still in the process of land cover verification by the company.</p> <p>24. PT. Aditunggal Mahajaya – Kalimantan Tengah (Sako Mill and supply bases). LUCA report PT. Agrokarya Prima Lestari and PT. Aditunggal Mahajaya is still in the review process and is currently preparing its clarification for resubmission (2<sup>nd</sup> resubmission). As for the status of the LUCA report of PT. Mitrakarya Agroindo with Pass status on 10 June 2022.</p> <p>25. PT. Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill dan supply bases), stages in the RaCP process have not been fully completed</p> <p>26. PT. Kruing Lestari Jaya – Kalimantan Timur (Sungai Perak Mill dan supply bases), RaCP disclosure has not been made to the RSPO</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> GAR and its subsidiaries planted after January 2010. There are companies that had conducted the RSPO New Planting</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Procedure (NPP) and have gone through a 30-day public consultation process in April 2014. These companies include:</p> <ol style="list-style-type: none"> <li>1. PT Satya Kisma Usaha – Jambi</li> <li>2. PT Kresna Duta Agroindo – Kalimantan Timur</li> <li>3. PT Mitra Karya Agroindo – Kalimantan Tengah</li> <li>4. PT Binawit Abadipratama – Kalimantan Tengah</li> <li>5. PT Aditunggal Mahajaya – Kalimantan Tengah</li> <li>6. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>7. PT Agrokarya Primalestari – Kalimantan Tengah</li> <li>8. PT Buana Adhitama – Kalimantan Tengah</li> <li>9. PT Agrolestari Mandiri – Kalimantan Barat</li> <li>10. PT Paramitra Internusa Persada – Kalimantan Barat</li> <li>11. PT Persada Graha Mandiri – Kalimantan Barat</li> <li>12. PT Bangun Nusa Mandiri – Kalimantan Barat</li> <li>13. PT Kartika Prima Cipta – Kalimantan Barat</li> <li>14. PT Kencana Graha Permai – Kalimantan Barat</li> <li>15. PT Cahaya Nusagemilang – Kalimantan Barat</li> </ol> <p><b>Auditor Verification:</b> Based on auditor verification, not all uncertified unit conduct new clearing after January 2010 but for all uncertified unit with land clearing after January 2010 has follow NPP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base): there is no new land clearing after January 2010</li> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base): NPP on 26 April 2014</li> <li>3. PT Binawit Abadi Pratama (Perdana Mill and supply base): NPP on 8 July 2014</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): NPP on 26 April 2014 and PT Buana Adhitama (supply base) conduct NPP on 4 June 2014.</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base): NPP on 26 April 2014</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base): NPP on 3 June 2014, PT Kartika Prima Cipta (supply base) conduct NPP on 8 July 2014 and PT Persada Graha Mandiri (Supply base) conduct NPP on 6 June 2014.</li> <li>7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base): there is new planting after January 2010 in Sungai Kikim Estate and Sungai Saling Estate, the company does not conduct NPP. This is become subject of sanction. For PT Buana Sawit Mas (supply base) conduct NPP on 8 July 2014.</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base): there is no new land clearing after January 2010.</li> <li>9. PT Agro Lestari Sentosa (Jalemo Mill and supply base): NPP on 26 April 2014</li> <li>10. PT Adi Tunggal Mahajaya (Sako Mill) (under construction): NPP on 25 April 2014, PT Agrokarya Prima Lestari (supply base) conduct NPP on 26 April 2014 and PT Mitra Karya Agroindo (supply base) conduct NPP on 26 April 2014.</li> </ol>



2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010.</p> <p>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014.</p> <p>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014.</p> <p>14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company does not conduct NPP. This is become subject of sanction.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><b>Company Group/Holding Statement:</b>            No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV/I/002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV/I/001 revision 2 dates April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p> <p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV/I/001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a "Grower" category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>1. Complaint dated July 11, 2021, to PT SMART Tbk (West Kalimantan Region) regarding the alleged purchase/supply of fresh fruit bunches (FFB) and crude palm oil (CPO) from PT Kapuasindo Palm Industri (PT KPI), a subsidiary of the Kencana Group (not members of the RSPO), who have committed a series of violations against workers and indigenous peoples in the district. Last Status RSPO Complaints Panel has issued a decision letter regarding the complaint on 17 January 2022 in which it was decided to terminate the entire complaint. The decision letter has been submitted to both parties, and time is given if anyone wishes to appeal until April 11, 2022. (RSPO Complaint Panel Decision is attached).</li> <li>2. Complaint on 2 March 2020 to GAR (Central Kalimantan Region) from Forest Peoples Program &amp; Elk Hills Research regarding alleged land legality and bribery cases. On the part of GAR itself, GIS-2 analysis for land clearance alerts after November 2014 from discussions with RSPO GIS manager on 21 May 2021 has agreed on the sampling method. GAR's</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>clarification report was sent on September 8, 2021. As for the legal review on anti-bribery policies &amp; practices, the company rejected the ToR for Legal Review on March 26, 2021. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 15, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15 December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling Complaints and Dissatisfaction, Human Rights Policy and SOP for Handling Social Conflicts both internally and externally, in general the FPIC process has been carried out according to procedures, so that there are no land or social conflicts.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base)</li> <li>2. PT SMART (Bukit Kapur Mill and supply base)</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base).</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>8. PT Paramitra Internusa Pratama (Belian Mill and supply base)</p> <p>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</p> <p>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base).</p> <p>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</p> <p>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</p> <p>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base)</p> <p>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base)</p> <p>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base)</p> <p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base)</p> <p>17. PT Kruing Lestari Jaya (Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA)</p> <p>18. PT Harapan Rimba Raya (Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA).</p> <p>19. PT Rimbaraya Tamajaya (Sungai Pahu Estate and Sungai Pahu KKPA), which will be supply base for Sungai Kedang Mill.</p> <p>20. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill that has been certified.</p> <p>21. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill that has been certified.</p> <p>22. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill that has been certified.</p> <p>23. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <p>Based on the auditor's search through news from the internet, no information on land conflicts was found in the above uncertified management unit. However, on the RSPO website (Complaint Panel) there is information about complaints from various stakeholders against GAR and this has been explained by the company regarding the progress of the settlement as described above.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. Based on information from electronic media on March 1, 2022, there was information that PT. Agro Lestari Sentosa for not building plasma plantations for the community. Based on confirmation with representatives of PT. Agro Lestari, it is known that the plasma area is still in the NPP process, and the target is to complete the NPP by the end of the 2023 quarter.</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>In addition, based on electronic media on December 13, 2022, there is information on problems between Koperasi Perkebunan Bataduh Raya and PT. Bangun Nusa Mandiri. Based on confirmation with representatives of PT. Bangun Nusa Mandiri is known that there have been 15 agreements between cooperatives and companies, including PT. BNM is committed to building a plasma of 557.47 Ha and developing an area of 180 Ha for partnerships. Regarding overlapping land, the solution is <i>Vaicias</i> Data, namely the handover of land in PT. BNM with the Head of the Village and Koperasi Perkebunan Bataduh Raya</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2	<p><b>Company Group/Holding Statement:</b> The company has a procedure for handling employee complaints before becoming into conflicts. The procedure is SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016.</p> <p>Procedures related to employee complaints are regulated in the internal flow of form because employees are included in the category of internal stakeholders. The media of complaint used is an official letter submitted through the worker union or put in the suggestion box provided in strategic locations.</p> <p>During 2021, there were no new complaints regarding employment through the RSPO website, as for the progress of previous complaints, they have closed status.</p> <p><b>Auditor Verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p> <p><b>Auditor Verification:</b> There is information from electronic media on November 24, 2021, it is known that there was mediation by the Head of the Central Seruyan Sector Police regarding the termination of employment of one of the employees of PT. Adi Tunggal Mahajaya. As for the demands submitted, namely the issue of compensation for work termination that was not provided by the company and the 2014 CSR agreement, namely related to clean water, local workers, agriculture, fish ponds, health, transportation cooperation agreements and receipt of FFB from the community, as well as CPO transport SPK from the community.</p> <p>Based on confirmation with PT. Adi Tunggal Mahajaya, it is known that the employee has the status of a contract employee/PKWT for 1 year and is not renewed because he does not meet the competency requirements. In addition, based on labor regulations after the UUCK was issued, companies are no longer obliged to provide compensation to workers whose contracts have been terminated. The realization of CSR is carried out in stages and this demand is the program of the previous Village Head.</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		In addition, there was an issue in the electronic news on September 30 2022 that there was an employee who had died who had been abandoned by PT. Krusing Lestari Jaya and their rights are not fulfilled. However, there is information from the management of the Ikentim organization that there was no abandonment of the corpse. This is in accordance with confirmation from the management representative of PT. Krusing Lestari Jaya that the company has facilitated the corpse to be delivered and buried in Resak according to the wishes of the family.
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1	<p><b>Company Group/Holding Statement:</b> Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> <li>1. PT Djuandasawit Lestari (Muara Kandis Estate &amp; Muara Tawas Estate)</li> <li>2. PT Sawit Mas Sejahtera (Sawit Mas Estate)</li> <li>3. PT Bumi Sawit Permai (Bumi Sawit Estate)</li> <li>4. PT Forestralestari Dwikarya (Tanjung Rusa Estate)</li> <li>5. PT Sumber Indah Perkasa (Sungai Buaya Estate, Sungai Merah Estate)</li> <li>6. PT Ivo Mas Tunggal (Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate, Nenggala Estate)</li> <li>7. PT Buana Wiralestari Mas (Kijang Estate, Nagamas Estate, Nagasakti Estate)</li> <li>8. PT Ramajaya Pramukti (Ramarama Estate)</li> <li>9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate)</li> <li>10. PT Agrokarya Prima Lestari (Muara Tawang Estate, Kuayan Estate, Bukit Sentuhai Estate, Tajur Beras Estate, Seranau Estate)</li> <li>11. PT Buana Adhitama (Sapiri Estate)</li> <li>12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate)</li> <li>13. PT Mitra Karya Agroindo (Sungai Nusa Estate)</li> <li>14. PT Aditunggal Mahajaya (Sungai Ayawan Estate)</li> <li>15. PT Satya Kisma Usaha (Medang Sari Estate)</li> <li>16. PT Buana Adhitama (Bukit Dua Estate)</li> <li>17. PT Agrolestari Sentosa (Jalemo Estate)</li> <li>18. PT Binasawit Abadipratama (Perdana Mill)</li> <li>19. PT Agrokarya Prima Lestari (Kuayan Mill)</li> <li>20. PT Mitrakarya Agroindo (Tangar Mill)</li> <li>21. PT Agrolestari Sentosa (Jalemo Mill)</li> <li>22. PT Adi Tunggal Mahajaya (Sako Mill)</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)</p> <p>24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma)</p> <p>Beside that, there are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> <li>16. PT Mitrakarya Agroindo (Sulin Plasma)</li> <li>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</li> <li>18. PT Adi Tunggal Mahajaya (Sako Plasma)</li> <li>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</li> <li>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)</li> </ol> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</li> </ol> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated August 4, 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> </ol>



2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>4. PT Agrolestari Subur Sejahtera            5. PT Agrolestari Hijau Sentosa            6. PT Kharisma Riau Sentosa Prima            7. PT Mitranusa Permata</p> <p>The company is still collecting information and documentation related to compliance with legal documents such as HGU, Environmental Documents and SHM (for plasma).</p> <p><b>Auditor Verification:</b>            Legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. Supply base for Kasuari Mill are PT Sinar Kencana Inti Perkasa and PT Sumber Indah Perkasa. The legal non compliance which still on process is EIA revision in PT Sumber Indah Perkasa and Hazardous waste permit in PT Sinar Kencana Inti Perkasa.</li> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. Supply base for Kuayan Mill are PT Agrokarya Prima Lestari and PT Buana Adhitama.</li> <li>- PT Mitrakarya Agroindo (Tangar Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim Mill and supply base), there is a legal non-compliance. Supply base for Sungai Kikim Mill are PT Sawit Mas Sejahtera and PT Bumi Sawit Permai. The legal non compliance which still on process is EIA revision.</li> <li>- PT Agrolestari Sentosa (Jalemo Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill and supply base), there is a legal non-compliance. Supply base for Sako Mill are PT Adi Tunggal Mahajaya, PT Mitra Karya Agroindo and PT Agrokarya Prima Lestari. The legal non compliance which still on process is Land Use Title (HGU).</li> <li>- PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is communities plantation.</li> <li>- PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha)</li> </ul>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> <li>- PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha)</li> <li>- PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha)</li> <li>- PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha)</li> <li>- PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha)</li> <li>- PT Ivomas Tunggal: there is an area still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</li> <li>- PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</li> <li>- PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha)</li> <li>- PT Bumipalma Lestari Persada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha)</li> <li>- PT Kruing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> </ul> <p>In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma plantations/KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).</p> <p>Internal audit activities have been carried out, as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Lestari) that has been certified with an internal audit on 28 March 2022.</p> <p>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma LestariPersada) that has been certified with an internal audit on 8 August 2022.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit on 7 November 2022.</p> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma LestariPersada) which has been certified.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</li> </ol> <p>The acquisition company already has legality in the form of HGU, but other legalities such as environmental documents and other permits are being collected and will be completed when an internal audit of the acquisition units is carried out.</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</p> <p>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate)</p> <p>PT. Agrolestari Sentosa (Jalemo Mill and supply bases), still on process to revise EIA document.</p> <p>There are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> <li>16. PT Mitrakarya Agroindo (Sulin Plasma)</li> <li>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</li> <li>18. PT Adi Tunggal Mahajaya (Sako Plasma)</li> <li>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</li> <li>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma)</li> </ol> <p>Based on auditor verification, there is still progress in obtaining legality documents for the uncertified units so that GAR has included the certification plan for the uncertified units in the timebound plan.</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 RC-2 Assessment**

<b>NCR No.</b>	:		<b>Issued by</b>	:	
<b>Date Issued</b>	:		<b>Time Limit</b>	:	
<b>NC Grade</b>	:		<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:				
<b>Evidence observed</b> (filled by auditor):					
<i>There is No Non-Conformance were found in this audit activity.</i>					
<b>Non-Conformance Description</b> (filled by auditor):					
<b>Root Cause Analysis</b> (filled by organization audited):					
<b>Correction</b> (filled by organization audited):					
<b>Corrective Action</b> (filled by organization audited):					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verified by</b>	:				

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-2.1 Certification Assessment**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Evidence observed</b> (filled by auditor):			
<i>There is No Non-Conformance were found in this audit activity.</i>			
<b>Non-Conformance Description</b> (filled by auditor):			
<b>Root Cause Analysis</b> (filled by organization audited):			
<b>Correction</b> (filled by organization audited):			
<b>Corrective Action</b> (filled by organization audited):			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verified by</b> :			



**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	<p>Based on document review of external training list documents, it's known that there were 53 workers OHS licenses that have entered their license expiration period, for example: Lift and Transport Operator No. Ser 3729/OPK3/PAA-OC/MI/2018 on behalf of Dwijo Gunarso ended on 29 June 2023. UoC then showed PT Lanto Masa Anugerah Certificate No. 958/Sket/LMA-K3/MDN-VII/2023 on 7 July 2023. The document explains that the OHS license extension for the 53 workers was still being processed by PT Lanto Masa Anugerah at the Ministry of Manpower Agency of Republic Indonesia in Jakarta.</p> <p>Based on the description above, UoC are encouraged to ensure that the OHS license extension process is issued by the Indonesian Ministry of Manpower.</p>

**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 is quite good
4	Obtained PROPER certificates from the Ministry of Environment and Forestry for the 2021-2022 period for PT Tapian Nadenggan and PT Satya Kisma Usaha with a blue rating.
5	Has obtained ISPO and ISCC certificates
6	No longer using limited pesticides with the active ingredient Paraquat

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Environmental Agency of Padang Lawas Utara District</b> Head of Division of Conservation and Natural Resources 11 July 2023</p> <ul style="list-style-type: none"> <li>• PT There have been no current environmental issues in the past 1 year.</li> <li>• There have been no complaints from the public regarding environmental pollution in the past 1 year.</li> <li>• PT Tapan Nadenggan has reported environmental management and monitoring regularly and there is no issue from that report.</li> <li>• Permits of hazardous and toxic storage as well as land application are still valid and there is no issue.</li> <li>• The relationship between the service and the company is going well.</li> <li>• Environmental supervision is carried out every quarter, the last supervision conducted in March 2023.</li> <li>• Active participation of the company in official activities (either in the form of participation or donations)</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Environmental Agency of Labuhanbatu Selatan District</b> Head of Division of Pollution Control and Environmental Damage 11 July 2023</p> <ul style="list-style-type: none"> <li>• There are no current environmental issues in the past 1 year.</li> <li>• There are no complaints from the public regarding environmental pollution in the past 1 year.</li> <li>• PT Satya Kisma Usaha has reported environmental management and monitoring regularly and there is no issue from that report.</li> <li>• Permits of hazardous and toxic storage are still valid and there is no issue.</li> <li>• Relationship between the service and the company is going well.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Manpower Agency of Padang Lawas Utara District</b> Interviewee: Head of Industrial Relation, Date: 11 July 2023</p> <ul style="list-style-type: none"> <li>• The company has provided wages to workers as stipulated in the District Minimum Wage of 2023 Rp. 2.900.000.</li> <li>• There was no mediation request from PT Tapan Nadenggan.</li> <li>• The company has a Bipartite and 2 labor unions, namely <i>Serikat Pekerja Seluruh Indonesia</i> (SPSI) and SPM and has been registered at the Manpower Agency.</li> </ul>	<p>There were no negative issues related to gender committee that need any further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>PT. Tapan Nadenggan has been registered their CLA for the period of 2022 to 2024 and signed by the head of the Manpower Agency in May 2023.</li> <li>All workers have been registered in the Social security insurance and health insurance.</li> <li>The communication between the agency and the company has went well.</li> <li>There were no workers under the age of 18 years old.</li> <li>There were no negative issues received by agencies related to employment.</li> </ul>	
<p><b>Manpower Agency of Labuhanbatu Selatan District (Dinas Ketenagakerjaan Kabupaten Labuhanbatu Selatan).</b> Interviewee: Head of Manpower Agency. Date: 11 July 2023</p> <ul style="list-style-type: none"> <li>The company has provided wages to workers as stipulated in the District Minimum Wage of 2023 Rp. 3.150.000.</li> <li>There was no mediation request from PT Satya Kisma Usaha (Nomark Estate)</li> <li>The company has a Bipartite and 1 labor union, namely <i>Serikat Pekerja Seluruh Indonesia</i> (SPSI) and has been registered at the Manpower Agency.</li> <li>PT. Satya Kisma Usaha has been registered their CLA for the period of 2022 to 2024 and signed by the head of the Manpower Agency.</li> <li>All workers have been registered in the Social security insurance and health insurance.</li> <li>The communication between the agency and the company has gone well.</li> <li>There were no workers under the age of 18 years old.</li> <li>There were no negative issues received by agencies related to employment.</li> </ul>	<p>There were no negative issues related to gender committee that need any further verification.</p>
<p><b>Plantation Agency of Padang Lawas Utara District and Labuhanbatu Selatan District</b></p> <ul style="list-style-type: none"> <li>PT TN and PT SKU have already participated in the FFB pricing meeting activities.</li> <li>There are no issues related to the implementation of the agronomy best practice.</li> <li>The plantation business report has been reported to the company routinely.</li> <li>There have been no fire issues for the past year in the company's operational areas.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Land Office of Padang Lawas Utara District and Labuhanbatu Selatan District</b></p> <ul style="list-style-type: none"> <li>There were no complaints regarding land disputes, abandoned land, and overlapping areas where the</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>company had not compensated the community (previous land owners).</p> <ul style="list-style-type: none"> <li>The certification unit has been complied with applicable regulations related land legality, among others has had location permit, plantation business permit (IUP), land title (HGU).</li> </ul>	
<p><b>Labor Union (SPSI)</b> Interviewees:</p> <ul style="list-style-type: none"> <li>Head of labor union (SPSI) in Langga Payung Estate and Mill.</li> <li>Head of labor union (SPSI) in Paya Baung Estate</li> <li>Head of labor union (SPSI) in Nomark Estate.</li> </ul> <p>Date: 11 to 13 July 2023</p> <ul style="list-style-type: none"> <li>The company acknowledges the existence of a labor union and there was no intervention in the implementation of any operational activities.</li> <li>The members of the labor union is 531 workers in Langga Payung Estate, 257 workers in Normark Estate, and 230 workers in Paya Baung Estate. The membership of the labor union is voluntary.</li> <li>Job vacancies were announced by UoC wallboards and social media.</li> <li>Internal meetings of labor union and the bipartite meetings were held whenever they were needed.</li> <li>The Labor union were involved in CLA period of 2022 to 2024 drafting.</li> <li>There were 2 types of workers in PT Tapian Nadenggan, and Normark Estate, namely: permanent workers and daily workers. Daily workers were placed in loose-fruit picking.</li> <li>The basic wage of workers were above the determined district minimum wage.</li> </ul>	<p>There were no negative issues related to labor union that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>
<p><b>Gender Committee</b> Interviewees:</p> <ul style="list-style-type: none"> <li>Head of gender committee in Langga Payung Estate</li> <li>Head of gender committee in Normark Estate</li> <li>Head of gender committee in Paya Baung Estate</li> </ul> <p>Date: 11 to 13 July 2023</p> <ul style="list-style-type: none"> <li>There were no complaints or issues related to sexual harassment and violence against women or men.</li> <li>The gender committee had socialized some policies related to gender, sexual harassment, and violence to surrounding students and workers.</li> <li>Female workers who placed as pesticide application workers if they reported pregnant will be transferred to the non-agrochemical works, such as daycare officer.</li> </ul>	<p>There were no negative issues related to gender committee that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• UoC had given the right of maternity paid leave and period paid leave.</li> </ul>	
<p><b>Local Contractor FFB Transporter (Ardiansyah Nasution and Sahminan Harahap)</b> 12 July 2023</p> <ul style="list-style-type: none"> <li>• Contractor activities in the field of FFB transportation at Normark Estate</li> <li>• The cooperative relationship with the company is going well.</li> <li>• Contractor payments are made on time.</li> <li>• PPE is provided by the contractor, in the form of safety helmets and shoes.</li> <li>• Contractors have enrolled their employees in the <i>BPJS</i> Employment and Health program independently.</li> <li>• There were no accidents in the past 1 year, the handling of accidents can be through the nearest clinic or health center.</li> <li>• The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>• There are no complaints or suggestions for the company regarding operations.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Workers Cooperative</b> <b>Date: 14 July 2023</b></p> <ul style="list-style-type: none"> <li>• The cooperative is engaged in the business of providing save and loans.</li> <li>• The company provides support for the existence of employee cooperatives by facilitating cooperative legal documents and cooperative building.</li> <li>• Members of the employee cooperative currently was approximately 253 people in Normark Estate</li> <li>• Principal savings of Rp. 100,000 per month.</li> <li>• The annual meeting for the period of 2022 has been conducted in January 2023.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<p><b>Local Contractor FFB Transporter (Ardiansyah Nasution and Sahminan Harahap)</b> 12 July 2023</p> <ul style="list-style-type: none"> <li>• Contractor activities in the field of FFB transportation at Normark Estate</li> <li>• The cooperative relationship with the company is going well.</li> <li>• Contractor payments are made on time.</li> <li>• PPE is provided by the contractor, in the form of safety helmets and shoes.</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Contractors have enrolled their employees in the <i>BPJS</i> Employment and Health program independently.</li> <li>There were no accidents in the past 1 year, the handling of accidents can be through the nearest clinic or health center.</li> <li>The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>There are no complaints or suggestions for the company regarding operations.</li> </ul>	
<p><b>Villages around the Company</b> <b>Interviewees: Situmbaga Village and Perkebunan Normark Village</b></p> <ul style="list-style-type: none"> <li>Communication and relations between the company and the Village have been well established.</li> <li>There were no complaints about either environmental pollution or legal boundary conflicts.</li> <li>The company has realized social assistance through CSR activities which are realized through submission of proposals from the village.</li> <li>The company has provided job opportunities to the surrounding community and there are no actions that lead to discriminatory treatment in which all workers have equal rights in obtaining employment opportunities.</li> <li>The company has collaborated with the local community in terms of buying and selling FFB.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>FFB Supplier (CV Pilar Nusantara and CV Dongan Sahuta)</b></p> <ul style="list-style-type: none"> <li>The selling price of FFB refers to the market price based on the agreement.</li> <li>So far there have been no complaints regarding the cooperation that has been established, both in terms of payment and implementation of FFB sorting.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Village Representative of Batang Gogar Sub-village, Batang Nadenggan Village</b> Public Figure 11 July 2023</p> <ul style="list-style-type: none"> <li>There is no conflict area in the unit certification operational area.</li> <li>There are no issues related to environmental pollution.</li> <li>There are no issues related to discrimination.</li> <li>Job opportunities are open for the community.</li> <li>The participation and relationship of the unit of certification with the community is well established.</li> <li>Assistance in the form of CSR has been carried out by the</li> </ul>	<p>There are no negative issues that require further verification.</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>certification unit such as water supply, bazaars, mosque management, etc.</p>	
<p><b>Issue from media social</b></p> <p><a href="https://www.google.com/amp/s/www.detik.com/sumut/hukum-dan-kriminal/d-6168149/ini-kronologi-pencuri-sawit-yang-ditembak-mati-di-labusel/amp">https://www.google.com/amp/s/www.detik.com/sumut/hukum-dan-kriminal/d-6168149/ini-kronologi-pencuri-sawit-yang-ditembak-mati-di-labusel/amp</a></p> <p>A number of residents carried out the theft of palm oil in the plantation area owned by PT Tapian Nadenggan, in Labuhanbatu Selatan on 07 July 2022. The theft, which was thwarted by security officers, resulted in the death of one of the perpetrators initial named NER (25) who was shot on the spot as a result of trying to resist the officers.</p> <p>As a result of the actions of the plantation security officers who took NER's body, the residents then flocked to the plantation company's office. Residents who were already emotional then burned dozens of motorbikes in the company's parking lot.</p>	<p>When ASA-2.1 was conducted, management of PT Tapian Nadenggan responded to the issue of the shooting of FFB theft perpetrators and the riots that occurred in 2022. The chronology of the incident that occurred on 06 July 2022 is as follows:</p> <ul style="list-style-type: none"> <li>• FFB theft occurred on 06 July 2022 at 14.00 in Block B37 Division 2 Langga Payung Estate in Batang Gogar Hamlet, Batang Nadenggan Village. Then the Field Security Guard who saw this reported to the Patrol team from the plantation. After the patrol team from the plantation came to the crime scene, it was discovered that 7 people were carrying out the theft, complete with sharp weapons. The Patrol Team from the plantation contacted Police personnel who were in the village area around PT Tapian Nadenggan.</li> <li>• Around 14.45, one of the perpetrators was arrested by the Patrol team and police personnel when the FFB thieves were about to take the FFB out of the plantation. The perpetrators then resisted and attacked the officers. Under these conditions, police personnel fired 2 warning shots but the perpetrators continued to fight back. In a desperate situation, the police personnel took decisive action towards the feet, however, they were hit in the left abdomen of the theft perpetrator. The victim was taken to the company's First Aid Center for first aid, but the victim died while being taken by PT Tapian Nadenggan medical staff to the Pinang City Hospital.</li> <li>• At 16.00, the people of Batang Gogar Hamlet came to the main office of Langga Payung Estate after hearing the news to ask about the victim's condition. However, knowing that the victim had died, about 60 residents of Batang Gogar Hamlet attacked the office and set fire to a motorbike parked on the side of the office.</li> <li>• At 17.00, Padang Bolak Sector Police team arrived and secured the situation.</li> </ul> <p>The company together with the South Labuhanbatu Regent conducted a pilgrimage to the victim's house on 8 July 2023. Simultaneously with this activity, the company coordinated with related parties such as</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>community leaders, youth leaders, religious leaders, village government, and <i>Muspika</i> in the framework of peace with relatives victim. Efforts to meet for peace between the company began from July to September 2022 with the relatives of the victims, community leaders in Batang Gogar Hamlet, and the police. The victim's relatives and the police agreed to carry out peace activities on 15 October 2022. However, the victim's relatives contacted the police to postpone peace on that date. Up to the ASA-2.1 assessment, the company is still making peace efforts with the victims' relatives. This is also in line with the results of interviews with religious leaders in Batang Gogar Hamlet who stated that the company is still opening communications about peace efforts with the victims' relatives.</p>
<p><b>Issue from media social</b></p> <p><a href="https://www.utamanews.com/sosial-budaya/PT-SKU-akan-gusur-rumah-di-Normark—Masyarakat-siap-bertahan-sampai-titik-darah-penghabisan?utm_source=Whatever">https://www.utamanews.com/sosial-budaya/PT-SKU-akan-gusur-rumah-di-Normark—Masyarakat-siap-bertahan-sampai-titik-darah-penghabisan?utm_source=Whatever</a></p> <p>Many of residents who live in <i>Dusun</i> IV, Normark Village, Kota Pinang District, Labuhanbatu Selatan Regency, Sumatera Utaea Province are threatened with evicting by PT Satya Kisma Usaha on 31 August 2022. One resident mentioned that he had received several letters from PT Satya Kisma Usaha with the last letter received being Letter No. 001/NRME-EM/VIII/2022 regarding the third notification for emptying and demolition of buildings addressed to residents of <i>Dusun</i> IV, Normark Village. The resident has also conveyed to Regent of Labuhanbatu Selatan Regency to ask for a solution, but this solution has not been obtained.</p>	<p>When ASA-2.1 was conducted, management of PT Satya Kisma Usaha responded to the issue of plans to demolish a building in <i>Dusun</i> IV of Perkebunan Normark Village. PT Satya Kisma Usaha has sent letters of notification and appeals several times since 2020 regarding the HGU land used by <i>Dusun</i> IV residents for residence to be vacated. However, until the ASA-2.1 assessment was carried out, this issue was still ongoing with the following information:</p> <ul style="list-style-type: none"> <li>• Notification and appeal letters to the people of <i>Dusun</i> IV since 14 December 2020 (Letter No. 021/NMRE-EM/XII/2020) and 9 March 2021 (Letter No. 020/NMRE-EM/III/2021) to <i>Dusun</i> residents IV to vacate and dismantle the existing buildings on PT SKU's land by 23 March 2021.</li> <li>• Letter of application for protection of plans to eviction residential settlements by PT SKU No. 590/730/TAN/2021 dated 18 May 2021 from Labuhanbatu Selatan Regent. The letter informed that Regent of Labuhanbatu Selatan had obtained result of meeting with <i>Dusun</i> IV, result of meeting with PT SKU managers and LBH Medan Pos Labuhanbatu (representative of <i>Kelompok Masyarakat Perjuangan</i> Dusun IV), and PT SKU manager's statement regarding land owned by the community is in Certificate HGU No. 1 2005 dated 21 April 2005.</li> <li>• Letter containing the results of a field visit to the HGU area of PT SKU No. MP.01.02/37-31.10/IX/2921 dated 16 September 2021 from Land Agency of Labuhan Batu Regency. The letter follows up on the complaint letter dated 30 April 2021 and Assistant Deputy for Community</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>Complaints Letter No. B-55/Kemensatneg/D-2/Dmas/DM.05/02/2021 dated 19 February 2021 and Letter of the Director of Community Communication Services of the Ministry of Law and Human Rights No. HAM.02-HA.01.01-135 dated 9 March 2021. This activity involved the <i>Dusun IV</i> community to check the position of the location that was an issue. A field survey was carried out on 2 June 2021 with the result that there were 19 building units in the area located within HGU No. 1/Plantation of PT SKU with the recommendation that PT SKU take the path of peace for both parties can relocate the residence.</p> <ul style="list-style-type: none"> <li>• Documentation of a meeting at the Labuhanbatu Selatan Regent's Official House on 18 October 2021 which involved the Regent, heads of related offices, representatives of the DPRD, Head of Normark Plantation Village, and residents of <i>Dusun IV</i>. The recommendation from the Labuhanbatu Selatan Regent suggested that residents take legal action if they have strong land rights or leave the location if they do not have strong land rights.</li> <li>• Documentation of the visit of Labuhanbatu Selatan Regent on 19 October 2021 which contained further mediation with the Labuhanbatu Selatan District Government as well as a joint site visit with <i>Dusun IV</i> residents, head of Perkebunan Normark Village, and PT SKU.</li> <li>• Third Notification Letter for Emptying and Demolition of Buildings to Head of Perkebunan Normark Village No. 025/NMRE-EM/VIII/2022 dated 18 August 2022 which urges the residents of <i>Dusun IV</i> to vacate and demolish the buildings on PT SKU's land themselves no later than 31 August, 2022. This letter has been copied to the Head of Pinang City Sub-District, Head of Kota Pinang Police Sector, Secretary Region, Regent, BPN of Labuhanbatu Selatan Regency, and Head of Labuhanbatu Resort Police.</li> <li>• Recording of the handling of conflict complaints on 31 August 2022 at Normark Estate from online media related to <i>Dusun IV</i> community house building being within the PT SKU company's HGU area so the company sent a letter to vacate and demolish the house. The response to the complaint was made on 6 September 2022 which contained the issuance of the Police Report Receipt Letter from the Labuhanbatu Police in relation to land/land tenure without the permission of the rightful person or legal power of attorney.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<ul style="list-style-type: none"> <li>• Complaint document to Labuhanbatu Resort Police by PT SKU based on Police Report Receipt Letter No. STTLP/1301/IX/2022/SPKT/POLRES LABUHANBATU/POLDASU dated 06 September 2022.</li> <li>• Until the ASA-2.1 assessment was carried out, there were still 14 buildings remaining on the land owned by PT SKU.</li> </ul> <p>Until the ASA-2.1 assessment was carried out, the taking of information from the complainant and the reported was being processed at the Labuhanbatu Police. So that, this issue has entered the realm of the police.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; vertical-align: top;"> <p><b>PT TAPIAN NADENGGAN – LANGGA PAYUNG POM</b>  <b>Head of Sustainability Management System and</b>  <b>Certification Operations Sustainability</b></p> <div style="text-align: center;">   <u>Yahya Mustakim</u>  Monday, 31 July 2023 </div> </td> <td style="width: 50%; border: none; vertical-align: top;"> <p><b>PT Mutuagung Lestari Tbk</b></p> <p style="text-align: center;"><b>Lead Auditor</b></p> <div style="text-align: center;">   <u>Hasiholan Sihombing</u>  Monday, 31 July 2023 </div> </td> </tr> </table>	<p><b>PT TAPIAN NADENGGAN – LANGGA PAYUNG POM</b>  <b>Head of Sustainability Management System and</b>  <b>Certification Operations Sustainability</b></p> <div style="text-align: center;">   <u>Yahya Mustakim</u>  Monday, 31 July 2023 </div>	<p><b>PT Mutuagung Lestari Tbk</b></p> <p style="text-align: center;"><b>Lead Auditor</b></p> <div style="text-align: center;">   <u>Hasiholan Sihombing</u>  Monday, 31 July 2023 </div>
<p><b>PT TAPIAN NADENGGAN – LANGGA PAYUNG POM</b>  <b>Head of Sustainability Management System and</b>  <b>Certification Operations Sustainability</b></p> <div style="text-align: center;">   <u>Yahya Mustakim</u>  Monday, 31 July 2023 </div>	<p><b>PT Mutuagung Lestari Tbk</b></p> <p style="text-align: center;"><b>Lead Auditor</b></p> <div style="text-align: center;">   <u>Hasiholan Sihombing</u>  Monday, 31 July 2023 </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 of Padang Lawas Utara District	Padang Lawas Utara District	-	Interview by phone	11 July 2023	✓	
2.	Environmental Agency of Labuhanbatu Selatan District	Labuhanbatu Selatan District	-	Interview by phone	11 July 2023	✓	
3.	Land Office of Padang Lawas Utara District	Padang Lawas Utara District	-	Interview by phone	11 July 2023	✓	
4.	Land Office of Labuhanbatu Selatan District	Labuhanbatu Selatan District	-	Interview by phone	11 July 2023	✓	
5.	Plantation Agency of Padang Lawas Utara District	Padang Lawas Utara District	-	Interview by phone	11 July 2023	✓	
6.	Plantation Agency of Labuhanbatu Selatan District	Labuhanbatu Selatan District	-	Interview by phone	11 July 2023	✓	
7.	Village Representative of Batang Gogar Sub-village, Batang Nadenggan Village	Labuhanbatu Selatan District	-	Interview by phone	11 July 2023	✓	
8.	Local Contractor FFB Transporter (Ardiansyah Nasution and Sahminan Harahap)	Labuhanbatu Selatan District	-	Interview by phone	12 July 2023	✓	
9.	Manpower Agency of Padang Lawas Utara District	Padang Lawas Utara District	-	Interview by phone	11 July 2023	✓	
10	Manpower Agency of Labuhanbatu Selatan District	Labuhanbatu Selatan District	-	Interview by phone	11 July 2023	✓	
11	Labor Union (SPSI) of Langga Payung Estate and Mill, Paya Baung Estate, and Normark Estate	Labuhanbatu Selatan and Padang Lawas Utara District	-	Direct Interview	11 to 13 July 2023	✓	
12	Gender Committee of Langga Payung Estate and Mill, Paya Baung Estate, and Normark Estate	Labuhanbatu Selatan and Padang Lawas Utara District	-	Direct Interview	11 to 13 July 2023	✓	
13	Workers' Cooperative of Paya Baung Estate	Labuhanbatu Selatan District	-	Direct Interview	11 to 13 July 2023	✓	
14	Situmbaga Village	Padang Lawas Utara District	-	Direct Interview	11 July 2023	✓	
15	Perkebunan Normark Village	Labuhanbatu Selatan District	-	Direct Interview	12 July 2023	✓	
16	FFB Supplier – CV Pilar	Padang Lawas Utara	-	Direct Interview	11 July	✓	



	Nusantara and CV Dongan Sahuta	District			2023		
17	<b>Langga Payung Estate</b> <ul style="list-style-type: none"> <li>• 4 harvesters.</li> <li>• 6 spraying workers.</li> <li>• 1 head of warehouse</li> </ul>	Padang Lawas Utara District, Province of Sumatera Utara	-	Direct Interview	13 July 2023	✓	
18	<b>Normark Estate</b> <ul style="list-style-type: none"> <li>• 1 Warehouse Officer</li> <li>• 1 Workshop Officer</li> <li>• 1 Daycare Officer</li> <li>• 1 Resident of Housing Complex Division 2.</li> <li>• 5 pesticide application workers.</li> <li>• 1 pesticide application foreman.</li> <li>• 5 harvesting workers.</li> <li>• 2 harvesting foremen.</li> <li>• 3 loose-fruit pickers.</li> </ul>	Labuhanbatu Selatan District, Province of Sumatera Utara	-	Direct	12 July 2023	✓	
19	<b>Paya Baung Estate</b> <ul style="list-style-type: none"> <li>• 1 Warehouse Officer</li> <li>• 1 Hazardous and Toxic Waste Officer</li> <li>• 1 Daycare Officer</li> <li>• 1 Resident</li> <li>• 5 Pesticide Application Workers.</li> <li>• 1 Pesticide Application Foreman.</li> <li>• 6 Harvesting Workers.</li> <li>• 2 Harvesting Foremen.</li> <li>• 2 Loose-Fruit Pickers.</li> </ul>	Padang Lawas Utara District, Province of Sumatera Utara	-	Direct	13 July 2023	✓	
20	<b>Langga Payung POM</b> <ul style="list-style-type: none"> <li>• 1 WWTP operators.</li> <li>• 1 Resident of Housing Complex.</li> <li>• 1 security officer.</li> <li>• 2 weighbridge operators.</li> <li>• 1 head of warehouse.</li> <li>• 1 warehouse clerk</li> <li>• 1 mechanical head</li> <li>• 1 WTP operator</li> </ul>	Padang Lawas Utara District, Province of Sumatera Utara	-	Direct	11 July 2023	✓	
21	Sawit Watch	Bogor	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via Email	03 July 2023	-	✓
22	WWF	Jakarta	<a href="mailto:wwf-indonesia@wwf.org">wwf-indonesia@wwf.org</a>	Via Email	03 July 2023	-	✓

			<a href="#">f.or.id</a>				
23	Walhi	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Via Email	03 July 2023	-	✓
24	AMAN	Jakarta	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Via Email	03 July 2023	-	✓

<b>Appendix 2. Assessment Program</b>		
<b>DATE</b>	<b>10 – 15 July 2023</b>	
<b>PLANNED TIME</b>	<b>PROCESSES / CLAUSES TO BE AUDITED</b>	<b>AUDITOR</b>
<b>Monday, 10 July 2023</b>		
10.40 – 13.15	<b>JAKARTA → KUALANAMU</b>	<b>All Auditor</b>
13.30 – 14.30	From the airport to the railway station.	<b>All Auditor</b>
16.38 – 21.35	Travel from Araskabu Station (Deli Serdang) to Rantau Prapat Station	<b>All Auditor</b>
21.35 – ...	Travel from Rantau Prapat station to the audit location in Padang Lawas Utara.	<b>All Auditor</b>
<b>Tuesday, 11 July 2023</b>		
08.00 – 09.00	<b>OPENING MEETING</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>Management UoC</b> <b>All Auditor</b>
09.00 – 12.00	<b>Public Consultation:</b> <ul style="list-style-type: none"> <li>Stakeholders' consultation to related agencies.</li> <li>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners.</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any)</li> </ul>	<b>ELU/SAS/MIA</b> <b>HAS</b> <b>ELU/SAS/MIA</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<b>Field Observation to Langga Payung POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, WTP, Fire Control Simulation,</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>POME Pond, Land Application, Empty Bunch Area and Employees Housing Complex</li> </ul>	<b>HAS &amp; SAS</b> <b>MIA</b> <b>HAS &amp; SAS</b>  <b>ELU</b>
16.30 – 17.00	Submission of audit progress	<b>All Auditor</b>
<b>Wednesday, 12 July 2023</b>		
08.00 – 12.00	<b>Field Observation to Normark Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV.</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> </ul>	<b>HAS</b> <b>MIA &amp; SAS</b>

DATE	10 – 15 July 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<ul style="list-style-type: none"> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>ELU</b>
	<b>Break</b>	
14.00 – 16.30	Document verification and completing checklist.	<b>All Auditor</b>
16.30 – 17.00	Submission of audit progress	<b>All Auditor</b>
<b>Thursday, 13 July 2023</b>		
08.00 – 12.00	<b>Field Observation to Langga Payung Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV.</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>HAS &amp; SAS</b> <b>HAS &amp; SAS</b> <b>HAS &amp; SAS</b>
08.00 – 12.00	<b>Field Observation to Paya Baung Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV.</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>ELU &amp; MIA</b> <b>ELU &amp; MIA</b> <b>ELU &amp; MIA</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	Document verification and completing checklist.	<b>All Auditor</b>
16.30 – 17.00	Submission of audit progress	<b>All Auditor</b>
<b>Friday, 14 July 2023</b>		
08.00 – 12.00	Document verification and completing checklist.	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	Document verification and completing checklist.	<b>All Auditor</b>
16.30 – 17.00	submission of audit progress	<b>All Auditor</b>
17.00 - ....	Internal discussion by auditor team preparing for Closing Meeting	<b>All Auditor</b>

DATE	10 – 15 July 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Saturday, 15 July 2023</b>		
07.30 – 08.00	<b>CLOSING MEETING</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>• Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
08.00 – 16.00	Travel from audit site to the Kualanamu airport.	<b>All Auditor</b>
16.50 – 19.15	<b>KUALANAMU → JAKARTA</b>	<b>All Auditor</b>