

*Roundtable on Sustainable Palm Oil Certification*  
*R S P O***[✓] Surveillance**

Name of Management : Muara Kandis POM – PT Djuandasawit Lestari Subsidiary of Golden Agri  
Organisation Resources Ltd

Plantation Name : Muara Kandis Estate and Muara Tawas Estate

Location : Village of Lubuk Pandan, Sub District of Muara Lakitan, District of Musi  
Rawas, Province of Sumatera Selatan, Indonesia.

Certificate Code : **MUTU-RSPO/059**

Date of Certificate Issue : 16 July 2021 Date of License Issue : 16 October 2023

Date of Certificate Expiry : 15 July 2026 Date of License Expiry : 15 July 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.2	20 to 24 June 2022	Satria Adi Putra, Radityo Puspanjana, Firda Tarunajaya, Fauzi Prima Sanusi, Riska Pangestika Imaniar	Moh Arif Yusni	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	14 September 2023

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on March 12<sup>th</sup>, 2014 with registration number *ASI-ACC-055*

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**Figure 1. Location Map of PT Djuandasawit Lestari (Muara Kandis Estate)**

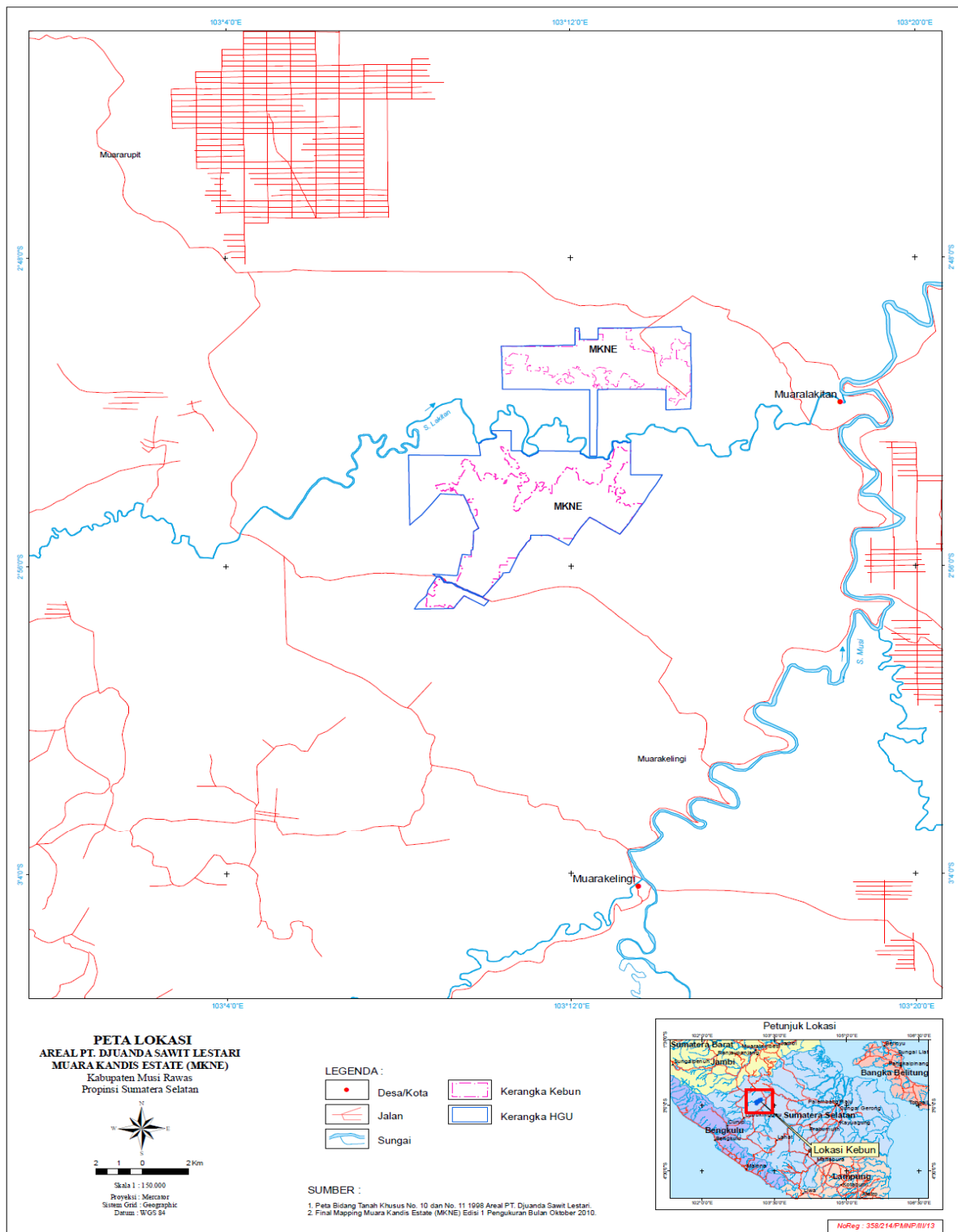
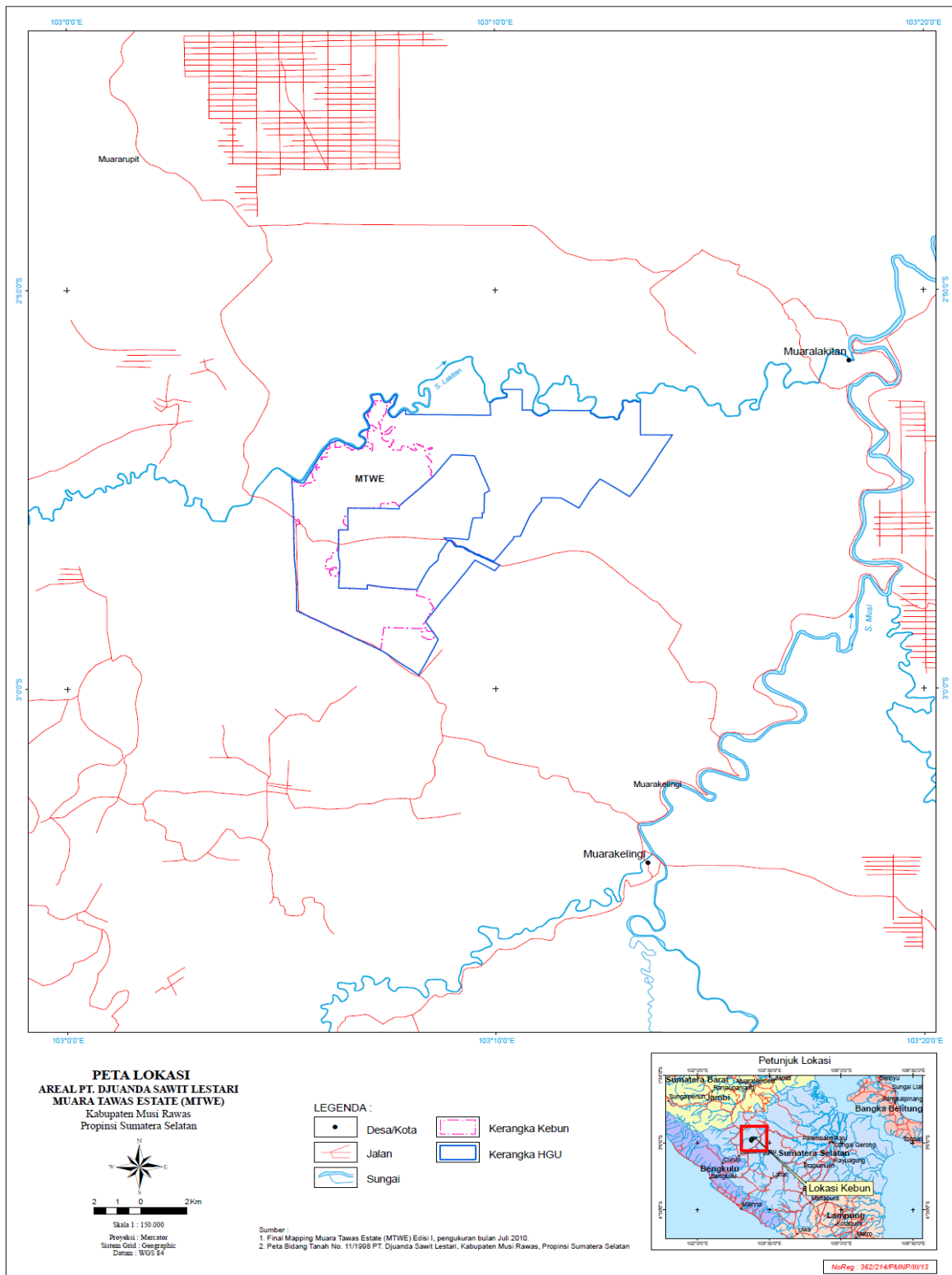
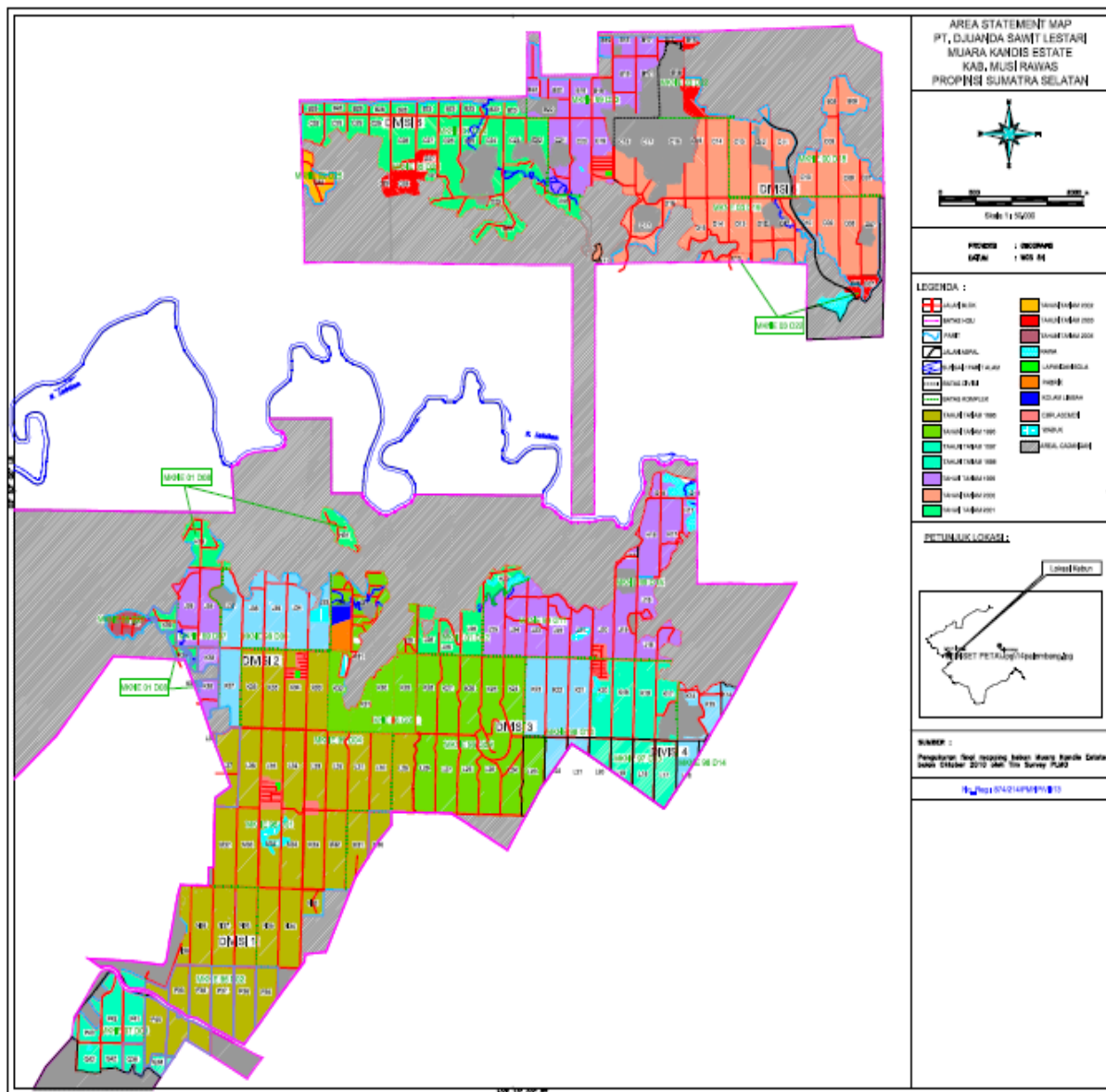


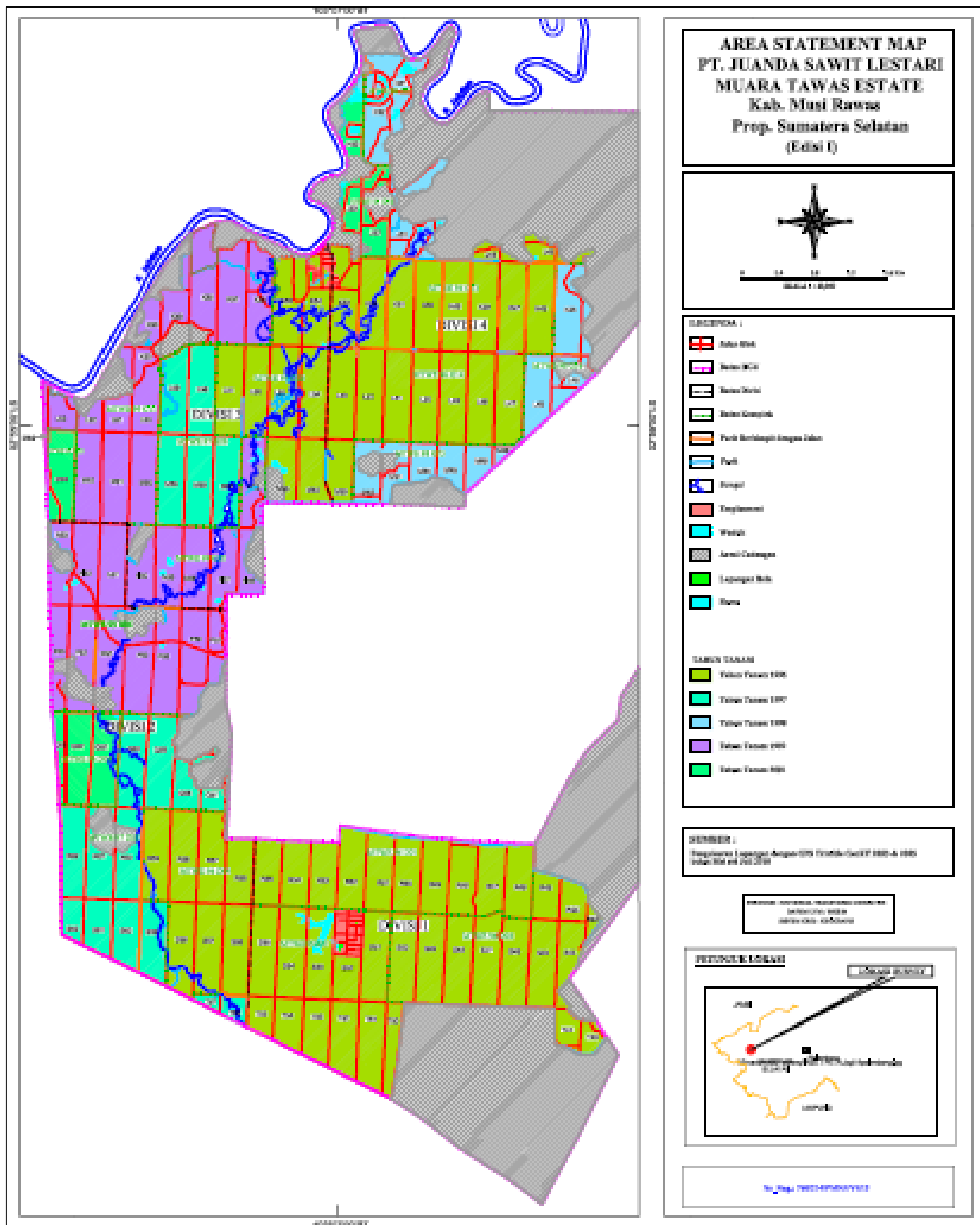
Figure 2. Location Map of PT Djuandasawit Lestari (Muara Tawas Estate)



**Figure 3. Operational Map of PT Djuandasawit Lestari (Muara Kandis Estate)**



**Figure 4. Operational Map of PT Djuandasawit Lestari (Muara Tawas Estate)**



**Abbreviations Used**

AMDAL	:	<i>Analisis Dampak Lingkungan</i> – Environmental Impact Assessment (EIA)
ANDAL	:	<i>Analisis Dampak Lingkungan</i> – Environmental Impact Assessment (EIA)
ASA	:	Annual Surveillance Assessment
BAPPEDA	:	<i>Badan Perencanaan Pembangunan Daerah</i> / Regional Planning & Development Agency
BKSDA	:	<i>Badan Konservasi Sumberdaya Alam</i>
BOB	:	Barn Owl Box
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
CFO	:	Chief Financial Officer
CH	:	Certificate Holder
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CLA	:	Collective Labor Agreement
CSR	:	Corporate Social Responsibility
CPO	:	Crude Palm Oil
DELH	:	<i>Dokumen Evaluasi Lingkungan Hidup</i> (Environmental Evaluation Document)
DLH	:	<i>Dinas Lingkungan Hidup</i> / Environmental Agency
DPMPSTP	:	<i>Dinas Penanaman Modal: Pelayanan Terpadu Satu Pintu</i>
DSL	:	Djuandasawit Lestari
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
EHS	:	Environmental, Health and Safety
FGD	:	Forum Group Discussion
FPIC	:	Free, Prior, Informed, Consent
FR	:	Frequency Rate
FFB	:	Fresh Fruit Bunches
GSEP	:	GAR Social and Environmental Policy
GPS	:	Global Positioning System
HAM	:	<i>Hak Asasi Manusia</i>
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HSE	:	Health Safety and Environment
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HRD	:	Human Resources Development/Department
IPM	:	Integrated Pest Management
ILO	:	International Labour Organization
KAN	:	<i>Komite Akreditasi Nasional</i>
KER	:	Kernel Extraction Rate
KKPA	:	<i>Kredit Koperasi Petani Anggota</i> (Full Managed Smallholders)
KBLI	:	<i>Kelompok Baku Lapangan Usaha Indonesia</i>
KLHK	:	<i>Kementerian Lingkungan Hidup dan Kehutanan</i> / Ministry of Environment and Forestry
KSLG	:	<i>Kebijakan Sosial Lingkungan Golden Agri Resources</i>
KSU	:	<i>Koperasi Serba Usaha</i> / Smallholder Cooperative
LB3	:	<i>Limbah Bahan Berbahaya Beracun</i> (Hazardous Waste)
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
MKNE	:	Muara Kandis Estate
MKNM	:	Muara Kandis Mill

MTWE	:	Muara Tawas Estate
NPWP	:	<i>Nomor Pokok Wajib Pajak</i>
NGO's	:	Non-Government Organization's
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
PK	:	Palm Kernel
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)</i>
POME	:	Palm Oil Mill Effluent
PCDV	:	Policy and Compliance Division
PPE	:	Personal Protective Equipment
PIC	:	Personel In Charge
PMNP	:	Plantation Monitoring and Planning
PT DSL	:	PT Djuandasawit Lestari
RaCP	:	Remediation and Compensation Procedures
RSPO	:	Roundtable on Sustainable Palm Oil
RKL- RPL	:	Environmental Management and Monitoring Report
RTE	:	Rare, Threatened, Endangered
SCCS	:	Supply Chain Certification Standard
SHM	:	<i>Surat Hak Milik</i> /Freehold Title
SIA	:	Social Impact Assessment
SIMPEL	:	<i>Sistem Pelaporan Elektronik</i> (Electronic Reporting System)
SIPPAIR	:	<i>Surat Izin Pengambilan dan Pemanfaatan Air Permukaan</i> (Surface Water Utilization and Utilization Permit)
SKT	:	<i>Surat Keterangan Tanah</i> /Certificate of Landregister
SMARTRI	:	Sinar Mas Agro Resources and Technology Research Institute
SMD	:	Senior Managing Director
SOP	:	Standard Operational Procedure
SPO	:	Sustainability Palm Oil
SPPH	:	<i>Surat Pernyataan Pelepasan Hak (atas tanah)</i> /Agreement of conveyance and waiver of (land) rights.
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
TTE	:	<i>Tanda Terima Elektronik (Electronic Receipt)</i>
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><i>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</i></li> <li><i>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard Endorsed by the RSPO Board of Governors on 12 November 2020</i></li> </ul>									
<b>1.2</b>	<b>Organisation Information</b>										
1.2.1	Organisation name listed in the certificate	<b>PT Djuandasawit Lestari subsidiary of Golden Agri Resources Ltd.</b>									
1.2.2	Contact person	Yahya Mustakim									
1.2.3	Organisation 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="http://www.goldenagri.com.sg">www.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 – 30 January 2005									
<b>1.3</b>	<b>Type of Assessment</b>										
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Muara Kandis POM, Muara Kandis Estate and Muara Tawas 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>	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 2° 54' 00"</td> <td>E 103° 10' 38"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	S 2° 54' 00"	E 103° 10' 38"		
Coordinate											
Latitude	Longitude										
S 2° 54' 00"	E 103° 10' 38"										
	Muara Kandis Mill	Lubuk Pandan Village, of Muara Lakitan Sub District, Musi Rawas District, Sumatera Selatan Province, Indonesia									
1.4.2	Location of Certification Scope of Supply Base										
	<b>Name of Supply Base</b>	<b>Location</b>	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 2° 55' 09"</td> <td>E 103° 10' 15"</td> </tr> <tr> <td>S 2° 58' 02"</td> <td>E 103° 07' 07"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	S 2° 55' 09"	E 103° 10' 15"	S 2° 58' 02"	E 103° 07' 07"
Coordinate											
Latitude	Longitude										
S 2° 55' 09"	E 103° 10' 15"										
S 2° 58' 02"	E 103° 07' 07"										
	Muara Kandis Estate	Lubuk Pandan Village, Muara Lakitan Sub-District, Karya Sakti Village, Muara Kelingi Sub-District, Musi Rawas District, Sumatera Selatan Province, Indonesia									
	Muara Tawas Estate	Karya Mukti Village and Lubuk Tua Village, Muara Kelingi Sub-District, Muara									

		Magang Village, Megang Sakti Sub-District, Musi Rawas District, Sumatera Selatan Province, Indonesia		
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		<b>10,958.40</b>	Ha
	• Community		-	Ha
1.5.2	<b>Area Statement</b>			
	• <b>Total area</b>		<b>10,958.40</b>	Ha
	• Mature area		6,259.77	Ha
	• Immature area		-	Ha
	• Housing		63.84	Ha
	• POM		15.74	Ha
	• Enclave of community / land bank (has not been compensated)		3,880.76	Ha
	• Other area (slope, quarry)		392.54	Ha
	• Roads, River, Low Land		345.75	Ha
	• <i>HCV</i>		<i>385.20*</i>	<i>Ha</i>
	<i>Note: HCV area is the riparian area and included to planted area.</i>			
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		
		<b>Muara Kandis Estate</b>	<b>Muara Tawas Estate</b>	<b>Total</b>
	1995	861.43	-	861.43
	1996	520.92	1,620.80	2,141.72
	1997	269.75	386.06	655.81
	1998	364.90	102.79	467.69
	1999	423.18	704.17	1,127.35
	2000	443.50	-	443.50
	2001	338.96	134.76	473.72
	2002	15.99	-	15.99
	2003	33.01	-	33.01
	2005	39.55	-	39.55
	<b>TOTAL</b>	<b>3,311.19</b>	<b>2,948.58</b>	<b>6,259.77</b>
1.6.2	New Planting area after January 2010		-	Ha
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle	
<b>1.7</b>	<b>Description of Mill and Supply Base</b>			
1.7.1	Description of Mill			

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
		Muara Kandis	60	292,272.06	59,972.63	20.52	16,801.66
	*Production data source period from May 2022 to April 2023						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Muara Kandis Estate	6,635.56	3,311.19	53,867.41	16.27	53,867.41	100
	Muara Tawas Estate	4,322.84	2,948.58	66,472.29	22.54	66,472.29	100
	TOTAL	10,958.40	6,259.77	120,339.70	19.41	120,339.70	100
	Production data source period from May 2022 to April 2023						
1.7.3	FFB description from other source						
	Name of Sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of Smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Muara Kandis Estate (RSPO Non-Certified)	PT Djuandasawit Lestari	-	418.49	21,979.71		
	Muara Tawas Estate (RSPO Non-Certified)	PT Djuandasawit Lestari	-	57.70	3,268.95		
	Pandawa Plasma – Sadar Sejahtera Cooperative (RSPO Non-Certified)	Plasma of PT Djuandasawit Lestari	1,420	3,228.18	100,987.80		
	CBBX – Citra Loka Bumi Begawan	Independent Supplier	-	-	7,411.75		
	DALX- Daya Agro Lestari	Independent Supplier	-	-	6,445.28		
	MMSX – Maulana Malik Sopiana	Independent Supplier	-	-	6,383.94		
	SSBX – Sadar Sejahtera Bersama	Independent Supplier	-	-	5,512.59		
	PAAX – Anugerah Ageng Amana	Independent Supplier	-	-	19,404.94		
	IDMX – Indra Darusman	Independent Supplier	-	-	369.46		
	TKSX – Kelompok Tani Karya Subur	Independent Supplier	-	-	226.44		
	TOTAL					171,990.86	
	Production data source period from May 2022 to April 2023						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume + extension volume(MT)		Last Year Actual Certified Volume (May 2022 – April 2023) MT		

	FFB Processed		124,000	120,339.70				
	CPO Production		26,000	25,207.93				
	Palm Kernel (PK) Production		7,200	7,071.77				
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (May 2022 – April 2023) (MT)						
	CSPO sold as RSPO certified product	1,204.27						
	CSPK sold as RSPO certified product	6,440.09						
	CSPO sold under other scheme	23,040.81						
	CSPK sold under other 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>			
	Muara Kandis Estate	6,635.56	3,311.19	54,000	16.31			
	Muara Tawas Estate	4,322.84	2,948.58	67,000	22.72			
	<b>TOTAL</b>	<b>10,958.40</b>	<b>6,259.77</b>	<b>121,000</b>	<b>19.33</b>			
	Production data source period from May 2022 to April 2023							
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>	
	Muara Kandis	60	121,000	25,410	21	6,957	5.75	MB
	Production data source period from May 2022 to April 2023							
1.9	Other Certifications							
	ISPO			MUTU-ISPO/054, valid thru 28 June 2026				
	ISCC			EU-ISCC-Cert-ID215-23211286, valid thru 27 December 2023				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status			
Mill	Time Bound Plan							
Pangkalan Panji Mill (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	Sumatera Selatan Province	Certified			
		Sawit Mas Estate (HGU on progress – 2,291 Ha)	2024		-			
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	Sumatera Selatan Province	Certified			
		Bumi Sawit Estate (HGU on progress – 773.39 Ha)	2024		-			

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

(PT Sumber Indah Perkasa)		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) * <i>Main Audit Desember 2022</i>	2022*	Belian Estate * <i>Main Audit Desember 2022</i>	2022	Kalimantan Barat Province	ST-1
		Tengkawang Estate * <i>Main Audit Desember 2022</i>	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 Pangi 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	2025	Jalemo Estate	2025		-

(PT Agro Lestari Sentosa)		Kajui Estate (PT Agro Lestari Sentosa)	2025	Kalimantan Tengah 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		Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2024		-
		Kandista Estate	2009	Riau Province	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2024		-
		Palapa Estate	2009		Certified
Libo Mill (PT Ivo Mas Tunggal)	2009	Libo Estate	2009		Certified
		Nenggala Estate	2009		Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2024		-
		Sei Rokan Estate	2009	Riau Province	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		Certified
		Kandis Sejahtera KKPA	2023		-
		Swadaya Mas Bersama KKPA	2023	Riau Province	-
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2022		-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010		Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2024		-
		Naga Sakti Estate	2010	Riau Province	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		Certified
		Kijang Estate (HGU on process – 56.07 Ha)	2024	Riau Province	-
		Kijang Kencana Plasma	2010		Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010		Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2024	Riau Province	-
		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 Lestari 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 Pulos 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: <ul style="list-style-type: none"><li>• Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process.</li><li>• Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 due to the SHM process.</li><li>• 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).</li><li>• Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse.</li><li>• Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.</li><li>• Kayung KKPA supply base of Pekawai Mill are postponed to 2024 due to still in process for land rights (SHM).</li><li>• 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.</li><li>• Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM).</li><li>• Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU.</li><li>• Kuayan Mill and supply bases are postponed to 2025 due to still in process for HGU.</li><li>• Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.</li><li>• 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).</li><li>• Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2024 due to still in process for land rights (SHM).</li><li>• Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.</li><li>• Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU.</li><li>• Sungai Magalau Mill and supply bases and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).</li><li>• Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).</li><li>• Sako Mill and supply bases are postponed to 2025 due to still in process for HGU.</li><li>• Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 due to still in process for HGU.</li><li>• 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).</li><li>• Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2023 due to still in process for land rights (SHM).</li><li>• Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2023 due to still in process for land rights (SHM).</li></ul>					

- 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);

	<ul style="list-style-type: none"> <li>PT Tampilan Nadenggan (Sei Rindu Estate);</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>
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	Pandawa Plasma is full managed by the company and planned to be certified in 2024.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1.2</b>	<p><b>1. Satria Adi Putra (Lead Auditor Witnessing).</b> Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, ISCC Auditor, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000.</p> <p><b>2. Radytio Puspanjana (Lead Auditor Witnessed).</b> Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training, which was held by National GMTI, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. Currently working for an independent certification body. During this audit, he verifies Legal, Land disputes, TBP, Partial and SCCS.</p> <p><b>3. Firda Tarunajaya (Auditor).</b> Indonesian citizen, Bachelor of Forestry Majoring in Silviculture, Bogor Agricultural University. He has working as an Operational Staff in an Oil Palm Plantation Company in Indonesia. Attended trainings are Lead Auditor RSPO, Lead Auditor ISPO, Quality Management Systems (ISO 9001:2015) by IRCA, Environmental Management Systems (ISO 14001:2015), ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this assessment, he verified Worker Welfare, Transparency and Social aspect</p> <p><b>4. Fauzi Prima Sanusi (auditor).</b> Indonesian citizens. Bachelor of Forestry. Has work experience in the field of HSE, Environmental NGOs, attended training including Proper Training, General Health and Safety Expert, Biodiversity Study, HCV, Water and Air Monitoring Management, ISO 14001: 2004 Auditor, FSC Auditor, Sustainable Forest Management Auditor 2014, ISPO Auditor 2018, Forest and Land Fire Control Training 2014, has participated in audit activities for SFM Since 2016 FSC Audit 2017, ISPO Audit 2019 In this audit activity carried out verification in the fields of Environment, conservation and GHG</p> <p><b>5. Riska Pangestika Imaniar (Auditor trainee).</b> Bachelor of Agriculture, Departement of Soil. Has undergone training in Lead Auditor ISO 14001: 2015, Lead Auditor ISO 9001: 2015, Awareness ISO 19011: 2018, Awareness ISO 17021: 2015, and Awareness ISO 14020 series. Has carried out environmental audit activities ISO 14001: 2015 related to EMS. During this audit, an assessment was made in the field of best management practices and OHS aspects under the supervision of the Lead Auditor.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.2</b>	<p>Number of auditors: 3 auditors and 1 trainee auditor</p> <p>Number of days for ASA-1.2 at site: 5 days</p> <p>Number of working days for ASA-1.2 at site: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.2</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Djuandasawit Lestari based on:</p> <ul style="list-style-type: none"> <li><b>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</b></li> <li><b>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</b></li> </ul> <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; (3) Field observation, aiming to confirm the bigger picture of what was informed by two methods as</p>



mentioned before. NonConformities and Some opportunities for improvement of the results ASA 1.2 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA 1.3. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.2 Audit report.

The opening meeting was held on Monday 12 June 2023 at 09.00 pm through a teleconference (Zooms meeting). As for the participants who attended the opening meeting included the Production Controller, Regional Controller, Estate Manager, Mill Manager, Support Team from Sustainability Department and other relevant staff Supported Team Jakarta and other staff at PT DSL. While the closing meeting will take place on 16 June 2023 at 08.00 pm. Attended by the same participants as the opening meeting. Management PT DSL accept all this audit results.

Public Stakeholder Notification was made on MUTU Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment. A list of Stakeholders contacted is included as Appendix 1.

The assessment program please find Appendix 2.

**2.2.3**
**Locations of Assessment**
**ASA-1.2**

The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:

**Muara Kandis Mill**

- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Water Source Reservoir.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Empty bunch area.** Field observations related to empty bunch management.
- **Security Pos.** Observation and interview related to OSH, worker welfare, and ethic.
- **Weighbridge.** Observation and interview related to work procedure, OSH, worker welfare, and ethic.
- **Sortation.** Observation and interview related to work procedure, OSH, worker welfare, and ethic.
- **Sterilizer.** Observation and interview related to work procedure, OSH, and worker welfare.
- **Tipler Station.** Observation related work practices according to procedures and OHS aspect.
- **Press station** Observations and interview related to best practices, OHS, license, and employment.
- **Engine room.** Observation and interview related to work procedure, OSH, and worker welfare.
- **Kernel station.** Observation and interview related to work procedure, OSH, and worker welfare.
- **Boiler station.** Observation and interview related to work procedure, OSH, and worker welfare.
- **Empty Bunch Area.** Observation for solid waste management and OHS aspect.
- **Water source.** Observation of the condition of water source management and monitoring
- **Hazardous waste temporary storage.** Field observations and interview related to the fulfillment of the attribute's health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse, and environmental aspects
- **Water Treatment Plant.** Observation and interview related to OHS implementation, worker welfare, water management and monitoring of water use.
- **Workshop.** Observation and interview related to OHS implementation, worker welfare, training and machine maintenance.
- **Hazardous Material Storage.** Observation and interview related to hazardous material store.
- **Hydrant simulation.** Observation of preparedness of fire emergency response teams and preparedness of



emergency response devices.

- **Fertilizer storage.** Observation and interview related to OSH, worker welfare and waste management.
- **Fuel tank.** Observation and interview related to OSH, worker welfare and waste management.
- **Generator House** Observation and interview related to OSH, worker welfare and waste management.
- **Hydrant simulation.** Observation related emergency response, readiness of firefighting equipment.
- **Clinic.** Observation related worker and medical facility.

#### **Muara Kandis Estate**

- **Spraying Block C21 Division 6 (4 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Harvesting Block C18 Division 5 (2 harvester and 2 lose fruit picker).** Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare.
- **Housing Division 3 and 4.** Observation for domestic waste management, OHS, worker facilities.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Fertilizer storage.** Observation and interview related to OSH, worker welfare and waste management.
- **Workshop.** Observation and interview related to OSH, worker welfare and waste management.
- **Fuel tank.** Observation and interview related to OSH, worker welfare and waste management.
- **Agrochemical central storage.** Observation and interview related to OSH, worker welfare and waste management.
- **Generator House** Observation and interview related to OSH, worker welfare and waste management.
- **Fire Fighting Equipment Storage Warehouse.** Observation and interview related to the type and number of tools, firefighting training and potential fire hazards, emergency response mechanism and conducting firefighting simulations.
- **Land Application Block K33 Divisi II Muara Kandis Estate.** Observation of flatbed conditions, potential for contamination and overflow, as well as interviews regarding waste disposal techniques, OHS, and employment.
- **HGU stone and land demarcation No. 062, 057, 058, 118 and 119.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Riparian Temani River block J3A.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.

#### **Muara Tawas Estate**

- **HGU stone and land demarcation. 103, 104, 102, 154 and 153.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Riparian Petanang River block J3A.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.
- **Housing Complex.** Observation for domestic waste management, OHS, worker facilities.
- **Mixing and agrochemical / fertilizer container washing store.** Observation related OHS, and agrochemical waste management.
- **Landfill Block M51 Division 4.** Observation waste management.
- **Rinse house for spraying team.** Observation for OHS and spraying team facilities.
- **Daycare.** Observation for OHS and worker facilities.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Fertilizer storage.** Observation and interview related to OSH, worker welfare and waste management.
- **Workshop.** Observation and interview related to OSH, worker welfare and waste management.
- **Fire Fighting Equipment Storage Warehouse.** Observation and interview related to the type and number of tools, fire fighting training and potential fire hazards, emergency response mechanism and conducting fire fighting simulations.
- **Fuel tank.** Observation and interview related to OSH, worker welfare and waste management.
- **Agrochemical central storage.** Observation and interview related to OSH, worker welfare and waste management.

	<ul style="list-style-type: none"> <li>• <b>Generator House</b> Observation and interview related to OSH, worker welfare and waste management.</li> <li>• <b>Landfill Block R48 Division 1.</b> Observation waste management.</li> <li>• <b>Spraying, Block S50, Division I.</b> Observations and interviews related to work systems related to procedure accordance to SOP, PPE implementation, pesticide filling, pesticide training, socialization HCV area, OSH and employment aspects.</li> <li>• <b>Harvesting and Loose Fruit Picker, Block M58, Division III.</b> Observation and interview with harvesting supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, payment system and employee facilities.</li> <li>• <b>Beneficial plant Block R58/R59 Division II.</b> Field observations of beneficial plant variety and circumstances.</li> <li>• <b>Location of Tyto Alba Block M59 Division III.</b> Observation of BOB location and traces of Tyto Alba's presence.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1.2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Djuandasawit Lestari was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification in website MUTU International on 29 May 2023.</li> <li>• Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch on 5 June 2023.</li> <li>• Public consultation meeting with government institution on 13-14 June 2023.</li> <li>• Public consultation meeting with previous land owners and communities on 14 June 2023.</li> <li>• Public consultation meeting with internal stakeholders and contractor on 13-15 June 2023</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Djuandasawit Lestari.</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 assessment (ASA-1.3) will be conducted eight (8) months to twelve (12) month this assessment.

### 3.0 ASSESSMENT FINDINGS

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

Mutuagung Lestari has conducted an assessment of Muara Kandis Mill – PT Djuandasawit Lestari subsidiary of Golden Agri Resources Ltd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were One (1) Nonconformity were assigned against Minor Compliance Indicator and two (2) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g document record/photographic. Those corrective action(s) taken that consist of one (01) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Muara Kandis Mill – PT Djuandasawit Lestari subsidiary of Golden Agri Resources Ltd complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The company already has a list of documents that can be accessed by stakeholders such as government agencies and NGOs which are presented in the Document Information List for Stakeholders with document number F/SMART/UMUM/SADV/004/003 rev 0.0 on January 5, 2022. Several types of information are included in the document include:</p> <ul style="list-style-type: none"> <li>• Number of employees and list of basic wages of employees</li> <li>• Taxpayer Identification Number (<i>NPWP</i>) data</li> <li>• Payment of local taxes</li> <li>• Environmental documents</li> <li>• Deed of establishment &amp; amendments, area and production data, and application data</li> <li>• Evidence of ownership over land</li> <li>• High Conservation Value (HCV) Identification Report</li> <li>• Social Impact Assessment (SIA) Identification Report</li> <li>• Report of the OSH Committee (<i>P2K3</i>)</li> <li>• Continuous improvement program document</li> <li>• RSPO Audit Report document</li> <li>• Human Rights Policy Documents</li> <li>• Details of Complaints and Complains</li> </ul>	

- Negotiation Procedure
- Farm Drainage Map.

In addition, the company has SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8, 2022. This SOP contains updates to several procedures including those related to format changes, flowcharts and stages of handling complaints and conflicts as well as adjustments to the RSPO and ISPO P&C. The purpose of this SOP is to ensure that complaints and conflicts originating from within (internal) and from outside the company (external) can be resolved effectively and efficiently by taking into account the principles and criteria of oil palm plantations.

The scope of this SOP includes recording of complaints and conflicts, rating, communication, planning, handling, monitoring and reporting of the handling of complaints and conflicts originating from internal and external parties of the company. This procedure also includes handling reports of sexual harassment and acts of violence that occur within the company's operational permits.

Based on the explanation above, the company already has a list of documents that can be accessed by stakeholders and the public.

### 1.1.2

Companies can show records of providing information to relevant agencies in the form of routine reports, for example:

- Manpower Aspect:
  - MKNE: Compulsory Employment Report in Company No. 1663.20230605.0001 on June 5, 2023 and report again on June 5<sup>th</sup>, 2024.
  - MKNM: Compulsory Employment Report in Company No. 31663.20230605.0001 on June 5, 2023 and report again on June 5<sup>th</sup>, 2024.
  - MTWE: Compulsory Employment Report at Company No.1663.20230605.0001 on 5 June 2023 and mandatory report again on June 5<sup>th</sup>, 2024.
  - Announcement of the Board Structure of the Commissariat of FSB NIKEUBA KSBSI Plantation Period 2022-2024 PT Djuandasawit Lestari No. 011.Ext-P/250/DPCFSB-NIKEUBAKSBSI/VI/2022 to the Head of the Manpower and Transmigration Agency of Musi Rawas Regency on 12 June 2022.
  - Decree of the Head of Manpower and Transmigration Agency of Musi Rawas Regency No. 56/KPTS/IV/NAKERTRANS/2022 dated 11 August 2022 concerning Registration of the Bipartite Cooperation Institution PT Djuandasawit Lestari Muara Kandis Unit.
  - Report on Forest and Land Fire Prevention and Management 2<sup>nd</sup> Semester of 2022 received by the Head of the Plantation Agency of Musi Rawas Regency, Musi Rawas Regency Environment Agency, on January 16, 2023.
- Environment Aspect
  - Electronic Receipt Electronic Environmental Reporting Information System ID TTE 1656997394-2005, period 01 January 2022 to 30 June 2022, print date 05 July 2022, Environmental Management Plan Report – Environmental Monitoring Plan status reported.
  - 2. Electronic Receipt Electronic Environmental Reporting Information System ID TTE 1671615091-2005, period 01 July 2022 to 31 December 2022, print date 21 December 2022, Environmental Management Plan Report – Environmental Monitoring Plan status reported.
  - 3. Electronic Receipt of Environmental Electronic Reporting Information System ID TTE 167582094-522, Quarter IV 2022 period (01 October 2022 to 31 December 2022), print date 08 February 2023, Temporary Storage of Toxic Hazardous Waste PT Djuandasawit Lestari – PKS Muara Kandis.
  - 4. Electronic Receipt Electronic Environmental Reporting Information System ID TTE 167582094-522, Quarter I 2023 period (01 January 2023 to 31 March 2023), print date 08 February 2023, Temporary Storage of Toxic Hazardous Waste PT Djuandasawit Lestari – PKS Muara Kandis.
  - 5. Electronic Receipt Electronic Environmental Reporting Information System ID TTE 1676090697-35837, Quarter I 2023 period (01 January 2023 to 31 March 2023), print date 11 February 2023, Temporary Storage of Toxic Hazardous Waste PT Djuandasawit Lestari – Kebun Muara Alum.
  - 6. Receipt of submission of the report on the implementation of the management and monitoring of High Conservation Value Areas at PT Djuandasawit Lestari in 2022, to the Center for Conservation and Natural

Resources, South Sumatra Region, May 30, 2023.

- 7. Electronic Receipt of Environmental Electronic Reporting Information System ID TTE 16786720300-2005, period 01 January 2023 – 30 June 2023, printed date 14 June 2023, Report on Water Pollution Control PT Djuandasawit Lestari Unit Muara Kandis, Status Reported.
- BMP & OHS Aspect
  - Plantation Business Development Report (LPUP) Semester 1 and 2 of 2022 was reported on 31 August 2022 and 10 February 2023 to the Musi Rawas Regency Plantation Office.
  - MKNM P2K3 Report for Quarters 3 and 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on October 20, 2022, January 20, 2023, and April 14, 2023.
  - MKNE P2K3 Report for Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 10, 2023.
  - MTWE P2K3 Report Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 25, 2023.
- Legal Aspect
  - Plantation progress report (LPUP) of PT Djuandasawit Lestari period of Semester II of 2022 has been sent to Plantation Agency of Musi Rawas District on 15 February 2022.
  - HGU utilization report of PT Djuandasawit Lestari for the period of 2022 has been sent to Land Agency of Musi Rawas District on 10 February 2023.
  - The report on the implementation of fire prevention and control was reported to the Plantation Office of Musi Rawas District on January 16, 2023.
  - The report on investment activities for the development phase of the first quarter of 2023 to BKPM through the online system on 10 April 2023.

Stakeholders know the types of information available and know how to get to the information, namely by writing a letter requesting information and submitting it to the Management of PT DSL.

### 1.1.3

The company has a procedure for requesting information and responding to it in SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 which was ratified by the Head of Upstream on March 8<sup>th</sup>, 2022. This SOP contains updates including changes in format, flowcharts and stages for handling complaints and conflicts as well as adjustments to the RSPO and ISPO P&C. The purpose of this SOP is to ensure that complaints and conflicts originating from internal and external can be resolved effectively and efficiently by taking into account the principles and criteria for oil palm plantations.

Records of requests for information are recorded in a book of incoming and outgoing letters along with their responses. Based on a review of documents in the entry and exit book records for the 2022-2023 period, there were no requests for information, but there were letters requesting assistance from several stakeholders, for example, there was an application letter No. RAMNU1/2023 dated 08 February 2023 regarding a request for material assistance for the construction of *PAUD RA* Muslimat *NU1* in Beliti Jaya Village. The company responded in several stages, namely:

- Response from MKNE Estate Manager No. 13/DSL/EM-MKNE/II/2023 dated 15 February 2023 which was received by the Principal of the Muslimat NU Education Foundation that regarding the application for material assistance for the construction of *PAUD RA* Muslimat *NU1* in Beliti Jaya Village is in the process of requesting funds to the center.
- Response from MKNE Estate Manager No. 16/DSL/EM-MKNE/II/2023 dated 28 February 2023 which was received by the Principal of the Muslimat NU Education Foundation that regarding the request for material assistance for the construction of *PAUD RA* Muslimat *NU1* in Beliti Jaya Village is being followed up by the central office.
- Response from MKNE Estate Manager No. 08/DSL/EM-MKNE/III/2023 dated 15 March 2023 which was received by the Principal of the Muslimat NU Education Foundation that regarding the application for material assistance for the construction of *PAUD RA* Muslimat *NU1* in Beliti Jaya Village it has been approved and the handover of the aid will be made on 21 March 2023 (Tentative).
- Minutes of handing over of aid packages on March 21, 2023 by Tzu Chi Rp. 9,760,000 in Beliti Jaya Village, Musi Rawas Regency.

Based on document review and interviews with stakeholders, it is known that there was no request for information from the company, but only a request for support through the Company's CSR program.

#### 1.1.4

The company has a procedure for responding to stakeholders documented in the SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8<sup>th</sup>, 2022. It is explained in the procedure that requests for information or external complaints can be received by every employee both at the site and at the head office.

The unit head compiles a list of stakeholders, which is updated at least once a year based on input from other relevant departments, such as Legal, CSR, Commercial, Operations, or other departments. For example, there is an updated list of stakeholders in MKNM for the period June 10 2023 and in MKNE for the period June 3<sup>rd</sup>, 2023. Requests for information or complaints must be consulted first at the Division Head level, for example with the Region Head, Sustainability Head, CSR Operation Head or other Operational Head.

The company has conducted socialization related to the sustainability program including communication and consultation outreach procedures which were delivered on August 22, 2022 in Divisions 1 and 2 which were attended by 206 people consisting of harvesting employees, maintenance employees, security guards, foremen, and tractor operators.

Based on the description above, it shows that the company has consultation and communication procedures that are explained to all relevant stakeholders.

#### 1.1.5

The company has the latest list of stakeholders, namely June 10<sup>th</sup>, 2023 at MKNM and at MKNE for the period June 3<sup>rd</sup>, 2023, which informs the type of stakeholder, PIC name, title, telephone number, address, and distance from the Certification Unit. The list of stakeholders consists of the government and policy makers in the Musi Rawas district, the local village government, internal organizations, Social Assurance, FFB suppliers, local companies and local farmers.

Based on the results of verifying the list of stakeholders, the Auditor can contact all of the samples via telephone, including the Plantations Agency, the Environment Agency, and the Musi Rawas Regency Manpower and Transmigration Agency. In addition, the Auditor can contact representatives from the Government of Lubuk Pandan Village and Petrans Jaya Village.

Based on the description above, it shows that the company already has an up-to-date list of contacts and detailed information on stakeholders.

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

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

#### 1.2.1

The company has documents regarding policies on business ethics, prevention and eradication of money laundering and corruption eradication that are approved by the company's management. This policy is contained in a document entitled Sinarmas Agribusiness and Food Business and Human Rights Policy which was ratified on December 12, 2019 by the Head of Policy and Compliance Division. The policy consists of 11 commitments that the company implements in its business which include:

- Respect workers' rights in accordance with legal provisions, provide fair treatment without discrimination and build harmonious industrial relations.
- Respect workers' rights in terms of freedom of opinion, collective bargaining, and forming and joining trade unions.
- Prevent the practice of forced labor and do not use workers resulting from human trafficking.
- Make sure not to employ child labour.
- Ensuring the safety of the company's work environment and operations.
- Recognizing the equal rights and participation of women around the operating unit.
- Creating safe and healthy working conditions and providing environmental protection.



- Respect the rights of local and customary communities in accordance with laws and regulations.
- Respect and protect the rights of whistleblowers and human rights defenders.
- Comply with legal requirements regarding the prevention of bribery and corruption.
- Take steps to resolve and remedy negative impacts in accordance with applicable laws and regulations if human rights violations occur.

In addition, the company has a GAR Social and Environmental Policy (GSEP) which was approved on September 8, 2015 by the Head of Upstream, CEO Down Stream & Commercial, Executive Director & CFO and MD of Sustainability & SSE which explains the code integrity and business ethics. Meanwhile, policies regarding the prevention and eradication of money laundering, corruption eradication and corruption prevention can be found in the code of ethics book belonging to the Golden Agri-Resources Ltd group. In the Code of Ethics book at point "39. Upholding Integrity for Business Partners" in the section "Rejecting Bribery and Corruption" it is stated that, the company complies with legal provisions regarding the prevention of bribery and corruption practices that apply in every country wherever the company conducts business processes. Then in the next section, in the same point, namely in the "Anti-money laundering" section it is stated that, the company complies with all laws that prohibit acts of money laundering or funding for illegal or illegitimate purposes, companies are not allowed to carry out transactions involving funds originating from business activities, crimes such as fraud/terrorism/drug trafficking, and companies ensure to do business with reputable customers or business partners for legitimate purposes with legitimate funds.

The company has socialized the code of conduct policy in all parts of the certification unit, for example on September 14<sup>th</sup>, 2022 it was held at Muara Kandis Estate attended by 121 people consisting of harvesting employees, maintenance employees and foremen. Socialization activities include company regulations, business ethics, code of conduct, integrity, communication and consultation SOPs, human rights, and complaint and dissatisfaction SOPs.

Based on the description above, it shows that the company already has a policy to act ethically which is carried out in its operational activities including the recruitment of employees.

### 1.2.2

The company has a system to monitor compliance and the implementation of ethical business practice policies, including SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8, 2022. It is explained in the procedure that requests for information or external complaints can be received by every employee both at the site and at the head office.

In general, all of these SOPs explain the provisions, procedures, monitoring and evaluation related to complaints or reports of violations of GAR's Business Ethics, Ltd. In addition, it regulates deviations from company procedures or policies, complaints from customers or external parties and suggestions for improvements or recommendations for improving the company's systems.

In addition, the company has an Operational Internal Audit Department which conducts operational audits in the field, both financial, factory and agronomy, then the results of these inspections will be reviewed by the company's management.

Based on the description above, it shows that the company already has a system to monitor compliance and the implementation of ethical business policies and practices as a whole.

**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

The unit of certification complies with all relevant laws and regulations, among others:

- Manpower Aspect:
  - MKNE: Compulsory Employment Report in Company No. 1663.20230605.0001 on June 5, 2023 and report again

on June 5<sup>th</sup>, 2024.

- MKNM: Compulsory Employment Report in Company No. 31663.20230605.0001 on June 5, 2023 and report again on June 5<sup>th</sup>, 2024.
- MTWE: Compulsory Employment Report at Company No.1663.20230605.0001 on 5 June 2023 and mandatory report again on June 5<sup>th</sup>, 2024.
- Announcement of the Board Structure of the Commissariat of FSB NIKEUBA KSBSI Plantation Period 2022-2024 PT Djuandasawit Lestari No. 011.Ext-P/250/DPCFSB-NIKEUBAKSBSI/VI/2022 to the Head of the Manpower and Transmigration Agency of Musi Rawas Regency on 12 June 2022.
- Decree of the Head of Manpower and Transmigration Agency of Musi Rawas Regency No. 56/KPTS/IV/NAKERTRANS/2022 dated 11 August 2022 concerning Registration of the Bipartite Cooperation Institution PT Djuandasawit Lestari Muara Kandis Unit.
- Report on Forest and Land Fire Prevention and Management 2<sup>nd</sup> Semester of 2022 received by the Head of the Plantation Agency of Musi Rawas Regency, Musi Rawas Regency Environment Agency, on January 16, 2023.
- Environment Aspect
  - Licensing trying to show business activities Water Resources Exploitation Permit (Kewengan River Area Provincial Government) PB-UMKU: 81203130617920000001, a PT Djuandasawit Lestari, KLBI 01262 – Oil Palm Plantation, March 29, 2022, a Governor of Sumatera Selatan – Head of *DPMPTSP* Sumatera Selatan Province.
  - The DELH document on behalf of PT Djuandasawit Lestari was issued as of December 28 2018 and issued on December 31 2018 with Number 503/09/III/DPM-PTSP/2018 by the Head of the Investment and One-Stop Services Office of Musi Rawas Regency, covering an area of 14,662.77 Ha (an additional 380.08 Ha for Land Applications and an additional estate area of 3,828.65 from the previous document) with a capacity of 60 tonnes/FFB.
  - Environmental permit for Plantation activities and Palm Oil Processing Factory in the name of PT Djuandasawit Lestari with a Location Area of 14,662.77 Ha with a capacity of 60 Tons of FFB/Hour in Muara Kelingi, Muara Lakitan and Megang Sakti Districts, Musi Rawas Regency. Based on the Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Regency Number: 10/KPTS/III/DPM-PTSP/2018 which was stipulated on December 31, 2018.
  - Temporary storage permit for Toxic Hazardous Materials based on the Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Regency number 503/06/LB3/DPM-PTSP/VII/2019 concerning the extension of hazardous waste management permits for PT Djuandasawit Lestari temporary hazardous waste storage activities Lestari on July 16 2019 which is valid for 5 years from the date of stipulation.
  - Permit for the temporary storage of Hazardous waste based on the Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Regency number 503/10/LB3/DPM-PTSP/XI/2019 regarding the extension of the B3 waste management permit for the temporary storage of Hazardous waste by PT Djuandasawit Lestari dated November 4, 2019 which is valid for 5 years from the date of stipulation.
  - Document Number: 660/08/IV/PBMAL/DLH/2022, dated 14 September 2022, concerning Technical Approval for Utilization of Wastewater for Soil Applications.
- BMP & OHS Aspect
  - Plantation Business Development Report (LPUP) Semester 1 and 2 of 2022 was reported on 31 August 2022 and 10 February 2023 to the Musi Rawas Regency Plantation Office.
  - MKNM OHS Committee Report for Quarters 3 and 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on October 20, 2022, January 20, 2023, and April 14, 2023.
  - MKNE OHS Committee Report for Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 10, 2023.
  - MTWE OHS Committee Report Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 25, 2023.
  - The management unit already owns and uses pesticides registered with the Pesticide Commission.
  - IPM activities according to the best IPM guidelines.
  - Reporting on the Plantation Business Development Report of PT Djuandasawit Lestari Semester II of 2022 to the Plantation Agency of Musi Rawas District dated 15 February 2023.
- Legal Aspect
 

The company shown evidences over its compliance toward the applicable regulation related to the aspects of land legality such as PT Djuandasawit Lestari has a Plantation Business Registration Letter (SPUP) issued by the Minister



of Agriculture and Forestry in accordance with Decree no. 107/Mentanhut-VII/2000 dated October 9, 2000 to PT Djuandasawit Lestari for oil palm cultivation activities covering an area of 10,958.4 Ha with a factory capacity of 60 Tons FFB/Hour located in Muara Lakitan and Muara Kelingi Districts, Musi Rawas District, Sumatera Selatan Province.

### 2.1.2

The company already has a system to ensure legal compliance to track changes to applicable regulations. This procedure is contained in the document SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014, which states that the sustainability officer has the responsibility to compile and monitor laws and/or regulations related to laws. The procedure states that in the context of monitoring and updating laws and regulations, the sustainability officer must actively check and coordinate with government agencies or institutions. Internal audits of compliance with regulations are carried out annually for contractors, for example on January 2, 2023 evaluation of the contractor PT Satrindo Jaya Agropalma. The company evaluates 6 criteria, namely contractor quality and performance, timely completion of work, compliance with labor regulations and business ethics, compliance with OSH implementation, housekeeping and compliance with regulations. Environment with Good results.

Based on the description above, it shows that the company already has a documented system to ensure legal compliance that can track changes to applicable regulations.

### 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 3 months. The last HGU stake monitoring was carried out for example in April 2023 at Muara Kandis Estate and Muara Tawas 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 Muara Kandis Estate (Stakes No. 062, 057, 058, 118 and 119) and Muara Tawas Estate (Stakes No. 103, 104, 102, 154 and 153), 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.

<b>Status: Comply</b>
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## 2.2

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

### 2.2.1

The company already has a list of contractors for 2023 which was updated on January 2, 2023. The list provides information regarding Agreement Letter number, contractor name, person in charge, address, Agreement Letter value and Agreement Letter period. The types of services listed in the contractor list are FFB transportation and loose fruit transportation. The vendor is still actively doing his job at PT DSL.

The company also indicated FFB suppliers to Muara Kandis POM, namely:

- Pendawa Plasma
- PT Citraloka Bumi Bengawa
- PT Daya Agro Lestari
- PT Anugrah Agung Amanah
- PT Sadar Sejahtera Bersama

- Maulana Malik Sopiana (BUMDes)
- Indra Darusman
- Karya Subur Farmers Group.

PT DSL has 4 other contractors, related to the transportation of CPO, PK, and toxic and hazardous waste Transportation, including PT Primanru Jaya.

Based on the description above, it shows that the company already has a list of contractors.

## 2.2.2

The company showed a list of local contractors for 2023, namely PT Satrindo Jaya Agropalma as the contractor for the FFB transport and Loose fruit transport. PT SJA can prove the fulfillment of relevant legal obligations, including:

- The Work Agreement  
PT SJA has a work agreement for a certain time with its employees, for example Work Agreement on behalf of Rendi Pranata No. 0001/MKNT/PKWT/1/2023 on January 1, 2023. The Work Agreement regulates the type of work and place of work, working days and hours, terms and conditions of work, validity period of the agreement, wages, rights and obligations, and the expiration of the work agreement.
- Registering employees as members of the Social Assurance
  - PT SJA showed proof of paying for Social Assurance for health May 2023 on May 5<sup>th</sup>, 2023 with payment for Bilyet Giro No. XL 233408
  - PT SJA enrolls its employees in Social Assurance Employment in the pension plan, death guarantee, accident insurance and pension guarantee programs, as an example of proof of payment for Social Assurance Employment for the period June on June 6<sup>th</sup>, 2023 with proof of payment No. 105221230606147435355.
- Minimum Wage  
PT SJA shows a salary slip for May 2023 in the name of the initials RP, total salary is Rp. 4,828,763 with salary components including Basic Wages 3,536,218, overtime Rp. 919,827, Social Assurance allowance Rp. 231,269, Health Assurance Rp. 141,449, Health Assurance Deductions Rp. 176,811 and Social Assurance Deductions of Rp. 337,355.

Based on the description above, it shows that the company has proven that its third party/contractor has fulfilled the applicable legal obligations.

## 2.2.3

The company showed a list of local contractors for 2023, namely PT Satrindo Jaya Agropalma as the contractor for the FFB transport and Loose fruit transport. The company has a partnership with PT SJA in the work agreement letter No. 006/DSL/JKTO-II/XII/2019-ATBS dated December 2<sup>nd</sup>, 2019 valid for 5 years until December 31<sup>st</sup>, 2024. In the work agreement, PT SJA must comply with labor regulations, especially regarding wages and workers over 18 years of age. In addition, there is a statement letter from PT SJA on May 15<sup>th</sup>, 2020 which states that it will not engage in bribery, adheres to business ethics, does not perform forced labor, does not employ underage children, does not employ workers originating from human trafficking, complies with laws and regulations related to OHS aspects, environment, licensing, legality, employment, and conditions required for sustainable palm oil certification.

Based on interviews with the contractor, namely the FFB transport driver PT SJA, it is known that the correspondent is 38 years old, the wage is above the minimum wage and there is no compulsion in working.

Based on the description above, it shows that all contracts have their own clauses that prohibit practices involving child labor, forced labor, and workers from human trafficking.

<b>Status: Comply</b>
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## 2.3

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

### 2.3.1

The Certification Unit can show a list of suppliers who send FFB to Muara Kandi POM. The following is FFB supplier data from outside the scope of certification for the 2023 period, including:

No	Direct Supplier Name	Supplier Address	RSPO Status	Coordinate	Land Status
1	<b>PNDA (Pandawa Plasma) (SSD Plasma under PNDA)</b> Small Farmers Group: KTGA KTRA KTSA KTNA KTJA	KTGA: Tugu Sampurna Village KTRA : Karya Sakti Village KTSA: Beliti Jaya Village KTNA : Karya Mukti Village, Beliti Jaya Village KTJA: Karya Mukti Village, Petrans Jaya Village, Muara Kelingi Sub District, Musi Rawas District	Non-Certified	S 2°54'07.24" E 103°12'41.06"	Regent's Decree
2	<b>CBBX (PT. Citraloka Bumi Begawan)</b>	Semangus Village, Muara Lakitan Sub District, Musi Rawas District	Non-Certified	S 3°3'55.83" E 103°20'48.58"	HGU
3	<b>DALX (PT. Daya Agro Lestari)</b>	Semangus Village, Muara Lakitan Sub District, Musi Rawas District	Non-Certified	S 2°56'76" E 103°21'411"	HGU

Based on the data above, it is known that the FFB suppliers to Muara Kandis POM come from the Own Plantation and Group Plantation and Middleman FFB suppliers outside. The delivery method for outside FFB is not based on individuals but goes through the FFB supplier middleman who represents the individual (in this case as an agent). The contract made is between the company and the middleman. The management unit can show the Traceability Declaration Document – Traceability to Plantation. Document created by Middleman supplier FFB. The types of data contained in the document include Smallholder ID, owner name, legal rights, village location, sub-district, provincial district, geolocation, year of planting, ISPO & RSPO certification status, area, and an average number of FFB shipments.

### 2.3.2

The Certification Unit can show a list of suppliers who send FFB to Muara Kandi POM. The following is FFB supplier data from Indirectly source FFB period 2023, including:

No	Indirect Supplier Name	Supplier Address	RSPO Status	Coordinate	Land Status
1	<b>PAAX (PT Anugrah Agung Amanah)</b> *Local Community FFB	Pelita Jaya Village and Marga Baru Village, Muara Lakitan Sub District, Musi Rawas District	Non-Certified	S 02°48'32.4" E 103°11'102.9"	SHM, SKT, SPPH
2	<b>SSBX (PT Sadar Sejahtera Bersama)</b> * Local Community FFB	Beliti Jaya Village, Muara Lakitan Sub District, Musi Rawas District	Non-Certified	S 2°96'69" E 103°15'74"	SHM, SKT, SPPH
3	<b>Maulana Malik S (MMSX)</b> * Local Community FFB	Petrans Jaya Village, Muara Kelingi Sub District, Musi Rawas District	Non-Certified	S 2°91'65" E 103°15'14"	SHM, SKT, SPPH

The company can show data from all indirect FFB suppliers in collaboration with Middleman FFB Suppliers equipped with evidence that the indirect FFB suppliers already have legality on the managed land, explained on traceable to plantation. For example, PT Anugrah Agung Amanah (PAAX) has 711 supplier farmers. The following are some samples of supplier farmers who send FFB to middlemen on behalf of PT Anugrah Agung Amanah (PAAX) as follows:

No	Supplier Name	Supplier Address	Ha	RSPO Status	Coordinate	Land Status
1	Boimin	Lubuk Pandan Jaya Village, Muara lakita Sub District, Musi Rawas District	8	Non-Certified	Latitude: -2,894108 Longitude:	Land Certificate

					103,155581	
2	Bowo	Marga Sakti Village, Muara Kelingi Sub District, Musi Rawas District	1	Non-Certified	Latitude: -2,957088 Longitude: 103,211591	Freehold Title
3	Didik Suwandi	Mekarsari Village, Muara Kelingi Sub District, Musi Rawas District	1	Non-Certified	Latitude: -2,989355 Longitude: 103,139835	Freehold Title
4	Dodoy	Lubuk Pandan Village, Muara Lakitan Sub District, Musi Rawas District	1	Non-Certified	Latitude: -2,800552 Longitude: 103,110202	Freehold Title
5	Efendy	Marga Sakti Village, Muara Kelingi Sub District, Musi Rawas District	1	Non-Certified	Latitude: -2,958597 Longitude: 103,211982	Freehold Title

The company can also show proof of legal documents owned by the sample farmers above in the form of certificates of land rights they have, as well as information on the location of their land which is not in the disputed area or state land and forest area under protection status.

The company has identified the sources of those suppliers' covering information of contact person, location, coordinates, land ownership status (SHM, SKT). The company has ensured that the FFB were from legal sources.

**Status: Comply**

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

#### **3.1**

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

##### **3.1.1**

The company has a long-term plan which is contained in the 5-Year Economic Feasibility Analysis document of PT Djuandasawit Lestari for 2023 – 2027 which was approved by the Director of PT Djuandasawit Lestari on 31 May 2023. The document contains information on the plantation business including projected production of FFB MKNE and MTWE, plans for FFB sources, CPO and PK production projections, cost projections and others. The document also contains information regarding the replanting plan that will be carried out by the company in 2024 covering an area of 647 Ha, in 2025 covering an area of 1,878 Ha, in 2026 covering an area of 1,885 Ha, and in 2027 covering an area of 1,412 Ha.

In carrying out its operational activities the company conducts evaluation activities. Records of the periodic evaluation of the planning carried out by the company were shown by the company through the MKNE plantation management review document which was conducted on October 6, 2022. The document provides information on matters including: evaluation of constraints on harvesting activities and plant care, evaluation of harvest costs, evaluation of delivery activities and FFB grading, evaluation of road maintenance work, and others.

From the previous audit, information on financial audit activities for the year ended December 31, 2021 conducted by the Public Accounting Firm Tanubrata Sutatanto Fahmi Bambang & Rekan has received a fair opinion in all material respects as well as its financial performance and cash flow for the year ended The date is in accordance with the Indonesian Financial Accounting Standards. The financial audit activities for the financial year ended 31 December 2022 conducted by the same public accounting firm stated that the company's financial statements received a fair opinion in all material respects as well as its financial performance and cash flows for the year ended on that date in accordance with Accounting

Standards Indonesian Finance.

### 3.1.2

The company shows documents regarding the plan for replanting activities contained in the 5-Year Economic Feasibility Analysis document of PT Djuandasawit Lestari for 2023 – 2027 which was approved by the Director of PT Djuandasawit Lestari on 31 May 2023. The document contains information that the replanting plan that the company will carry out will be carried out in 2024 covering an area of 647 Ha, in 2025 it will be 1,878 Ha, in 2026 it will be 1,885 Ha, and in 2027 it will be 1,412 Ha.

### 3.1.3

The company conducted management review meeting activities on October 7, 2022 which were contained in the minutes of the MKNE management review meeting on the form F/SMART/UMUM/SADV/010/001 Rev 0.0. The management review meeting was attended by Head of Administrations, agronomy assistant, agronomy assistant, Kanitpam, engineering assistant, infrastructure assistant, SPO officer, and seed assistant. The agenda for the management review meeting that was held was a discussion of the results of the internal audit that was carried out on September 5 – 9 2022 with the scope of the audit being the MKNM, MKNE, and MTWE units. The results of the RSPO audit carried out by the company's internal auditor team indicated that all relevant principles and criteria were in accordance with the company's business processes and operational activities. In addition to discussing the RSPO internal audit results, the management review activity also discussed the ISPO, ISCC, OHS Management System, and OIA internal audit results. ISPO, ISCC, OHS Management System internal audit results stated that there were no findings. For the OIA audit activity, it was found that the results of the IPD and the observation of the area at risk indicated that production losses/potential losses still needed to be controlled, the company's assessment of the need for a special strategy to reduce losses due to difficulty harvesting in high main locations and hilly areas, as well as plans to increase productivity. The management review also discusses feedback from customers, process performance and product conformity, preparation of preventive and corrective actions, discussion of follow-up from management reviews, identification of changes that may affect the management system, and preparation of recommendations for improvement.

Other units also carry out management review activities such as the MTWE management review meeting on 10 October 2022, documented in the minutes of the management review meeting F/SMART/UMUM/SADV/010/001 Rev. 0.0 which was attended by Head of Administrations, medical assistant, agronomy assistant, technical assistant, and SPO officer with an agenda to discuss internal audit results of RSPO. The results of the RSPO audit carried out by the company's internal auditor team indicated that all relevant principles and criteria were in accordance with the company's business processes and operational activities. In addition to discussing the RSPO internal audit results, the management review activity also discussed the ISPO ISCC, OHS Management System, OIA, discussion of customer feedback, process performance and product conformity, preparation of preventive and corrective actions, discussion of follow-up from management review, identification of changes that may affect the management system, as well as preparation of recommendations for improvement. The MKNM management review meeting was held on 06 October 2022 documented in the minutes of the management review meeting F/SMART/UMUM/SADV/010/001 Rev. 0.0. The agenda for the management review meeting is a discussion of the results of the RSP. The results of the RSPO audit carried out by the company's internal auditor team indicated that all relevant principles and criteria were in accordance with the company's business processes and operational activities. In addition to discussing the RSPO internal audit results, the management review activity also discussed the ISPO, ISCC, and OHS Management System internal audits that were previously conducted. Followed by discussion about customer feedback, process performance and product conformity, preparation of preventive and corrective actions, discussion of follow-up from management review, identification of changes that may affect the management system, as well as preparation of recommendations for improvement.

<b>Status: Comply</b>
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## 3.2

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

### 3.2.1

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

as:

- Waste management and monitoring through WWTP Management, effluent quality testing and reporting to the Musi Rawas Regency Environmental Agency.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to the Musi Rawas Regency Environmental Agency.
- Management and monitoring of groundwater through testing ground water quality and reporting it to the Musi Rawas Regency Environmental Agency.
- Hazardous waste management through the Storage of Hazardous and Toxic Waste and Waste Management and Monitoring of Hazardous and Toxic Materials.
- Greenhouse Gas (GHG) Management. Implement zero burning policy, utilization of EFB, shells and fiber as renewable energy, regular engine maintenance, and regular emission quality tests.
- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable fuels and the use of fertilizers and pesticides are in accordance with the recommendations to reduce the use of fossil fuels.
- Utilization of beneficial plants such as *Turnera subulata*, *Antigonon leptopus*, and *Cassia cobanensis*.
- Utilization of natural predator such as *Tyto alba* to control the pests.
- Application of EFB for the additional plant nutrition.
- There is no pesticide with paraquat active ingredient was used.
- All work processes are carried out according to Hirac identification.
- The organization has a person in charge of OSH, an emergency response preparedness team, and a forest and land fire prevention task force.
- Organization routinely conducts the medical check-up activities for the workers and evaluate the medical check up result.
- The company has shown documents related to the RSPO internal audit which was carried out on 5-9 September 2022 where there were found 1 of non-conformities during the assessment. The company has shown management review document conducted 7 October 2022 related to the RSPO internal audit results of PT DSL. Based on this document, no that the non-conformities.

### 3.2.2

The Unit of Certification can submit annual reports using the RSPO Metrics Template format which is submitted to the RSPO Secretariat via the CB. The company also has shown the auditor regarding the RSPO metric template that has been filled in according to the facts and data in the company's record documents, such as MKNE FFB production for January 2022 – December 2022's period is 47.180 MT and for May 2022 – April 2023's period is 53.753,26 MT, MTWE FFB production for January 2022 – December 2022's period for MTWE is 58.252 MT and May 2022 – April 2023's period is 66.413,78 MT, number of workers in MKNM 131 employee, MTWE 361 employee, and MKNE 530 employee. Besides that, there is data the area of production to the record of work accidents, the area of HCV, the amount of freshwater usage for FFB processing 180.717 m<sup>3</sup> and etc. All data that informed in the RSPO Metrics Template was in sync accordance to the raw existing Data in the company's real record documents.

The companies can submit annual reports using the RSPO Metrics Template format which is submitted to the RSPO Secretariat via the CB. The company also has shown the auditor regarding the RSPO metric template 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, the area of HCV, the amount of freshwater usage for FFB processing and etc. All data that informed in the RSPO Metrics Template was in sync accordance to the raw existing Data in the company's real record documents.

Based on the explanation above, it is known that certification unit already implemented monitoring and continuous improvement process, through annual reports that are submitted to the RSPO Secretariat using the RSPO Metrics Template.



**Status: Comply**
**3.3**
**Operating procedures are appropriately documented, consistently implemented and monitored.**
**3.3.1**

The company has procedures related to plantation and mill operations, including mill, estates and Traceability system. Based on verification with representative management, starting in 2021 the company has made changes in work procedures through the 1.0 revision with an issued date of June 15<sup>th</sup>, 2020 which was prepared by the SOP integration team and checked by MCAR and PCDV for agronomic activities and SOP/ SMART/MCMD/II/TM-PMKS with an issued date of February 10<sup>th</sup> 2020 which was prepared by the SOP integration team and checked by MCMD and PCDV

The SOP is contained in documents including the following:

1. SOP for Planning for New Land Preparation, No. SOP/SMART/MCAR/TA-PPL, dated 15 July 2020 revision 1 which describes the stages of activities: scoping social risks, socialization of plans and agreements on social and environmental studies, socialization of the results of social and environmental studies and community approval, implementation of agreements, and processes HGU management.
2. SOP for New Land Preparation, No. SOP/SMART/MCAR/IV/TA-PLB, dated 15 July 2020 revision 1. The procedure describes the technical preparation for opening new land for planting oil palm, including the stages of pilot activities – blocking and roads, building roads, bridges and drainage, land preparation on open land and young mineral groves using the principle of zero burning, preparation of ex-bush land, making contour terraces and hoofs.
3. SOP for Palm Oil Planting No. SOP/SMART/MCAR/V/TA-PAKS, dated 15 July 2020 revision 1 which among other things regulates planting stakes, planting nuts, planting holes for oil palm, retailing seeds, planting oil palm, tree census, and block numbering.
4. SOP of Oil Palm Rejuvenation (Replanting), No. SOP/SMART/MCAR/VI/TA-RPL, dated 15 July 2020 revision 1 describes: cessation of fertilization 2 years before rejuvenation, tree census, blocking, mechanical replanting techniques including tree felling, stump dismantling and chipping ) with excavators.
5. SOP for Nursery No. SOP/SMART/MCAR/III/TA-BBT dated 15 July 2020 revision 1 contains information regarding:
  - Preparation of nursery land in two stages as contained in IK/SMART/MCAR/III/TA-BBT/01
  - Preparation of pre nursery planting media contained in IK/SMART/MCAR/III/TA-BBT/02
  - Acceptance and planting of sprouts is contained in IK/SMART/MCAR/III/TA-BBT/03
  - Watering the seedlings is contained in IK/SMART/MCAR/III/TA-BBT/04
  - Selection for pre-nursery is included in IK/SMART/MCAR/III/TA-BBT/05
  - Preparation of media for planting the main nursery contained in IK/SMART/MCAR/III/TA-BBT/06
  - Transplanting into large polybags contained in IK/SMART/MCAR/III/TA-BBT/07
  - The selection for the main nursery is contained in IK/SMART/MCAR/III/TA-BBT/08
  - Preparation for transferring and transporting seedlings to the field is contained in IK/SMART/MCAR/III/TA-BBT/09
  - Trimming fronds and roots is included in IK/SMART/MCAR/III/TA-BBT/10
6. SOP for planting oil palm plantations on mineral land No. SOP/SMART/MCAR/V/TA-PAKS dated 15 July 2020 Revision Number 1.0. The SOP contains guidance on:
  - Stake for planting flat area until wavy, contained in IK/SMART/MCAR/V/TA-PAKS/01
  - Stake for planting in hilly areas, contained in IK/SMART/MCAR/V/TA-PAKS/02
  - Planting and caring for *Mucuna bracteata* (Mb) fields, contained in IK/SMART/MCAR/V/TA-PAKS/03
  - Manual planting of *Pueraria javanica* (Pj) and *Calopogonium mucunoides* (Cm) legumes, contained in IK/SMART/MCAR/V/TA-PAKS/04
  - Mechanical planting of legumes, contained in IK/SMART/MCAR/V/TA-PAKS/05
  - Planting hole, contained in IK/SMART/MCAR/V/TA-PAKS/06
  - Retail of seeds, contained in IK/SMART/MCAR/V/TA-PAKS/07
  - Planting oil palm seeds, contained in IK/SMART/MCAR/V/TA-PAKS/08
  - Tree census, contained in IK/SMART/MCAR/V/TA-PAKS/09
  - Block numbering, contained in IK/SMART/MCAR/V/TA-PAKS/10
7. SOP for Peat Management and Monitoring, document number, document number SOP/SMART/MCAR/XVIII/TA-PPG, dated 15 July 2020, describes the installation and monitoring of Peilsschaal, installation and monitoring of monitoring wells, installation. Monitoring, maintenance of loggers, installation, monitoring and maintenance of subsidence stakes, regulation and monitoring of water levels, monitoring of peat subsidence.

8. SOP for Pest and Plant Disease Control in SOP/SMART/MCAR/VII/TA-HPT. Procedures explaining: census and control of pests and diseases in nurseries, TBM and TM, as well as a detailed explanation of actions for detection, census, biological, mechanical and chemical pest control, as well as prevention and control of other types of pests and diseases.
9. SOP for Weed Control in the SOP/SMART/MCAR/VIII/TA-PGM document. This procedure describes the steps that need to be taken to control weeds in oil palm plantations in seedlings, TBM and TM as well as monitoring the use of pesticides.
10. SOP for Fertilization in the SOP/SMART/MCAR/IX/TA-PPK document. This procedure is intended as a guide in carrying out fertilization in accordance with management policies. The scope of fertilization activities in the SOP includes all activities related to fertilizing oil palm in nurseries, TBM and TM, both inorganic fertilization and by product (empty bunch, POME) of oil palm based on the results of soil and leaf analysis as well as the management and washing of used sacks. Fertilizer.
11. SOP for the Maintenance of Immature Plants and Mature Plants in the SOP/SMART/MCAR/X/TA-PTB and SOP/SMART/MCAR/XII/TA-PTM documents.
12. SOP for Pre-harvest Preparation Activities in the SOP/SMART/MCAR/XI/TA-PMP document, which includes pollinator insect development, castration and sanitation activities.
13. SOP for harvesting the company's oil palm is contained in the SOP/SMART/MCAR/XIII/TA-PNN document issued on 15 July 2020. The document describes harvest planning, setting random and harvest cycles, harvesting systems, harvesting activities, harvest monitoring, as well as fruit ripeness criteria.

The company also has a complete SOP related to processing palm oil into CPO and PK at the Palm Oil Mill. SOP/SMART/MCMD/I/TM-PS 7<sup>th</sup> revision dated on 3 January 2022. The SOPs covering all plant operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Factory, Laboratory, CPO & PK Delivery, Machine Room, Boiler Room, Electrical, Workshop as well as Raw and Water Treatment Plants Boilers. The SOPs are available at the audit site (Plantation and Factory offices) and are written in a language that is easy for workers to understand (written in Indonesian).

Based on field observations, it was revealed that the workers had understood the technical work according to the procedures they had. For example, field observations in the boiler section show that the operator has understood the work aspects according to the procedure. Likewise, observations at Spraying Block C21 Division 6 (4 Pesticide Applicator) Muara Kandis Estate and Harvesting and Loose Fruit Picker, Block M58, Division III Muara Tawas Estate show that harvesters and sprayers understand harvesting techniques according to company procedures.

### **3.3.2**

Mechanisms to checking the implementation of procedures are carried out consistently starting from the level of supervision by foremen and field assistants and followed by daily evaluation in morning briefing. Besides that, the inspection also goes through an internal audit conducted by the OIA Department with a frequency of activities 2 times a year that refers to the procedure of Internal audit in SOP/SMART/UMUM/SADV/009 and will be followed up in the management review meeting. For management review activities described in 3.1.3.

The company monitors contractor performance related to compliance with procedures through internal audits carried out. The company can show the results of the internal audit in 2023. For example internal audits for kontraktor PT Satrindo Jaya Agropalma tanggal 02 January 2023 from the results of the internal audit, it is known that the contractor has complied with the company's procedures, I regulation and work target.

### **3.3.3**

Monitoring and follow-up records are managed and maintained. This is regulated in SOP/SMART/UMUM/SADV/II/001 issued on July 1<sup>st</sup>, 2014 which states that the types of records and documents have a shelf life for 10 years. Recording forms are available such as management review reports that conducted on October 2022 which discuss about RSPO, ISPO, ISCC, and OHS internal audit that documented in form F/SMART/UMUM/SADV/010/001 Rev. 0.0 made by SPO officer and approved by EM estate. For management review activities described in 3.1.3.

The OIA management review was carried out on 2022 (dated 05 – 09 September 2022). Things that were considered in the management review of the results of the operational audit, among others, were maximizing fruit production, maximizing



fruit transportation time so that the fruit produced was fresher by shunting FFB to areas that can be manually. Each unit has documented plantation operations and factory production such as daily reports, supervisor's workbooks, etc. The field visit to the factory showed that the unit had documented daily activities in daily production reports which were documented using a computerized system. Based on the procedure, the certificate holder is known to routinely conduct an internal audit every 6 months. The internal audit is carried out by the SMART Internal Auditor to conduct inspections related to the operations of the management unit (plantations and factories). The certificate holder shows the results of the 2022 internal audit. The implementation of the internal audit includes several criteria such as: cash bank administration, inventory, plant maintenance, plant production, plant production, wages and personnel.

The company monitors contractor performance related to compliance with procedures through internal audits carried out. The company can show the results of the internal audit in 2022. From the results of the internal audit, it is known that the contractor has complied with the company's procedures.

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

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

#### 3.4.1

##### **Environment Impact:**

Environmental impact analysis document (AMDAL) consisting of an Environmental Impact Analysis document (ANDAL) and an Environmental Management Plan (RKL) – Environmental Monitoring Plan (RPL) document for PT Djuanasawit Lestari's oil palm plantations and mills in Muara Kelingi and Muara Lakitan Districts, Musi Rawas Regency, Sumatera Selatan, which was developed by PT Djuanasawit Lestari with a study area of 14,000 ha and POM capacity of 60 tons of FFB/hour. This AMDAL document has received approval from the minister of agriculture with decision number 29/ANDAL/RKL-RPL/BA/VIII/1998 which was approved on August 4, 2013.

The important impact components in the AMDAL documents that will be monitored and managed are:

- Erosion
- Decreased water quality
- Changes in vegetation
- Presence of wildlife and plant pests
- Social community (work and business opportunities, community income, community complaints and unrest).

In connection with the addition of the permit area and additional activities, namely land application activities, the Company is conducting another environmental feasibility assessment to assess and update the new impacts that have arisen and to determine a new management and monitoring plan.

The environmental feasibility assessment is contained in the Environmental Evaluation Document, which has been approved based on the Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Regency, Number 503/09/III/DPM-PTSP/2018, December 28, 2018, concerning Feasibility Environment Environmental Evaluation Document (DELH) for palm oil plantation and processing factory activities on behalf of PT Djuandasawit Lestari with a site area of 14,662.77 hectares with a capacity of 60 Tons of FFB/Hour in Muara Kelingi, Muara Lakitan and Megang Sakti Districts, Musi Rawas Regency.

For POM and Plantation activities, the company already has an Environmental Permit on behalf of PT Djuandasawit Lestari with a Location Area of 14,662.77 Ha with a capacity of 60 Tons of FFB/Hour in Muara Kelingi, Muara Lakitan and Megang Sakti Districts of Musi Rawas Regency Based on the Decree of the Head of the Investment and Service Office One Stop Integrated Musi Rawas Regency Number: 10/KPTS/III/DPM-PTSP/2018 which was stipulated on December 31, 2018.

##### **Social Impact:**

The company has conducted a Social Impact Assessment of the Palm Oil Plantation and Mill of PT. Djuandasawit Lestari, Musi Rawas Regency, Sumatera Selatan Province, carried out by the Social Impact and Grievance Section (SIGS) Team

of PT. SMART, Tbk. 2014. SIA Assessors: Veranita Mei Pratiwi (Social and Anthropology) and Yosaphat Ardhilla Renato (RSPO Approved HCV Assessor Discipline Specialist Social: Pre, Socioeconomic or cultural studies, participatory mapping, conflict resolution).

Methodology: Qualitative approach. Primary and secondary data collection. Study area coverage: Muara Lakitan District (Lubuk Pandan Village); Megang Sakti District (Muara Megang Village); Muara Kelingi District (Lubuk Tua Village, Marga Sakti, Karya Sakti, Petrans Jaya, Karya Mukti, Belita Jaya, Perfect Monument).

Primary data: observation method, in-depth interviews and FGDs with affected parties. Total number of respondents: 88 people consisting of village/sub-district officials, community leaders, management of oil palm cooperatives, farmers, trade unions, employees and residents of employee huts.

The company shows proof of attendance list of Social Impact review activities, as follows:

1. September 13, 2023, in Lubuk Pandan Village, which was attended by 5 community representatives.
2. September 13, 2023, in Lubuk Tua Village attended by Village Officials, Community Leaders and community representatives.
3. On September 14 2023, in the village of Marga Sakti, attended by village officials, village representative bodies, religious leaders and educational leaders.
4. On September 14 2023, in Beliti Jaya Village, attended by village officials, village representative bodies, community representatives.
5. On September 15 2023, in Muara Lakitan Village, attended by the Village Head, Village Secretary, Village Representative Body, Religious Leaders.

The above activities are carried out to gather information, complaints and suggestions from the public regarding the impact of company operations on the environment and social, and then used as a basis for planning SEIA management and monitoring activities.

The company shows Reports On Management And Monitoring Of Social Impacts Of Plantations And Palm Oil Factories periode 2021 – 2022, which contains information on stakeholder consultation processes, handling of issues that existed in the previous year, and plans for management and monitoring of social impacts based on the results of stakeholder consultations.

The company shows a program to improve the welfare of the surrounding community based on the results of consultations with the local community which are described in several documents, namely:

1. Report on the implementation of the 2022 CSR program.
2. Report on maintenance, harvesting and transport costs for May 2023 for KUD in Karya Sakti, Beliti Jaya, Karya Mukti and Petrans Jaya villages which explains the costs of plant maintenance, harvesting and transportation. While staff costs by the company.
3. The CSR work plan for the SUMSEL 1 region explains that the plan was prepared on January 11, 2023 and signed by the company and the village head.

Companies need to ensure that CSR programs are prepared based on the aspirations of several layers of society which are priority villages around the company and pay attention to selecting programs according to needs based on a shared priority scale (OFI)

#### **3.4.2**

The company already has social and environmental impact assessment documents as well as management and monitoring plans as detailed in indicator 3.4.1, and based on interviews with company representatives there has been no change in the documents on social and environmental impacts.

In the implementation process, the company refers to the environmental and social impact management and monitoring plan, which is summarized in the Environmental Management and Monitoring Plan Matrix and the Social Management and Monitoring Plan Matrix.

The development of a social and environmental impact management and monitoring plan is developed based on the results of the following activities:

**A. Environment**

1. Environmental quality testing (water, air, liquid waste) is conducted every 6 months
2. Erosion monitoring
3. Monitoring the impact of FFB transportation
4. Monitoring public perception of company activities is carried out once every 1 year
5. Quality testing of air emissions, air ambien, odoran, vibration and noise, liquid waste from WWTP.

**B. Social**

1. Monitoring negative and positive perceptions of the company's operations is carried out using the discussion group forum method which involves the community around the company area.

The above activities serve as the basis for social and environmental performance evaluation activities to determine plans for improvement and improvement of environmental and social management and monitoring activities in the following year.

### 3.4.3

**Environmental aspect:**

The company implements the Environmental Management Plan – Environmental Monitoring Plan which is contained in the report on the Implementation of the Environmental Management Plan and the Environmental Monitoring Plan Semester 2 of 2022. The report contains environmental management and monitoring components including:

- a. Slope and erosion monitoring is carried out every 6 months
- b. Wastewater quality test is carried out once a month
- c. Surface water quality test, carried out every 6 months
- d. Noise and odor test, carried out every 6 months
- e. Air and ambient air emission tests are conducted every 6 months
- f. Monitoring the potential for land fires is carried out every day through a fire hazard rating system
- g. Monitoring and identification of flora and fauna. Done every 1 year
- h. Community perception
- i. In addition to these activities, the company also manages and monitors hazardous and toxic waste, to ensure that there is no impact on the environment due to the use of toxic hazardous materials.

These activities are carried out continuously as long as the company operates and an evaluation of the environmental monitoring/management plan is carried out every semester and is included in the Management Plan and Environmental Monitoring Plan report, the liquid waste management report and the report on the management of Hazardous and Toxic Material waste. For water and air quality testing activities as well as liquid waste, the company cooperates with environmental test laboratories that have received *KAN* accreditation. Activities that have been carried out are then evaluated for compliance, trends, and critical assessments as well as evaluation of trend levels. For reports on the management of liquid waste and Toxic Hazardous Waste, the format is adjusted to the permit granted.

Report on Implementation of Environmental Management and Monitoring Plan, Semester 2 of 2022, Liquid Waste Management Reports and Hazardous Toxic Waste Management Reports have been submitted to Government Agencies with the following evidence:

1. Electronic Receipt of Environmental Electronic Reporting Information System *ID TTE 1671615091-2005*, period 01 July 2022 to 31 December 2022, printed date 21 December 2022, Environmental Management Plan Report – Environmental Monitoring Plan status reported.
2. Electronic Receipt Electronic Environmental Reporting Information System *ID TTE 167582094-522*, Quarter I 2023 period (01 January 2023 to 31 March 2023), print date 08 February 2023, Temporary Storage of Hazardous Waste PT Djuandasawit Lestari – Muara Kandis POM.
3. Electronic Receipt Electronic Environmental Reporting Information System *ID TTE 1676090697-35837*, Quarter I 2023 period (01 January 2023 to 31 March 2023), print date 11 February 2023, Temporary Storage of Hazardous Waste Materials PT Djuandasawit Lestari – Muara Tawas Estate.

4. Receipt of submission of report on the implementation of management and monitoring of High Conservation Value Areas at PT Djuandasawit Lestari in 2022, to the Center for Conservation and Natural Resources, Sumatera Selatan Region, May 30, 2023.
5. Electronic Receipt of Environmental Electronic Reporting Information System ID TTE 16786720300-2005, period 01 January 2023 – 30 June 2023, print date 14 June 2023, Report on Water Pollution Control PT Djuandasawit Lestari Unit Muara Kandis, Status Reported.

**Social Impact Aspect:**

The company shows the Management Report for Monitoring Social Impacts, Plantations and Palm Oil Mills for the period 2022, November 2022. This report discusses a review of social impact management in 2021 and a review of monitoring of social impact monitoring activities in 2022. Among other things, it contains information:

1. Management of the negative impacts of road maintenance which is less than optimal results in the company's operations and the surrounding village community being hampered, in this case the company carries out periodic planning of road maintenance programs around the estate and surrounding village roads as well as increasing communication with the community regarding technical road maintenance according to the availability of tools heavy.
2. Conduct annual monitoring of community perceptions in terms of absorption of local workers, to ensure that local workers are the priority workforce in the company.
3. Annual monitoring and management of CSR programs that have been implemented, by conducting public opinion polls and communicating with stakeholders.

Based on the results of interviews with representatives of the Petrans Jaya Village community on June 13 2023, there was an issue that the distribution of flies had increased due to the application of empty fruit bunches in the company area adjacent to the village boundary. Interview with representatives of the Beliti Jaya community on June 13 2023, there was an issue that the spread of flies had increased due to the application of empty flower beds in the company area

Based on document verification:

1. Minutes of Socialization, March 9 2020 regarding a participatory study regarding negative issues related to flies in residents' settlements caused by empty bed sheets and statements of FFB transport trucks from outside FFB suppliers that have not passed the Karya Sakti SP2 Village Road.
2. Social Impact Monitoring Report, 2019 – 2020 period, review for the period January 2019 – January 2020, discusses the perceptions of the people of Karya Sakti and Petrans Jaya Villages regarding the appearance of flies in the village, describes investigative activities involving the Musi Rawas Regency Environmental Service with results not mentioning that The flies that were complained of in the two villages came from the company's empty fruit basket application, and the status of the impact was declared not proven.
3. Report on Management of Monitoring Impacts on Palm Oil Plantations and Mills for the 2022 period, November 2022, the review period for 2021 is included in the social impact management review agenda and 2022 is included in the monitoring agenda, the report does not discuss monitoring the impact of the empty fruit application which raises flies
4. Based on the results of interviews with management representatives, it was explained that social impact monitoring from 2022 to 2023 will be discussed in the social impact monitoring report for the September 2023 period.

Based on the information above, the company needs to ensure that the latest SIA program contains the latest issues and pays attention to historical issues that have arisen in previous activities, this becomes an OFI.

<b>Status: Comply</b>	
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**3.5**
**A system for managing human resources is in place.**
**3.5.1**

The unit of certification has procedures regarding recruitment, selection, employment, promotion, retirement and termination of employment that are described in the 2022-2024 Collective Bargaining Agreement. In general, this procedure describes the following:

- Recruitment of workers is based on needs and adjusted to the company's capabilities.
- The minimum age of prospective workers is 18 years when recruiting workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- Companies are authorized to carry out placement, transfer and promotion of workers in accordance with applicable

regulations.

- Termination of employment can occur when a worker retires, dies, resigns, and terminates the work agreement due to serious and other violations.

Apart from being stated in the labor agreement, the certification unit also has other procedures in the form of Policies, SOPs, Internal Memorandums, and others related to recruitment, promotion, retirement, termination of employment and others. These procedures have been documented for all workers and their representatives. For example Procedure No. SDM D-010-00 concerning Promotion, policy on labor procurement Procedure No. KHI-SMART/001-01 published date and effective date 1 March 2018 contains policies on workforce recruitment.

The employee career path system is regulated in HRD Circular Letter No 178/EAS/HRD/09/00 dated 1 September 2020, stating the application of class and position provisions, procurement of employee performance appraisals by the heads of each unit which will be used as guidelines for improvement career paths, determination of standard positions and ranks.

In addition, there is a policy no. HRD D-014-00 concerning Assessment Training, Career Development, and general provisions for promotion of Monthly SKU employees by Sr. Managing Director. There are two explanations regarding monthly SKU promotions, namely

- Class Promotion and Position Promotion.
- Class promotions provide an increase in base salary.
- Promotion is accompanied by changes in benefits or facilities.
- Automatic class promotion (based on ratings).
- Acceleration class promotion (for nice employees).
- There is a minimum working period for each position and class.

Based on the description above, it shows that the company has procedures for recruitment, selection, acceptance, promotion, retirement and termination of employment documented and available to workers and their representatives in accordance with applicable laws and regulations.

### **3.5.2**

The company has documented employment procedures such as recruitment, promotion, performance appraisal and others. For example, there are the following employment documents:

- A job application letter with the initials AR to the Factory Manager of PT DSL
- Photocopy of KTP No 1605033112010001
- Photocopy of Family Card No 1605032712070086
- Photocopy of Vocational High School which has been legalized on May 2<sup>nd</sup>, 2020
- Photocopy of grade transcript
- Certificate of work experience from PT SBA Wood Industries N0 146/SKK/HR&GA-SBA/III/2021 on March 21<sup>st</sup>, 2021
- Certificate of Police Records on behalf of the Head of Musi Rawas Resort Police on March 22<sup>nd</sup>, 2021
- Job seeker registration card which was legalized on March 22<sup>nd</sup>, 2021
- Health certificate from the Karya Sakti Health Center No 440/217/PKM-KS/2021 on March 26<sup>th</sup>, 2021
- Photocopy of Health Assurance Card.

In addition, there is documentation of the workforce recruitment process flow, including:

- A job application letter with the initials AW on July 5<sup>th</sup>, 2022 to the Manager of Muara Kandis Estate as teacher at Muara Kandis Elementary School, which is accompanied by a copy of a diploma, a copy of grade transcripts, an application letter, curriculum vitae, photocopy of ID card and photo size 3x4.
- Results of the Elementary School pedagogy test on July 16<sup>th</sup>, 2022 with good results.
- Elementary school academic ability test results on July 16<sup>th</sup>, 2022 with good results.
- Participants are declared to have passed and made an agreement in the work agreement letter for a certain time No 132/MKNE/PKWT/VII/2022 on July 29<sup>th</sup>, 2022 with a work agreement period from 1 August 2022 to 31 July 2023. The Work Agreement explains identity, type of work and place of work, days and hours of work, terms and conditions of employment, validity period of the agreement, wages according to the minimum wage, and rights and obligations.



The explanation above proves that the unit of certification has properly implemented and documented employment procedures for each employee.

**Status: Comply**

### 3.6

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

##### 3.6.1

The company's policy of OHS legalized on November 1<sup>st</sup>, 2013 explain about hazard identification, environmental impact analysis and all activities/activities/work, work processes, work methods/methods, work places/locations, work equipment and materials/materials by using hazard identification forms, environmental impact analysis and risk assessment to prevent accidents and occupational diseases.

The company has a document of hazard identification, risk assessment and risk control (HIRAC) MKNE for January – December 2023 period which was made on January 5<sup>th</sup>, 2023, documented in F/SMART/HESS-EHSD/SADV/002/002, HIRAC MKNM for January – December 2023 period which was made on January 11<sup>th</sup> documented in F/SMART/HESS-EHSD/SADV/002/001. The document describes the potential hazards, risk assessment and risk control for each activities in mill and estates that must be obeyed by all workers. The results of the document review revealed that the HIRAC MKNE and MTWE have identified all operational activities in the plantation, such as activities at the day care center. Children, warehousing, infrastructure, offices, HCV monitoring, emergency response preparedness, clinics, work environment, pandemics, harvesting, nurseries, maintenance, workshops, etc. For HIRAC MKNM, it has identified all processing activities, such as weighbridge, grading, loading ramp, Sterilization, Threshing, Digesting and Press, Clarification, Nut and Kernel, Boiler, Power House and engine room, WTP, WWTP, workshop, laboratory, and Dispatch.

The organization has work program of occupational health and safety every year. Realization of the program will be monitored through regular meetings from Guiding Committee of Occupational Safety & Health (*P2K3*) every month and documented on meeting minutes of P2K3 such as found in form F/SMART/HESS-EHSD/SADV/017/002 for MKNM meeting minutes that made on January 19<sup>th</sup>, 2023, MKNE meeting minutes that made on January 7<sup>th</sup>, 2023, MTWE meeting minutes that made on January 9<sup>th</sup>, 2023.

##### 3.6.2

Monitoring the effectiveness of occupational health and safety's plans to deal with risks are done by evaluation programme, follow-up plannings about the results of the evaluation activities, and further risk control plans, as found in the document F/SMART/HESS-EHSD/SADV/002/003 for HIRAC follow up and review January – December 2023's period that made by P2K3 Secretary for each units.

The realization of the OHS work program is monitored through OHS Comittee meetings, every month and reported to Government Agencies. The government command to the company to do report the realization of work safety and health programs every 3 months in a year. Reporting is done as on date :

- MKNM P2K3 Report for Quarters 3 and 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on October 20, 2022, January 20, 2023, and April 14, 2023.
- MKNE P2K3 Report for Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 10, 2023.
- MTWE P2K3 Report Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 25, 2023.

The CH has monitored the effectiveness of the OHS plan in dealing with health & safety risks period 2023, this is shown including:

- Based on field observation, interviews with workers, and document review its known that provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC.
- Based on document review, its known that the CH have permits for all factory operating machines that have been tested for eligibility according to applicable regulations.
- Based on interviews with workers and document review, it's known that already have a license / competency for some

special jobs that require more expertise such as OHS experts, hyperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.

- Based on interviews and document review, it is known that the OHS Committee has conducted regular monitoring and discussions regarding the implementation of OHS aspects in all plantation and POM operational activities.

**Status: Comply**

### 3.7

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

#### 3.7.1

The company has a training program for all staff and workers. The company has created a training needs matrix which was made on January 2<sup>nd</sup>, 2023. As an example of a training matrix at MTWE, including:

- Staff (RC, Manager, Head of administration, Sub Dept Head, Field Assistant), the required training is environmental and PROPER training as well as HCV training
- Estate Security Unit, the required training is Emergency Response Preparedness and Fire Extinguisher training
- Field Supervision, the required training is fertilization training, integrated pest control, LSU and SSU training, first aid training, spray SOP training and HCV training
- Manpower for Fertilization, the required training is fertilization training
- Spray Power, the required training is spray SOP training
- Treatment Personnel, the required training is integrated pest control training and LSU and SSU training
- Tractor / Heavy Equipment Operators, the required training is lifting and hauling operator training.

Based on the training matrix above, the company will create a training program for 2023, such as:

NO	TRAINING	OUTPUT	MONTH
1	Training LSU dan SSU	Understand the correct way of taking leaf samples	February 2023
2	Training Environment and PROPER	Understand compliance and implementation of PROPER	Desember 2023
3	First Aid Training	Understand the first aid in an accident	Desember 2023
4	Spraying Training	Understand the spraying and use of pesticides	November 2023
5	IPM Training	Understand integrated pest control	November 2023
6	Training Pemupukan	Understand fertilization activities	November 2023
7	HCV Training	Understand HCV identification	November 2023
8	Emergency Response Simulation	Understanding during an emergency	June 2023
9	Dissemination of procedures and work instructions	Understand how to work properly	July 2023
10	PPE socialization	Understand the benefits of PPE at work	July 2023
11	HIRAC socialization	Understand the risks in the workplace	July 2023
12	Pregnant Socialization	Understand the prohibition of spraying for pregnant and lactating women	July 2023
13	Dissemination of the Prohibition of Burning Garbage	Understanding air pollution and sorting organic and inorganic waste	August 2023
14	Social Assurance Socialization	Understand Health Assurance and Social Assurance regulations	June 2023

Based on the description above, it shows that the company already has a training program that covers aspects of the



RSPO principles and criteria.

### 3.7.2

The company has records of the realization of the training program which will be carried out in stages in 2022-2023. The training includes:

- First aid training at the MTWE Division 1 on 21 December 2022 which was attended by 23 employees consisting of maintenance, harvesting, maintenance and spraying foremen.
- IPM and spray training at MKNE on 15 November 2022 which was attended by 79 employees consisting of maintenance employees, spray employees, and foremen.
- LSU and SSU training at MKNE on 98 February 2023 which was attended by 20 employees consisting of divisional assistants, SPO, foremen and maintenance employees.
- Simulation of an emergency situation at MKNM on January 12 2023 which was attended by 7 employees consisting of Boiler helpers, Boiler Operators, Engine Room Operators, process assistants, and process foremen.

In addition, the company has factory machine operators and other factory employees who have been OSH certified and all certificates are still valid, including 1 OSH General Expert, 1 OSH Expert Electrician, 3 Class 1 Boiler Operators, 1 Class 2 Boiler Operators, 2 Electrical Technicians, 2 SMAW Welders, 2 Wheel Loader Operators, 5 Class D Firefighters, 4 Class C and D Firefighters, 2 First Aid Officer Licenses, 4 Diesel Genset Operators, 2 Thresher Operators, 3 Nut and Kernel Operators, 1 Pressing Operator, 2 Sterilizer Operators, 4 Pressure Vessel Technicians, 1 Class 2 Tall Building Workforce, 1 Training 2 Main Officers for Confined Spaces, 5 Class C Firefighters and 1 Water Test Sampler.

The company has conducted training for farmers and contractors, including training on criteria for ripe FFB on January 10, 2023 attended by 17 people consisting of FFB suppliers from Margasakti Village and Lubuk Pandan Village.

Based on the description above, it shows that the Company already has a record of the realization of the employee training program that will be implemented in 2022-2023.

### 3.7.3

The unit of certification showed socialization about the supply chain to employees which was last conduct on 9 September 2022. 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

Based on document verification and field observation on weigh bridge is known 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.

#### 3.8.2

Based on document verification and field observation on weigh bridge is known 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. The company receives FFB from estate that are RSPO and Non RSPO certified. For example:

- Muara Kandis estate (Certified)
- Muara Tawas estate (Certified)
- Plasma Pendawa Estate (Non-Certified)

- PT. Citraloka Bumi Begawan (Non-Certified)
- PT. Daya Agro Lestari (Non-Certified)
- Maulana Malik Sofyana (Non-Certified)
- Indra Darusman (Non-Certified)

### 3.8.3

The estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-1.2 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 + extension volume(MT)	Actual (May 2022 – April 2023) MT
FFB Certified (MT)	124,000	120,339.70
CSPO (MT)	26,000	25,207.93
CSPK (MT)	7,200	7,071.77

Regarding to the 12-month period prior to the audit compared to the quota on palmtrace for CSPO 3,207.93 MT and CSPK 871.77 MT, but refer to the actual production according to the license period October 2022 – 2023 there is no overproduction.

### 3.8.4

The Mill has registered as RSPO member under GAR (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 Djuandasawit Lestari – Muara Kandis Mill
- License ID: CB122512
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000001631
- Type of Business: Oil Mill
- Supply chain model: Mass Balance
- Certificate Holder Type: Multi-Site

### 3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain Model of Mass Balance (No. PT.DSL.MKNM/SOP/24 dated 27 May 2020), 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 interviews in Muara Kandis POM note that the weighbridge operators understands the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out annually.

### 3.8.6

The procedure for internal audit for SCCS mentioned in the procedure of RSPO Supply Chain Model of Mass Balance (No. PT.DSL.MKNM/SOP/24). 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 5–9 September 2022. 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 7 October 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, process performance 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 May 2022 – April 2023:

Month	FFB (ton)		Total
	Certified	Non-Certified	
May-22	6,443.40	12,324.40	18,767.80
Jun-22	9,277.16	14,350.21	23,627.37
Jul-22	10,008.96	14,350.47	24,359.43
Aug-22	12,439.38	15,963.33	28,402.71
Sep-22	13,429.15	15,442.86	28,872.01
Oct-22	12,323.96	14,230.82	26,554.78
Nov-22	12,200.97	17,561.73	29,762.70
Dec-22	10,702.91	16,319.44	27,022.35
Jan-23	9,096.47	14,290.98	23,387.45
Feb-23	7,260.07	11,654.10	18,914.17
Mar-23	9,216.99	13,405.54	22,622.53
Apr-23	7,940.28	12,096.98	20,037.26
<b>Total</b>	<b>120,339.70</b>	<b>171,990.86</b>	<b>292,330.56</b>

Estimated certified product recorded in the last assessment report (ASA 1.1). Actual certified produced has been verified during this assessment and not exceed the estimate. The data are shown in the following table:

Products	Last Year Projected	Actual
	Certified Volume + extension volume(MT)	(May 2022 – April 2023) MT
FFB Certified (MT)	124,000	120,339.70
CSPO (MT)	26,000	25,207.93
CSPK (MT)	7,200	7,071.77

Regarding to the 12-month period prior to the audit compared to the quota on palmtrace for CSPO 3,207.93 MT and CSPK 871.77 MT, but refer to the actual production according to the license period October 2022 – 2023 there is no overproduction.

Related for handling non-conforming oil palm products, has been set in the SOP for Handling Complaints and Dissatisfaction with the Sustainability and Strategic Stakeholder Engagement Directorate 2017, document number SOP / SMART / GIMS-SCMD / USDV / 1/001, Rev.2.0. 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 CSPO certified delivery on 14 Juli 2023. The informations provided on invoices are:

- The name and address of the buyer (PT Sumber Indah Perkasa – Jakarta);
- The name and address of the seller (PT Djuandasawit Lestari – Muara Kandis Mill in Musi Rawas District);
- The loading or shipment / delivery date (14 July 2023);

- A description of the product supply chain model (Mass Balance);
- The date on which the documents were issued (14 July 2023);
- The quantity of the products delivered (500.000 Kg);
- Any related transport documentation (transport by PT Mitra Insan Persada);
- A unique identification number (22071249);
- RSPO certificate number (Mutu-RSPO/059);
- etc.

The unit of certification shows sales documents for RSPO certified products as can be seen from the following information for example:

**CSPO**

Seller

Member Name : PT Djuanda Sawit Lestari – Muara Kandis Mill

Member ID : RSPO\_ PO1000001631

Seller reference number : CPO MB – July 2022

Product Name : CSPO

Supply Chain Model : Mass Balance

Volume : 404.94 MT

Shipping/Bldate : 29-07-2022

Buyer :

Member name : PT Sumber Indah Perkasa

Member ID : RSPO\_ PO1000002035

Transaction ID : TR-ace4386d-8d41

Creation date : 02-08-2022

Confirmation date : 03-08-2022

**CSPK**

Seller

Member Name : PT Djuanda Sawit Lestari – Muara Kandis Mill

Member ID : RSPO\_ PO1000001631

Seller reference number : CPO MB – May 2023

Product Name : CSPK

Supply Chain Model : Mass Balance

Volume : 193.65 MT

Shipping/Bldate : 02-05-2023

Buyer :

Member name : PT Sumber Indah Perkasa

Member ID : RSPO\_ PO1000006557

Transaction ID : TR-1ffe1bbd-0c98

Creation date : 04-05-2023

Confirmation date : 12-05-2023

**3.8.9**

The company has no outsourced contractors for the processing or physical handling of RSPO certified oil palm products. All processing from FFB to CPO/PK are done by Muara Kandis Mill and all PK/CPO transporter are under contract with buyer.

**3.8.10**

The company has no outsourced contractors for the processing or physical handling of RSPO certified oil palm products. All processing from FFB to CPO/PK are done by Muara Kandis Mill and all PK/CPO transporter are under contract with buyer.

**3.8.11**

The company has no outsourced contractors for the processing or physical handling of RSPO certified oil palm products. All processing from FFB to CPO/PK are done by Muara Kandis Mill and all PK/CPO transporter are under contract with buyer.

**3.8.12**

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 2 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 (May 2022 – April 2023):

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening	528.01	1,602.40	2,130.41
May-22	1,327.55	2,606.42	3,933.97
Jun-22	1,902.54	2,943.14	4,845.68
Jul-22	2,032.62	2,895.80	4,928.41
Aug-22	2,480.27	3,199.95	5,680.22
Sep-22	2,842.73	3,266.09	6,108.81
Oct-22	2,520.33	2,914.61	5,434.95
Nov-22	2,539.58	3,657.74	6,197.32
Dec-22	2,271.82	3,381.61	5,653.43
Jan-23	1,812.70	2,914.89	4,727.59
Feb-23	1,479.66	2,358.28	3,837.95
Mar-23	1,863.56	2,728.12	4,591.69
Apr-23	1,606.57	2,426.04	4,032.61
<b>Total</b>	<b>25,207.93</b>	<b>36,895.10</b>	<b>62,103.04</b>

Month	CSPO Despatch (ton)		Total
	RSPO	Other Scheme	
May-22	-	876.80	876.80
Jun-22	-	945.18	945.18
Jul-22	1,204.27	1,314.21	2,518.48
Aug-22	-	2,714.75	2,714.75
Sep-22	-	2,883.67	2,883.67
Oct-22	-	2,304.99	2,304.99
Nov-22	-	2,771.63	2,771.63
Dec-22	-	1,400.23	1,400.23
Jan-23	-	3,580.77	3,580.77
Feb-23	-	1,679.08	1,679.08
Mar-23	-	1,555.00	1,555.00
Apr-23	-	1,014.50	1,014.50
<b>Total</b>	<b>1,204.27</b>	<b>23,040.81</b>	<b>24,245.08</b>

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening	143.22	456.43	599.65
May-22	365.13	686.50	1,051.63
Jun-22	527.55	804.59	1,332.15
Jul-22	594.03	846.25	1,440.28
Aug-22	729.11	942.90	1,672.01
Sep-22	740.01	864.41	1,604.42
Oct-22	792.92	894.37	1,687.29
Nov-22	688.16	1,014.27	1,702.43
Dec-22	631.60	937.75	1,569.34
Jan-23	465.64	760.73	1,226.38
Feb-23	408.87	652.31	1,061.18
Mar-23	563.14	822.65	1,385.79
Apr-23	421.39	647.38	1,068.77
<b>Total</b>	<b>7,071.77</b>	<b>10,331.54</b>	<b>17,401.31</b>

Month	CSPK Despatch (ton)		Total
	RSPO	Other Scheme	
May-22	345.90	-	345.90
Jun-22	579.55	-	579.55
Jul-22	487.02	-	487.02
Aug-22	654.28	-	654.28
Sep-22	485.90	-	357.63
Oct-22	809.57	-	809.57
Nov-22	693.72	-	693.72
Dec-22	600.39	-	600.39
Jan-23	387.85	-	387.85
Feb-23	440.08	-	440.08
Mar-23	488.36	-	488.36
Apr-23	467.47	-	467.47
<b>Total</b>	<b>6,440.09</b>	<b>-</b>	<b>6,311.82</b>

#### 2.4.1 & 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 May 2022 until April 2023 i.e OER 20.51 % and KER 5.75 %. Periodically update of extraction is actual extraction.

#### 3.8.15

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

#### 3.8.16

RSPO IT Platform member registration number for Muara Kandis Palm Oil Mill is RSPO\_ PO1000001631. 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 months after dispatch. For example:

- Certified CSPK sold to PT Sumber Indah Perkasa dated 29 Mei 2023 for 249.84 ton and transaction creates in IT Palm Trace dated 29 Mei 2023.
- Certified CSPO sold to PT Sumber Indah Perkasa dated 29 July 2022 for 404.94 ton and transaction creates in IT Palm Trace dated 29 July 2022.

### Removing Stock

For the certified PK, the company sold all the CSPK as RSPO Certified product. However, for the CSPO that sold as other scheme or as conventional, the company has been removed the stock of CSPO from the palm trace, as example remove stock of CSPO dated 3 Mei 2023 for 1,014.5 ton (transaction ID: ST-TR-ee333f8f-8b06).

### 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

Since June 2021 the company has declared a policy of respecting human rights which is an integral part of the company's business policy and has been approved by the Head of PCDV. These commitments include fair treatment without discrimination to all workers, respecting freedom of opinion and joining/forming labor unions, preventing the practice of forced labor and not using workers resulting from human trafficking, not employing children, ensuring a safe work environment, recognizing equal rights and participation of women, protecting the environment, respecting the rights of local and customary communities, respecting and protecting the rights of complainants and human rights defenders, preventing bribery and corruption, and resolving and remediating negative impacts in the event of human rights violations. This has been disseminated to all workers, partners, and the community. To workers, socialization is carried out during the morning briefing and there are printed documents placed in strategic areas such as plantation offices and division offices.

#### 4.1.2

The unit of certification has a policy to circumvent instigated violence to maintain peace and order in current and planned operations described in GAR Social and Environmental Policy, issued date 8 September 2015. Until this assessment there were no conflicts and land disputes within the PT DSL area (MKNE, MTWE, and MKNM). Based on interviews with the surrounding community, it is known that there was no intimidation or use of them in maintaining peace and order in the company area. Until the audit is carried out, there are no conflicts and land disputes within the PT DSL area. This is also consistent with the results of interviews with the surrounding community and the relevant BPN during a public consultation which stated that there were no land conflicts in the company's operational areas.

**Status: Comply**

### 4.2

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

#### 4.2.1

The company already has a mutually agreed upon system to be able to resolve disputes in an effective, timely and appropriate manner, and to ensure the protection of the identity of the complainant (anonymity), human rights defenders, community representatives and case whistleblowers (whistleblower). The company has such a system, which is included in the SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8, 2022. It is explained in the procedure that external and internal complaints can be managed by the company.



In addition, the company has a Business and Human Rights Policy that was passed in June 2021, which includes respecting and protecting the rights of whistleblowers and human rights defenders, as well as taking steps to resolve and remedy negative impacts according to the applicable laws and regulations where the company operates. Human rights violations occurred.

Based on interviews with the Head of Danti Village, the Land Agency of Musi Rawas and management representatives note that there are no land disputes in the company's operational area. In addition, there are no anonymous reports regarding requests for land dispute resolution.

Based on the description above, it shows that the company already has a system that is mutually agreed upon, open to all affected parties, able to resolve disputes in an effective, timely and appropriate manner.

#### **4.2.2**

The company has procedures to ensure the system is understood by affected parties, including those who cannot read or write, including in the Complaint and Conflict Handling document No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8<sup>th</sup>, 2022. It is explained in the procedure that external and internal complaints can be managed by the company. These procedures include explaining that complaints related to employee complaints can be submitted via SMS, WA, email, and telephone.

If complaints and dissatisfaction are submitted verbally (the complainant cannot read and/or written) or by telephone, the recipient of the report (including assistants or other staff) must help write/record the complaints and dissatisfaction submitted using the Complaint and Dissatisfaction Reporting Form Orally (F /SMART/GIMS-SCMD/USDV/I/001/002). The report writer is obliged to keep the written complaint confidential except on request.

The company has socialized this procedure, including socialization regarding the complaint mechanism on March 15, 2022 which was attended by 343 employees consisting of harvest workers, plant maintenance employees, coworkers, foremen, clerks, and Day care staff.

Based on the description above, it shows that the company already has procedures in place to ensure the system is understood by affected parties.

#### **4.2.3**

Based on verification document of internal and external stakeholders, there is no complaint for 2022-2023. The same information was also obtained based on interviews with local community who explained that there had been no complaints during the last year.

#### **4.2.4**

The company has a conflict resolution mechanism that includes options for obtaining legal and technical assistance from independent parties, as described in the procedures for handling complaints and conflict resolution under document number SOP/SMART/SUST/IV/003 Revision 03 which was approved by the Head of Upstream on March 08<sup>th</sup>, 2022 It is explained in the procedure that external and internal complaints can be managed by the company.

The company has SOPs regarding complaint resolution. Based on the results of interviews with internal and external stakeholders, it is known that there were no conflicts involving legal assistance or other independent parties.

Based on the description above, it shows that the company already has a conflict resolution mechanism including options to obtain legal and technical assistance from independent parties.

<b>Status: Comply</b>
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### **4.3**

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

#### **4.3.1**

The unit of certification has a 2022 CSR work plan that is known and signed by the company representative and the



Village Head. CSR work plan for 2022 Region Sumsel 1 PT DSL Karya Sakti Village, Muara Keliling District, Musi Rawas Regency, Sumatera Selatan Province. CSR Targets in Semeteh Village, Muara Keliling District, Musi Rawas Regency, Sumatra Selatan Province. Created on January 11, 2022 by the MKNE Manager, known to RC and approved by the Head of Semeteh Village

NO	PROGRAM	LOCATION	VOLUME
1	<b>Healthy</b>		
	5 Km free from cleft lip, hernia, cataract	Semeteh Village	1 Village
2	<b>Infrastructure</b>		
	Heavy Equipment Assistance for village road repairs	Semeteh Village	30 Hm
3	<b>Environmental</b>		
	Making warnings and socializing fire prevention and hunting of protected animals	Semeteh Village	1 Village
4	<b>Social</b>		
	Assistance for Republic of Indonesia Anniversary activities	Semeteh Village	1 Village
	Assistance with religious activities	Semeteh Village	1 Village
	Assistance with sports activities	Semeteh Village	1 Village

CSR work plan for 2022 Region of Sumatra Selatan 1 PT DSL Karya Sakti Village, Muara Kelingi District, Musi Rawas Regency, Sumatra Selatan Province. CSR target in Lubuk Pandan Village, Muara Kelingi District, Musi Rawas Regency, Sumatra Selatan Province. Created on January 11, 2022 by the MKNE Manager known by RC and approved by the Head of Lubuk Pandan Village.

NO	PROGRAM	LOCATION	VOLUME
1	<b>Healthy</b>		
	<i>Posyandu</i>	Lubuk Pandan Village	12
2	<b>Infrastructure</b>		
	Heavy Equipment Assistance for village road repairs	Lubuk Pandan Village	50 Hm
3	<b>Environmental</b>		
	Making warnings and socializing fire prevention and hunting of protected animals	Lubuk Pandan Village	1 Village
4	<b>Social</b>		
	Assistance for Republic of Indonesia Anniversary activities	Lubuk Pandan Village	1 Village
	Assistance with religious activities	Lubuk Pandan Village	1 Village
	Assistance with sports activities	Lubuk Pandan Village	1 Village

CSR work plan for 2022 Region of Sumatra Selatan 1 PT DSL Karya Sakti Village, Muara Kelingi District, Musi Rawas Regency, Sumatra Selatan Province. The address of the CSR target is Lubuk Tua Village, Muara Kelingi District, Musi Rawas Regency, Sumatra Selatan Province. Created on January 3 2022 by the MTWE Manager known to RC and approved by the Head of Lubuk Tua Village

NO	PROGRAM	LOCATION	VOLUME
<b>Healthy</b>			
1	5 Km free from cleft lip, hernia, cataract	Lubuk Tua Village	1 Village
<b>Infrastructure</b>			
1	Construction of roads and bridges with heavy equipment	Lubuk Tua Village	30 Hm
2	Material assistance for the repair of the prayer room	Lubuk Tua Village	1 prayer room
<b>Environmental</b>			
	Making warnings and socializing fire prevention and hunting of protected animals	Lubuk Tua Village	4 Warning Sign
<b>Social</b>			
1	Assistance for Republic of Indonesia Anniversary activities	Lubuk Tua Village	1
2	Assistance with religious activities	Lubuk Tua Village	1
3	Assistance with Mosque	Lubuk Tua Village	1 Mosque
4	Assistance with sports activities	Lubuk Tua Village	1
<b>TOTAL BUDGET</b>			
<p>CSR work plan for 2022 Region 1 of Sumatra Selatan PT DSL Karya Sakti Village, Muara Kelingi District, Musi Rawas Regency, Sumatra Selatan Province. The CSR target address is Muara Megang Village, Megang Saidi District, Musi Rawas Regency, Sumatra Selatan Province. Created on January 3 2022 by the MTWE Manager known to RC and approved by the Head of Lubuk Tua Village:</p>			
NO	PROGRAM	LOCATION	VOLUME
<b>Healthy</b>			
1	5 Km free from cleft lip, hernia, cataract	Muara Megas Village	1
<b>Infrastructure</b>			
1	Construction of roads and bridges with heavy equipment	Muara Megas Village	2 Bridge
2	Material assistance for the repair of the prayer room	Muara Megas Village	1 Mushola
<b>Environmental</b>			
	Making warnings and socializing fire prevention and hunting of protected animals	Muara Megas Village	4 Sign Board
<p>The unit of certification also has PT DSL's CSR Report (MKNE, MTWE, and MKNE) for 2022. The company is committed to improving the welfare of the surrounding community through several CSR programs in the fields of Health, Infrastructure and Education.</p>			
<p>1. Health Facility.</p> <ul style="list-style-type: none"> <li>- 5 km program. This program is to reduce the history of hernias, cataracts and cleft lips in a radius of 5 km around the company. In addition, this program is to ease the burden on underprivileged members of the community. The costs incurred by the company to carry out the 5 Km program are Beliti Jaya Village 10 people, Karya Sakti</li> </ul>			

- Village 13 people, Petrans Jaya Village 7 people, Tugu Perfect Village 7 people, Lubuk Pandan Village 1 person and Karya Mukti Village 2 people with a total cost Rp. 420,000,000
- Assistance with medical devices. Handling the impact of Covid-19 from the beginning of 2020 to 2022 includes the availability of oxygen to help sufferers breathe in the form of an Oxygen Concentrator to the Karya Sakti Health Center 1 Unit Rp. 25,000,000
  - Procurement of Anti-Snake Venom. Outreach at KUD Sadar Sejahtera and procurement of anti-venom drugs to 2 units of Karyasakti Health Center and 2 units of Karya Mukti Health Post totaling Rp. 3,200,000
2. Infrastructure Facility.
- Assistance for Construction, Repair and Maintenance of Surrounding Mosques. Lubuk Pandan Mosque Repair Rp. 7,000,000. Construction of the tahfidz house in Semeteh Village Rp. 12,600,000, Construction of the Karya Sakti School Mosque Rp. 7,500,000, Petrans Jaya Mosque maintenance Rp. 4,500,000, the prayer mat of the old Lubuk mosque is Rp. 595,000 total Rp. 37,550,000.
  - Infrastructure improvements. Road Maintenance with Sirtu and Heavy Equipment in Beliti Jaya Village Rp. 13,940,000, Karya Sakti Village Rp. 41,820,000, Karya Mukti Village Rp. 20,090,000, Lubuk Pandan Village Rp. 38,130,000, Lubuk Tua Village Rp. 5,330,000, Marga Sakti Village Rp. 38,950,000, Petrans Jaya Village Rp. 11,480,000, Perfect Monument Village Rp. 2,870,000. Road maintenance with heavy equipment in Semeteh Village, Lubuk Pandan, Marga Sakti, Petrans Jaya, Beliti Jaya Rp. 16,349,722 and in Pagar Ayu Village, Lubuk Tua Village, Muara Megang Rp. 16,580,000 with a total of Rp. 205,539,722
3. Education Facility.

In addition, there is a May 2023 maintenance, harvest and transport cost report for KUD in Karya Sakti, Beliti Jaya, Karya Mukti and Petrans Jaya villages which explains the costs for maintenance, harvesting and transportation. While the imposition of staff costs borne by the company.

Based on the description of the program and CSR realization above, the Company needs to ensure that the CSR program has been prepared based on the aspirations of several layers of society which are priority villages around the company and pay attention to selecting programs according to needs based on a shared priority scale. **OFI**

**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

PT Djuandasawit Lestari has managed area totaling for about 11,434.59 Ha, which consist of 10,958.40 Ha under HGU and 476.19 Ha HGU-on process that has been assessed on partial certification and has been put in time bound plan. However, scope of certification has stick on HGU area (10,958.40 Ha). The CH area originates from state land with other usage area status, in which there are several community's land. The acquisition process began with obtaining a location permit from the governor of Sumatera Selatan in 1992. The next process is land acquisition from community's area by providing compensation before the HGU release in 1999. The company get the land use title for 10,958.4 Ha through Decree of Minister of Agraria and Chief of National Land Agency No. 3/HGU/BPN/99 dated 6 January 1999 (valid for 35 years), which are covered in two certificates of HGU by Land Agency of Musi Rawas:

- HGU certificate No. 5 (dated 8 March 1999) for 2,222.7 Ha.
- HGU certificate No. 6 (dated 8 March 1999) for 8,735.7 Ha.

##### 4.4.2

Based on document verification and interview with management, known that the process of land acquisition has been carried out since 1994 to 2001. There was land acquisition / compensation in 2003 and 2007 but only for access to the village road and not the company's operational area. Then from the results of verification from HCV document, SIA and environmental documents there was no identification of the land managed by the company from customary land. The company's HGU area is part of the community's arable land that was cleared in the period 1994 to 2001.

Based on public consultation with previous land owner and village representatives from Petrans Jaya Village and Lubuk Pandan Village, known that there was no customary right in or near the concession area of PT DSL. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by

all parties involved. The compensation process is done directed to the land owner and not diminish the legal/customary right; landowners are given the freedom to release their land without coercion.

Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as Village Head and Sub-District Head.

An example of a compensation document that has been carried out in the name of Ishak which is addressed in the village of Lubuk Pandan, Muara Lakitan sub-district, Musi Rawas District, with the area being compensated is 2 hectares, date of payment 7 March 2000:

- Mutual agreement and handover of planting and growing compensation signed between the company and Ishak and witnessed by the Head of Lubuk Pandan Village and acknowledged by the Head of Muara Lakitan Sub-district
- Map of location that showing the compensated land.
- Receipt of compensation payment to Ishak on 7 March 2000.
- Documentation in the form of photos of compensation fund submission.

#### **4.4.3**

The company can show a map showing legal rights in the form of a HGU map with a scale of 1:50,000 contained in the HGU certificate issued by the Land Office that developed through participatory mapping. Moreover, in each compensation document there are maps that are made in a participatory manner showing the location of the area to be compensated which is signed by the land owner and known by the local government. Based on public consultation with previous land owners and also village representatives from Petrans Jaya Village, Karya Mukti Village and Lubuk Pandan Village, it is recognized that they know the legal boundaries owned by PT Djuandasawit Lestari.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Muara Kandis Estate (Stakes No. 062, 057, 058, 118 and 119) and Muara Tawas Estate (Stakes No. 103, 104, 102, 154 and 153), 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**

As explained in indicator 4.4.2, it is known that the negotiation process for land release has been carried out in a fair, open, and transparent manner and is based on the agreement of both parties without any coercion from either party. The community represents itself in the process. All relevant information regarding land acquisition is available in appropriate forms and languages.

#### **4.4.5**

Based on public consultation with previous land owner and village representatives from Petrans Jaya Village and Lubuk Pandan Village, known that all land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. The compensation process is done directed to the land owner and not diminish the legal/customary right; landowners are given the freedom to release their land without coercion.

#### **4.4.6**

Implementation of agreement negotiated through FPIC is annually reviewed in consultation with affected parties, it can be seen in the report on SIA management and monitoring for 2022 and 2023. Based on the results of interviews with stakeholders (Petrans Jaya Village, Muara Megang, Lubuk Tua, Beliti Jaya and plasma cooperative representatives and previous land owner), it was informed that the company has had a positive impact such as employee recruitment, plasma provision and CSR assistance. There are no land conflicts between the community and the company, besides that the company regularly holds meetings with community representatives and absorbs community aspirations which are applied in company policies such as CSR or other assistance. Communication with the community is no problem, every request for information is always responded to by the company.

<b>Status: Comply</b>	
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<b>4.5</b> <b>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.</b>		
<b>2.4.1 – 4.5.8</b> There is no land expansion 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.		
	<b>Status: Comply</b>	
<b>4.6</b> <b>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.</b>		
<b>2.4.1 – 4.6.4</b> The Company has compiled a procedure of Land Compensation, document No. SOP/NP/SMART/VII/D & L.002, issued on 1 July 2010. The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The identification process starting from land survey and identification of land-owner, land boundary owners, record the location and geolocation, and then mapping. The scope of procedure is 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. The compensation proses includes the freedom to object the value of compensation and to cancel the compensation process.		
The Company has no new land acquisition and the entire compensation process was completed in 2001. Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as boundary land owners, Village Heads and Sub-District Heads.		
During onsite audit, the auditor and unit of certification has contact previous land owner 1 person, but some of them has been passed away or has moved to another place. It is also strengthened, during interview with Land Agency and Villages Official of Muara Megang village, Petrans Jaya village, Beliti Jaya village and Lubuk Tua village it was known that land acquisition has been made in FPIC manner according to Indonesian regulation. Moreover, they stated that there are no customary rights during land acquisitions.		
<b>4.6.2</b> The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/II/002 dated 1 July 2014. 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 previous land owner (1 person) and village representatives from Muara Megang village, Petrans Jaya village, Beliti Jaya village and Lubuk Tua 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.		
	<b>Status: Comply</b>	
<b>4.7</b> <b>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.</b>		
<b>2.4.1 – 4.7.3</b> The Company has no new land acquisition and the entire compensation process was completed in 2001. Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as boundary land owners, Village Heads and Sub-District Heads.		

During onsite audit, the auditor and unit of certification has contact previous land owner 1 person, but some of them has been passed away or has moved to another place. It is also strengthened, during interview with Land Agency and Villages Official of Muara Megang village, Petrans Jaya village, Beliti Jaya village and Lubuk Tua village it was known that land acquisition has been made in FPIC manner according to Indonesian regulation. Moreover, they stated that there are no customary rights during land acquisitions.

However, in there any new land acquisition in the future, the Company has compiled a procedure of Land Compensation, document No. SOP/NP/SMART/VII/D & L.002, issued on 1 July 2010. The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The identification process starting from land survey and identification of land-owner, land boundary owners, record the location and geolocation, and then mapping. The scope of procedure is 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. The compensation proses includes the freedom to object the value of compensation and to cancel the compensation process.

<b>Status: Comply</b>
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#### 4.8

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

##### 2.4.1 – 4.8.4

The Company has no new land acquisition and the entire compensation process was completed in 2001. Based on sample of land acquisition documentation, it was known that the land acquisition has been made in FPIC manner. The documents have been made in Indonesian language, also has involved and witnessed by community representatives such as boundary land owners, Village Heads and Sub-District Heads.

During onsite audit, the auditor and unit of certification has contact previous land owner 1 person, but some of them has been passed away or has moved to another place. It is also strengthened, during interview with Land Agency and Villages Official of Muara Megang village, Petrans Jaya village, Beliti Jaya village and Lubuk Tua village it was known that land acquisition has been made in FPIC manner according to Indonesian regulation. Moreover, they stated that there are no customary rights during land acquisitions.

However, it was disclosed and mapped that within the HGU area (certification scope) that still owned by community who until now not willing to be compensated (3,880.76 Ha). The area is still managed by the community and the company does not take over by force on the land. Based on interview with village officials of Muara Megang village, Petrans Jaya village, Beliti Jaya village and Lubuk Tua village, the community has understood that their land is in the company's HGU, but does not willing to release the land to the company. This area has been mapped in participatory and until now, the company continuous to hold negotiation with landowners without any coercion. Both parties can manage their land freely.

Overall, based on legality documents, stakeholder consultation (Muara Megang village, Petrans Jaya village, Beliti Jaya village, Lubuk Tua village and Governmental Agency) and field observation, it was known that there is no land dispute or conflict in company's operational area.

<b>Status:</b>
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#### **PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

#### 5.1

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

##### 5.1.1

Based on the cooperation agreement for the development of plasma plantations made between PT DSL with KUD, the determination of the purchase price for FFB from plasma plantations follows the determination of the FFB price by the Provincial Government of Sumatera Selatan. Pricing is carried out every two weeks by the Team for Determining the Purchase Price for Palm Oil FFB, Sumatera Selatan Province. That is included in pricing by Musi Rawas Regency.



The company can show the Minutes of Meeting Results of the FFB Purchase Price Determination Team in Sumatera Selatan Province throughout 2022. Pricing is based on the price of CPO and kernels and is also adjusted to the age of the plant

**5.1.2**

Based on the results of interviews with the company, information was obtained that all documents related to pricing issued by the Plantation Service could be accessed by farmers directly from the Plantation Office or from the Plasma Assistant through communication media. Based on information from cooperative management that cooperatives can be accessed easily through the media, associations, as well as from plasma assistants who are present at the plasma plantation site every day

**5.1.3**

The company has determined a fair price that has been agreed upon with the supplying farmers, which is documented in the Cooperation Agreement Letter, in the document there is a statement that the price set to determine the selling price of the FFB is the price set by the Sumatera Selatan Province Plantation Service Pricing Team, so that the parties hereby declare that they will submit and comply with the price fixing so that one party and the other party are not entitled to ask for an increase or decrease in price. There are also specifications and conditions for implementation as well as sanctions that must be met by both parties.

**5.1.4**

Companies can show evidence that parties from organizational representatives, both plasma smallholders and independent smallholders, have been involved in the decision-making process and understand the contents of the contract. This is stated in the Work Agreement (SPK) document which is signed by all representatives of cooperative management and farmer groups. The Work Agreement (SPK) contains agreements for the sale and purchase of FFB to independent smallholders, as well as partnership agreements with plasma farmers.

As can be explained here, contracts with farmers are not carried out by companies but carried out by suppliers under PT Sawit Mas Sejahtera (PT Citraloka Bumi. Begawan. , PT Daya Agro Lestari, PT Anugerah Agung Amanah, PT Sadar Sejahtera Bersama and Maulana Malik S), because The company only buys TBS from Plasma, whereas with PT Sawit Mas Sejahtera it is a TBS processing collaboration.

**5.1.5**

The company shows the Letter of Cooperation Agreement with the Sadar Sejahtera cooperative as follows:

1. SPK number 001/SPK-TAHAP 1/SS-DSL/I/04 with an area of 2,243.15 Ha and the number of farmers is 2,189 members
2. SPK number 001 – PHASE II/SS-DSL/VII/2007 with an area of 522,022 Ha and the number of farmers 469 members
3. SPK number 01/KUD/KUD SS-DSL/I/2010 with an area of 115.05 Ha and the number of farmers is 106 members
4. SPK number 01/SPK/KUD SS-DSL/II/2012 with an area of 348,9762 Ha and the number of farmers is 351 members.

In the contract there is a term of agreement, for example in SPK number 001 – TAHAP II/SS-DSL/VII/2007 article 3 it is stated that this agreement is valid for a period of 30 years, starting from the date of signing the agreement. The SPK is signed by the company (Director) and the cooperative (chairman, Treasurer, Secretary) and recognized by the Plantation Office of Musi Rawas District, Musi Rawas Industry and Cooperative Office and Musi Rawas Regent.

In the document there is a statement that the price set to determine the selling price of FFB is the price determined by the Price Determination Team of the Plantation Service of the Province of Sumatera Selatan, so that the parties hereby declare that they will obey and obey the price fixing so that one party and the other party do not reserves the right to ask for a price increase or decrease.

The agreement (MoU) or contract stipulates completely and clearly the rights and obligations of both parties, the technical terms of the agreement / work to the method of payment that is fair and agreed by both parties. In the document there is a statement that the price set to determine the selling price of FFB is the price determined by the Price Determination Team of the Plantation Service of the Province of Sumatera Selatan, so that the parties hereby declare that they will obey



and obey the price fixing so that one party and the other party do not reserves the right to ask for a price increase or decrease. There are also specifications and implementation requirements as well as sanctions that must be met by the second party.

Based on management information, it can be explained that the Company does not purchase FFB from suppliers, TBS purchases are only made to plasma farmers, the other FFB that comes in is PT Sawit Mas Sejahtera TBS with the origin of the FFB coming from the supplier, namely PT Citraloka Bumi. Begawan. , PT Daya Agro Lestari, PT Anugerah Agung Amanah, PT Sadar Sejahtera Bersama and Maulana Malik S, so that purchases to farmers are made by PT Citraloka Bumi. Begawan. , PT Daya Agro Lestari, PT Anugerah Agung Amanah, PT Sadar Sejahtera Bersama and Maulana Malik S. then the FFB was sent to the PT Djuanda Sawit Lestari POM facility under the auspices of the PT Sawit Mas Sejahtera SPK.

PT Sawit Mas Sejahtera collaborates with PT Djuanda Sawit in terms of entrustment of processing, based on the Fresh Fruit Bunch (FFB) Processing Agreement on 31 December 2019, with a validity period of up to 1 January 2020, the scope of the agreement:

1. PT Djuanda Sawit (second party) with PT Sawit Mas Sejahtera (first party), working together in terms of FFB processing
2. The second party processes the first party's FFB results into CPO and Kernal
3. The processing results with CPO and Kernel are the property of the first party
4. CPO and Kernal production results may only be released from the second party POM on the orders of the first party.

Based on the above, the Company does not enter into a Cooperation Agreement in terms of purchasing TBS from suppliers or TBS from outside other than those originating from Plasma plantations.

Based on the explanation above, it can be seen that the company already has an employment contract that is made fairly, in accordance with applicable law, and is transparent, and has an agreed term.

#### **5.1.6**

The Cooperation Agreement Letter explains the procedure/system for payment of the net proceeds from the sale of FFB, both for independent FFB suppliers, collectors and Plasma. Payments are made based on the Minutes of Calculation of the sale and purchase of FFB which have been agreed upon and signed by all parties.

Payments are made based on the Minutes of Calculation of the sale and purchase of FFB which have been agreed upon and signed by all parties. The company provides examples of proof of payment as follows:

1. Invoice for the period 29 – 31 May 2023, for payment to PT Anugerah Agung Amanah, for FFB of 373,557.70 kg, proof of payment dated 07 June 2023 to PT Anugerah Agung Amanah, via bank transfer
2. Invoice for the period 29 – 31 May 2023, for payment to the Karya Subur Farmers Group, for FFB of 83,966.70 kg, dated 31 May 2023, proof of payment dated 07 June 2023 to the Karya Subur farmer group, via bank transfer.
3. Statement of bank statement for payment of Net FFB Plasma KUD Sabar Sejahtera dated May 19, 2023

Based on this explanation, it is known that the management unit has made fruit payments to the plasma and the middleman supplier of FFB in accordance with the contract owned, both the time period for payment and the price determined.

The company does not buy FFB other than FFB from plasma areas, related to FFB that goes to PKS other than from nucleus and plasma, this is FFB owned by PT Sawit Mas Sejahtera with FFB obtained from PT Citraloka Bumi. Begawan. PT Daya Agro Lestari, PT Anugerah Agung Amanah, PT Sadar Sejahtera Bersama and Maulana Malik S, thus the Company does not set the FFB price and does not make payments for FFB purchases to small farmers, and does not cooperate in terms of purchasing FFB to independent small farmers.

#### **5.1.7**

The company has tested the electronic weighbridge, with evidence:

- a. Certificate of Testing Results Number: 158/Disperindag/IV/2022, June 29, 2022, Issued by the Trade and Industry Office of the Government of Lubuklinggau City, Electronic Bridge Scales, with the result: Ratified in the 2022 anniversary calibration, based on Law of the Republic of Indonesia Number 2 1981 concerning Legal Metrology, affixed with a valid mark in the form of the number 22 in a regular pentagon.

b. Certificate of Test Results Number: 159/Disperindag/IV/2022, June 29, 2022, Issued by the Trade and Industry Office of the Government of Lubuklinggau City, Electronic Bridge Scales, with the result: Ratified in the 2022 anniversary calibration, based on Law of the Republic of Indonesia Number 2 1981 concerning Legal Metrology, affixed with a valid mark in the form of the number 22 in a regular pentagon.

Based on the statement of the company representative, the re-calibration will be carried out again on June 29, 2023.

#### 5.1.8

Based on the results of interviews with company representatives, it was explained that the conditions were still the same as the previous audit, that: The certification unit also obtains FFB supplies from independent smallholders and smallholder schemes. Currently, independent smallholders are only at the stage of socialization and consultation with FFB suppliers, but they have not yet reached a meeting point where the suppliers will carry out RSPO certification, this is due to the factor of certification costs that are not able to be met by farmers. As for the smallholder Scheme, the certification unit has collaborated and made a partnership with Pandawa Plasma (PNDA) with a mutually agreed contract. The distribution of the proceeds from the sale of FFB, management of funds and remittances are also described in the contract. The management of the smallholder scheme is fully managed by the company by applying the principles of oil palm plantations according to the RSPO regulations

#### 5.1.9

The Company has a SOP for handling complaints and complaints from various parties, namely the SOP for Handling Complaints and Dissatisfaction (SOP/SMART/SIGS-CSR/SADV/II/003), dated July 1, 2014. The SOP describes the stages of handling complaints and complaints starting from stage of receiving complaints by KTU from internal (employees, PUK-SP) and external. The anonymity of the complainant and the whistleblower has been guaranteed since this stage. Verification and rating of complaints, preparation of handling plans, implementation of handling, monitoring of implementation, documentation to settlement through legal channels have been explained in the SOP. In the SOP it is stated that the settlement of complaints and complaints is carried out no later than 1 month after being received.

Based on the results of interviews with management, workers and also representatives of FFB suppliers, it is known that so far no complaints have been submitted to the company. The informant also added that he understood the flow of complaints to the company if they were found in the future.

<b>Status: Comply</b>
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### 5.2

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

#### 5.2.1

The unit of certification has conducted consultations with the farmers who are suppliers of FFB to the Muara Kandis Mill as evidenced by the minutes of the Socialization of the RSPO and Company Policy on 21 March 2021 which was attended by 32 participants. The activity contains, among others:

- Understanding of RSPO, ISPO, ISCC and GSEP
- Environmental Management Aspect
- Aspects of social and community engagement
- Aspects of the work environment and industrial relations

The latest evidence is in the form of Minutes of Dissemination of Company Policy to FFB Suppliers, PT Citralokas Bumi Begawan, PT Daya Agro Lestari, PT Sadar Sejahtera Bersama, BUMDES Petrans Jaya, Indra Jaya and PT Putera Amanah: dated March 11, 2023, with material: understanding of RSPO, ISPO, ISCC and GSEP, including promoting for future FFB suppliers to follow RSPO certification, prevention of land fires, management of HCV/HCV and protection of wildlife, protection of water resources, communication and consultation procedures, procedures for handling complaints and grievances, social impact assessment, OSH, Employment, work agreements, human rights and business policies, attended by 10 participants.

#### 5.2.2 & 5.2.3; 5.2.5

Same with previous audit (ASA-1.1). Certificate holder was not developed and implemented livelihood improvement

programmes including the RSPO Standard for Independent Smallholder. This because there was no Independent Smallholder in PT DSL. Which in this case, made this indicator was not applicable for the assessment.

#### 5.2.4

When the audit was carried out, the certification unit had collaborated with the smallholder scheme (PNDA) since 2004 and until now the overall operational activities were carried out by PT DSL. All workers who work at PNDA are PT DSL's workers so that pesticide handler training is only provided to company workers, not to smallholder schemes. For training that has been carried out is the Integrated Pest Management Training (including pesticide handling) in November 15<sup>th</sup> 2022 which was attended by 79 participants consisting of spray worker from MTWE and MKNE.

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

**Status: comply**

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

#### 6.1

#### Any form of discrimination is prohibited.

##### 6.1.1

The company has social and anti-discrimination policies in the GAR Social and Environmental Policy which were approved by the Head of Upstream, CEO Downstream & Commercial, Executive Director & CFO, & MD of Sustainability Strategic Stakeholder Engagement on September 8 2015. It is stated that the company provides equal opportunities for all workers and embrace diversity regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or trade union membership. The company ensures that workers are protected from acts of discrimination at all stages of the employment relationship.

GAR is committed to respecting and ensuring the fulfillment of the rights of all workers, in accordance with applicable laws and regulations by referring to international initiatives and standards such as the Universal Declaration of Human Rights, International Labor Organization (ILO) core conventions, United Nations Guiding Principles on Business and Human Rights, IFC Performance Standards on labor and working conditions and the principles of Free and Fair Work in Palm Oil Production:

- Practicing ethical recruitment under fair conditions;
- Respect workers' freedom of association and the right to collective bargaining;
- Respect workers' freedom of association, promote workforce diversity and prohibit all forms of harassment, child labor and forced labour;
- Promote safe and healthy working conditions in all of GAR's operational activities.

At GAR, no person may experience discrimination in employment, including hiring, compensation, promotion, training, disciplinary action, termination of employment or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, gender identity, nationality, political opinion, social group, ethnic origin, reproductive rights or other forms of discrimination. GAR does not tolerate any form of harassment and abuse of authority including physical, sexual, psychological or verbal violence. Everyone must be treated with respect and dignity.

Based on interviews with trade unions and employees at MKNM, MKNE and MTWE, the same information was obtained that workers were free to associate, have opinions, have religion, there had never been harassment and there had never been forced labor.

Based on the description above, it shows that the company already has a policy of non-discrimination and equal opportunities publicly available which is implemented by preventing discrimination.

##### 6.1.2

Based on verification of worker recruitment documents, it is known that worker recruitment is based on expertise, ability

and records of medical examination results. The company has a non-discrimination and same opportunity policy as indicated in the social and anti-discrimination Policy document presented in the GAR Social and Environmental Policy approved by the Head of Upstream, CEO Downstream & Commercial, Executive Director & CFO, & MD of Sustainability Strategic Stakeholder Engagement September 8<sup>th</sup>, 2015. Based on the results of interviews with the HR Department and document review, it is known that GAR PT Djuandasawit Lestari does not have migrant workers.

The company shows recruitment documents including a job application document with the initials ARL NIK 1605033112010001 with attachments of e-KTP recording letters, diplomas, grade transcripts, curriculum vitae, photo identification, ID cards, family cards, work certificates from previous companies, certificates police records, doctor's certificate, and Assurance health card. The worker was recruited to become Djuandasawit Lestari's maintenance employee.

Based on interviews with workers, trade union representatives and representatives of the gender committee, information was obtained that there were no issues related to discrimination. PT Djuandasawit Lestari's workers come from local workers and migrants. Prospective employees are given the same opportunity to get a job and are not charged a recruitment fee during the recruitment process.

Based on the description above, there is evidence that workers are not discriminated against and that recruitment fees are not charged during the hiring process

#### **6.1.3**

Based on verification of employee personal files and interviews with the company's HR staff, it shows that the recruitment process for all employees must meet the requirements in the form of: application letter, photocopy of personal and family identity, medical check-up results and obtain a job acceptance letter.

There are examples of the application of an equal opportunity employment policy for all workers to ensure that workers are protected from discrimination at all stages of the employment relationship, such as the existence of an employee extension document at PT Djuandasawit Lestari with the initials AAP at the Muara Kandis Mill Employee Compound. The employee entered on March 15, 2022 and was evaluated on March 7, 2023 with a Good value. The employee's contract period was extended for another year.

In addition, there are examples of other employee promotions, namely on behalf of the initials AM, employees of Harvest Division 6 MKNE PT Djuandasawit Lestari were evaluated on January 5, 2023 with good results. The employee is appointed as a permanent employee who is approved by the direct supervisor.

The appointment of employees is based on the results of an evaluation that is carried out periodically every month, with aspects assessed including discipline, quantity of work, cooperation, work attitude, and responsibility. In addition, the results of verification of the Employee List show that workers come from various ethnicities, religions, education and ages.

Based on the description above, it shows that selection, recruitment, employment, access to training, and promotions are carried out on the basis of employee skills and abilities

#### **6.1.4**

Pregnancy tests for workers are carried out only to ensure that pregnant workers are not allowed to work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a job that is safer but remains the same in terms of wages and other benefits, so there is no discriminatory action. This is clarified by the results of interviews with female spray workers at MKNE and MTWE as well as representatives of the gender committee who stated that female workers are required to carry out monthly pregnancy tests at the clinic to ensure that there are no pregnant/breastfeeding female workers who work exposed to chemicals.

In addition, based on the results of a review of employee recruitment documents, it was found that there was no obligation for prospective female workers to take a pregnancy test when recruiting workers, but only to carry out physical health tests, administration and interviews.

Based on the description above, it shows that there is no pregnancy test which is a discriminatory measure.

#### **6.1.5**

The company has a gender committee structure in MKDE, MTWE and MKDM, as follows:

- MKNE, consisting of Protectors (RC Sumsel 1), Advisors (EM MKNE), Chairperson (Yellyanti), Assistants (Mothers of Staff), Vice Chairmen, treasurers, Secretaries and Members, which was ratified on 31 May 2023.
- MTWE, consisting of Protectors (RC Sumsel 1), Advisors (EM MTWE), Chairperson (Doris Sinaga), Assistants (Mothers of Staff), Vice Chairpersons, treasurers, Secretaries and Members, which was ratified on 07 December 2019.
- MKNM, Protector (Mill Manager), Coach (Assistant Coordinator), Chair (Endang Saputri), Companion (Staff), Vice Chair, Treasurer, Secretary and Members, which was ratified on 1 April 2023.

The management of the gender committee routinely holds meetings and outreach regarding potential problems that may occur. For example, there is an official report on routine checking of Child Care Centers and Lactation Rooms in *Pondok* 1 (Divisions 1 and 2) and *Pondok* 2 (Divisions 3 and 4) MTWE as a routine program of the women's commission (Gender Committee) which was held on May 29, 2023.

In addition, there are minutes from the routine meeting on January 14, 2023 at MKNE which discussed an appeal to employees and employees' wives to be aware of the importance of *Posyandu*. In addition, the meeting discussed the 2023 MKNE gender committee work program.

The company has formed a gender committee consisting of men and women. For example, the structure of the Gender Committee at MKNE consists of 5 men and 7 women.

Based on the description above, it shows that the company already has a gender committee which aims to raise awareness, identify and address issues of concern, as well as provide opportunities and improvements for women.

#### **6.1.6**

The company does not discriminate against workers' rights. The company has a policy of non-discrimination and same opportunity as indicated in the Social and anti-discrimination Policy document in the GAR Social and Environmental Policy which was approved by the Head of Upstream, CEO Downstream & Commercial, Executive Director & CFO, & MD of Sustainability Strategic Stakeholder Engagement on September 8<sup>th</sup>, 2015. The company ensures that all workers receive wages that are equal to or exceed the legally stipulated minimum wage. Workers get wages in accordance with the Decree of the Governor of South Sumatra No. 908/KPTS/DISNAKERTRANS/2022 on December 6<sup>th</sup>, 2022 concerning the Determination of the Minimum Wage for Musi Rawas Regency for 2023, namely Rp. 3,536,218.

Payment of fair wages has been made by the unit of certification by considering ability, performance, expertise, years of service and other factors as the basis for remuneration. So that the payment of wages given is in accordance with the burden, duties and type of work of each. This is stated in the attached document to SK Directors No. 258/CEO of PSM 2/HR PSM2/12/2022 concerning the Structure and Scale of Wages for Permanent Employees of PT Djuandasawit Lestari Region Sumsel 1 Year 2023 on 30 December 2022. Wages consist of 3 namely basic wages, fixed allowances and non-fixed allowances. Here are some examples of pay slips based on the company's pay scale structure:

- Pay slips for permanent employees for the May 2023 period with employee No. ID 22020 Estate Office Division, Permanent Workers grade 4 with a basic wage of Rp. 3,536,218, with Health Assurance benefits, Social Assurance and deductions so that a Net Wages of Rp. 3,252,321
- Pay slips for permanent employees for the May 2023 period with employee No. ID 09123 Workshop Division, Permanent Workers grade 3 with a basic wage of Rp. 3,543,718, with overtime, premiums, Health Assurance benefits, Social Assurance and deductions so that a net wage of Rp. 4,926,596.

Based on interviews with 2 harvesters at Muara Kandis Estate revealed that there were differences in basic wages due to differences in years of service.

Based on the description above, it shows that the company already has proof of payment of same wages for the same



scope of work.

**Status: Comply**

## 6.2

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

### 6.2.1

The company has documentation of wages, including in the Decree of the Governor of Sumatera Selatan No. 908/KPTS/DISNAKERTRANS/2022 dated 6 December 2022 concerning the Determination of the Minimum Wage for Musi Rawas Regency for 2023, namely Rp. 3,536,218.

Payment of fair wages has been made by the unit of certification by considering ability, performance, expertise, years of service and other factors as the basis for remuneration. So that the payment of wages given is in accordance with the burden, duties and type of work of each. This is stated in the attached document to SK Directors No. 258/CEOPSM2/HRPSM2/12/2022 concerning the Structure and Scale of Wage for Permanent Workers of PT Djuanasawit Lestari Region of Sumatera Selatan 1 on 2023.

The company has identified a living wage by calculating updated wages, facilities and benefits received by employees. The company has set a minimum wage of Rp. 3,536,718 to 3,957,718. Employees are given other wages in accordance with their position and title, including work premiums, work attendance incentives, length of service incentives, BPJS facilities, housing, transportation, education, daycare, sports facilities, electricity and clean water.

Companies can also show documentation of wages in accordance with the results of their work, for example, wages for plant maintenance employees number ID 11046 in the May 2023 period at Muara Kandis Estate receive a wage of Rp. 4,540,364. The wages consist of basic salary, overtime, BPJS Employment Benefits, BPJS Health Benefits, Family Allowances, and BPJS Deductions.

The company recruits permanent employees for main jobs and contract employees for temporary jobs. The wages of plasma workers are paid based on work.

In the work agreement document, the terms and conditions of work are stated, including workers must use PPE according to the risks of their work, workers must comply with labor regulations, comply with company business ethics, prohibit child employment, forced labor and workers from human trafficking.

Based on the description above, it shows that the company has documented records of wages and working conditions in accordance with applicable labor regulations.

### 6.2.2

The company has a Collective Labor Agreement for 2022-2024 which regulates the rights and obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, reduction, overtime, sickness, holiday entitlements, maternity leave and other provisions. In addition to the Labor Agreement, the unit of certification also has policies and work contracts for workers that regulate the rights and obligations of workers.

The company's wage adjustment refers to the Decree of the Board of Directors Number 258/CEOPSM2/HRPSM2/12/2022 concerning the Structure and Scale of Wages for Permanent Employees of PT Djuanasawit Lestari Region Sumsel 1 Year 2023 and is valid from 1 January 2023.

- Permanent Worker 1 (Grade A-E): Grade 5A IDR 3,395,718 (highest), Grade 1E IDR 3,618,218 (lowest)
- Permanent Worker 2 (Grade F-J): Grade 5F IDR 3,771,718 (highest), Grade 1J IDR 3,566,218 (lowest)
- Permanent Worker 3 (Grade K-O): Grade 5K IDR 3,618,218 (highest), Grade 1O IDR 3,543,718 (lowest)
- Permanent Worker 4 (Grade P-T): Grade 5P IDR 3,553,218 (highest), Grade 1T IDR 3,536,718 (lowest)

The company shows examples of Worker Agreement including Temporary Worker Agreement No 132/MKNE/PKWT/VII/2022 on 29 July 2022 between the MKNE Manager and Arsani Widodo as Elementary School

Teacher Division 2, MKNE with an agreement validity period of 12 months (1 August 2022 to 31 July 2023). The agreement has discussed several articles: type of work and place of work, working days and hours; terms and conditions of work; validity period; Remuneration; the rights and obligations of the first party; the rights and obligations of the second party; the end of the work agreement; and cover. The agreement was signed by both parties and recorded by the Manpower and Transmigration Agency of the Musi Rawas Regency with Number 560/02/Nakertrans/8/2022.

Based on the description above, it shows that companies can show work agreements along with related documents that regulate detailed wages and work conditions and salary detail documents that provide information regarding compensation for work performed.

### **6.2.3**

The company has proof of legal compliance with regular working hours, overtime, sick leave, vacation entitlements, maternity leave, notice periods before termination of employment, and other employment provisions. The company shows proof of payment of salary including overtime pay, for example there is wages received by employees with NIK 16010 as MTWE Harvesters. In details, his salary consists of a harvest premium of Rp. 796,975, basic salary Rp. 3,395,249, BPJS Health allowances BPJS Health benefits, Worker Union deductions, BPJS Employment deductions and Health Assurance deductions, so that the total wages received by these employees is Rp. 4,025,756.

In addition, the Company has also submitted an application for maternity leave for employees of MKNE NIK 17099 from 18 January to 17 April 2023 which has been approved by personnel and the Estate Manager.

The company has also shown proof of payment to retired employees, including proof of payment to employees with ID No. 02020 with Joint Agreement No. 015/HR-PSMSumsel/IV/2023 dated 26 April 2023 with proof of payment No. 113201132042113201012202 dated May 5, 2023 in the amount of Rp. 79,574,887.

Based on the description above, it shows that the Company has proof of legal compliance for regular working hours, overtime, and other employment provisions.

### **6.2.4**

The company has provided welfare facilities for its residents in the form of housing, clinics, water supply, electricity, education, transportation, places of worship (mosques & churches), sports facilities and others. Based on observation to the Muara Kandis POM housing area and Muara Kandis Estate Division 3 and 4, it is known that workers are provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there is a daycare for children and a nursing room. The house is occupied by 1 family and specifically for unmarried workers, 1 house will be filled by 2-3 workers. The company also has a source of water from reservoirs and wells which are never short of supply. The company also has clinics and medical staff who are competent and certified. In addition, there is good access to attend kindergarten, elementary, junior high and high school level education for children of company employees who are still of school age. In general, the facilities provided by the company are suitable for use by workers and their families.

Based on the description above, it shows that the Unit of Certification provides decent housing, sanitation facilities, water supply, medical needs, education and public facilities.

### **6.2.5**

The unit of certification has made it easier for workers and their families to obtain food sources by providing an employee cooperative that sells daily necessities and providing access to vegetable traders to sell in workers' housing areas. Apart from that, there are also workers who open small business stalls to sell daily needs in every housing complex.

Based on interviews with workers (harvesters, sprayers, maintenance and factory operators), residents of housing, trade unions and gender committees, it is known that workers do not experience difficulties in obtaining food sources because the company has provided cooperatives that sell daily necessities and there are vegetable sellers who given access to sell around the housing.

Based on the description above, it shows that the Unit of Certification seeks to improve workers' access to adequate, sufficient, and affordable food.



**6.2.6**

The company has a valid wage assessment determination and all types of benefits for DLW (Decent Living Wage) simulation on 2023. This calculation is shown in the Prevailing Wage & Inkind Benefit Calculation document for the 2023 Fiscal Year prepared by HROPS 1 Head & SSPE Head and approved by the CEO of Sumatera Selatan. Its components consist of: Basic Salary, Benefits (Holiday allowance & Rice/Cash), Non-Cash Facilities (Electricity, Houses, Water, Schools, Polyclinic Facilities & Services; Daycare).

The results of the Prevailing Wage calculation show above the minimum wage provisions (Minimum wage of Musi Rawas Regency in 2023 Rp. 3,536,218) with the following variance:

- Contract Workers (12.39%)
- Category PT 4A Workers (12.40%)
- Category PT 4B Workers (23.64%)
- Category PT3 Workers (23.86%)
- Category PT2 Workers (24.55%)
- Category PT1 Workers (26.14%)

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 conducting an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

Referring to the provisions of the Sumatera Selatan Province minimum wage in 2023, it is known that it is 3,536,218. Based on the results of the document review the company has conducted a simulation of the applicable wage assessment and all types of benefits for the DLW (Decent Living Wage) simulation in 2023. This calculation is shown in the Prevailing Wage Calculation document for Fiscal Year 2021 PT DSL compiled by HROPS 1 Head and approved by CEO. From the calculations carried out the types of allowances in the form of goods that are included in the calculation include rice allowances, housing facilities, electricity facilities, water facilities, schools and health facilities (polyclinics) and Daycare.

**6.2.7**

The certification unit has non-staff workers with the status of Contract Workers and Permanent Workers (grade 1-4 permanent workers). All rights for each employment status have been differentiated. For workers, the certification unit also registers these workers with the Sumatera Selatan Province Manpower and Transmigration Office on March 27, 2023. Based on a document review, it is known that there is no contract workers at MTWE, there are contract workers at MKNE for upkeep, and contract workers at Muara Kandis POM for work processing.

The results of interviews with spray workers, harvesters and factory operators found that workers understand the recruitment system, worker status and the orientation period that must be passed before workers are appointed as permanent workers. These processes are stated to be quite fair and provide equal opportunities to work according to the abilities, skills and achievements of workers during the contract period. In terms of wages, it is in accordance with minimum wage standards and workers have also received social assurance and PPE from the certification unit.

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

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

**6.3.1**

The company has a published statement recognizing freedom of association and the right to collectively bargain in the national language, among others listed in the Work Environment and Industrial Relations Policy on Freedom of Association No.KHI-smart/018-00 dated 01 August 2017.

The company is committed to respecting and ensuring the fulfillment of the rights of all workers in accordance with

applicable laws and regulations by referring to international initiatives and standards. The company does not prohibit, hinder, or limit workers from forming or not forming trade unions in terms of realizing freedom of association and assembly for every worker. The company also does not interfere in the process of selecting union officials. Trade unions have a function as a party in drafting collective labor agreements and settling industrial relations disputes.

This statement was explained to all workers through outreach regarding the Work Environment and Industrial Relations Policies, such as respecting the right of employees to organize. The socialization was carried out on September 14 2023 and was attended by 121 company employees consisting of harvesters, maintenance employees and foremen.

Evidence of the implementation of this policy includes that the Company already has a workers' union in each unit, namely MKNM, MTWE and MKNE and has been registered by the District Manpower and Transmigration Office. Musi Rawas with proof of registration, as follows:

- **MKNM:**

Letter of notification of changes in the management of a workers' union named Federation of Trade Unions, Financial Informatics, Banking and Various Industries, All Indonesian Trade Unions (FSB NIKEUBA KSBI) Musi Rawas Number 001/Ext-P/DPC-M-L/FSB-NIKEUBAKSBSI/II/2022 received on 28 January 2022 by the Manpower and Transmigration Agency of the Musi Rawas Regency.

- **MTWE:**

Notification letter on the structure of the SBDMM-FSB NIEKUBA KSBSI commissariat for the period 2022-2024 PT DSL No 012-Ext-P-250/DFC/FSB-NIKEUBA/KSBSI/VI/2022 received on July 4, 2022 by the Manpower and Transmigration Agency of Musi Rawas Regency.

- **MKNE:**

The notification letter for the commissioner structure of the FSB NIKEUBA KSBSI Plantation Period 2022-2024 PT DSL was received on June 13 2022 by the Manpower and Transmigration Agency of Musi Rawas Regency.

In addition, PT DSL also has an LKS Bipartite organization with management consisting of representatives of workers and companies with decision number 56/KPTS/IV/NAKERTRANS/2022 which was approved by the Head of Labor Agency of Musi Rawas Regency on 22 August 2022

Based on the description above, it shows that the company has made a published statement, which recognizes freedom of association and the right to collective bargaining in the national language. The statement is explained to all workers in a language they understand and can be proven to be implemented

### **6.3.2**

The company holds a meeting with Bipartite Agency once a month or every time there is a program that needs to be discussed immediately. The company shows recordings of meetings in the form of meeting minutes between the certification unit and the workers' union or Bipartite Agency Year 2023, namely PT DSL Bipartite Agency meeting minutes on January 14, 2023, February 18, 2023, March 15, 2023, April 15, 2023, and May 13, 2023. On May 13, 2023 the meeting was held at the PT DSL Muara Kandis Estate Large Office and was attended by 9 LKS Bipartite management. The main points of discussion at the meeting included increasing the percentage of unripe fruit which had to be corrected in relation to worker discipline. All instructions from leaders and company standards must be carried out properly in field operations.

In addition, there was a meeting at the Muara Kandis Mill Head Office on May 30, 2023 which was attended by 8 people consisting of factory leadership representatives and factory employees. Several things were discussed at the meeting, including the need for all employees to update their family card data for payroll data. In addition, discussions related to road repairs in Mill employee housing, repair of bus stops and children's facilities.

Based on the description above, it shows that the company has held a meeting with the Bipartite Agency and proves it with the minutes of the meeting.

**6.3.3**

The company does not interfere in selecting or organizing trade union activities, this is evidenced by the results of interviews with representatives of workers and trade unions which state that in the process of selecting/decision-making and planning activities, members provide input/aspirations to their respective representatives to make selections/decisions.

- **MKNM:**

Letter of notification of changes in the management of a workers' union named Federation of Trade Unions, Financial Informatics, Banking and Various Industries, All Indonesian Trade Unions (FSB NIKEUBA KSBI) Musi Rawas Number 001/Ext-P/DPC-M-L/FSB-NIKEUBAKSBSI/II/2022 received on 28 January 2022 by the Manpower and Transmigration Office of the Musi Rawas Regency. The organizational management structure consists of a Chair (Trisno), Deputy Chair (Ishak Juarsah), Secretary, Treasurer, Field Coordinator and Members

- **MTWE:**

Notification letter on the structure of the SBDMM-FSB NIEKUBA KSBSI commissariat for the period 2022-2024 PT DSL No 012-Ext-P-250/DFC/FSB-NIKEUBA/KSBSI/VI/2022 received on July 4, 2022 by the Manpower and Transmigration Office of Musi Rawas Regency. The management structure of the organization consists of a Chairperson (Nanang Iskandar), Deputy Chairperson (Tukiyo), Secretary, Treasurer, Field Coordinator and Members

- **MKNE:**

Letter of notification of the commissariat structure of the FSB NIKEUBA KSBSI Plantation Period 2022-2024 PT DSL No 011-Ext-P-250/DFC/FSB-NIKEUBA/KSBSI/VI/2022 received on 13 June 2022 by the Manpower and Transmigration Office of Musi Rawas Regency. The management structure of the organization consists of a Chair (Trisno S), Deputy Chair (Ishak Juarsah), Secretary, Treasurer, Field Coordinator and Members

In addition, PT DSL also has a Bipartite Agency organization with management consisting of representatives of workers and companies with decision number 56/KPTS/IV/NAKERTRANS/2022 which was approved by the Head of Labor Agency Musi Rawas Regency on 22 August 2022. The management structure of the organization consists of a Chair (Adi Prasetya), Deputy Chair (Trisno), Secretary, Deputy Secretary, and Members.

Based on the description above, it shows that management does not interfere with the formation or activities of registered organizations/workers' unions.

<b>Status: Comply</b>
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**6.4**
**Children are not employed or exploited.**
**6.4.1**

The company has policies regarding child protection, including those stated in the Work Environment and Industrial Relations Policy No. KHI-smart/001-01 dated March 1 2018, it is stated that the Unit of Certification is committed to Child Protection, prohibiting child labor and forced labour. The company strongly supports government programs and therefore strictly does not allow anyone to employ child labor outside the provisions of the applicable law. To ensure that no child labor is used, the Company determines the age of applicants or prospective employees of at least 18 (eighteen) years as evidenced by an *E-KTP* (Electronic Identity Card) or a Birth Certificate / Birth Identification Certificate and Family Card. In addition, based on the results of field observations at MKNM, MKNE, MTWE, FFB and empty fruit transport driver contractors, no child workers were found. This is also in accordance with the information provided by the Head of the Trade Union, as well as representatives from the Manpower Office in Musi Rawas Regency that there is no issue of child labor in the company.

Based on the description above, it shows that companies can show formal policies regarding child protection, including the prohibition of child labor, and this policy is included in service contract documents and agreement documents with suppliers.

**6.4.2**

The company shows the employee list document for the PT DSL unit for the period April 2023 where there are no children

under the age of 18 who are employed. The policy regarding the prohibition of child labor is contained in the Work Environment and Industrial Relations Policy No KHI-smart/001-01 dated March 1 2018, it is stated that the Unit of Certification is committed to Child Protection, prohibiting child labor and forced labour.

Based on interviews with HC staff, it was explained that in the process of recruiting employees, identity checks (*E-KTP* or Birth Certificate) will be carried out to ensure that the age requirements of workers are met and not violated. This is also in accordance with the results of field verification that found no child laborers working in the company.

Based on the description above, it shows that companies can show evidence of fulfilling the minimum age requirements of workers in accordance with applicable regulations.

#### **6.4.3**

In accordance with indicator 6.4.1 regarding the policy that applies to the minimum age of workers and the process/flow of employee recruitment as well as the results of observations in the field, it is known that there are no young workers and at the time the Audit was carried out there were no students carrying out field work practices for the needs of fulfilling the school curriculum.

Based on the description above, it shows that the company does not use young workers in its operational activities.

#### **6.4.4**

The company has conducted outreach regarding the prohibition of child labor both verbally and with warnings. For example, there was a socialization of sustainability policies, including related to the prohibition of forced labor or using child labor, which was conveyed to MKNE employees on September 14, 2022. During the socialization activity, 121 employees attended, consisting of foremen, harvesters and maintenance employees. On March 15 2022 socialization regarding the prohibition of child labor was carried out at MTWE which was attended by 333 employees. In addition to verbal socialization, the company also conducts visual socialization, including by posting warnings prohibiting the employment of children under 18 years of age and the prohibition of bringing children to the work area. These warnings were posted in all employee housing at MKNM, MTWE and MKNE.

Based on the description above, it shows that the unit of certification can prove the delivery of a 'prohibition of child labour' policy.

<b>Status: Comply</b>
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### **6.5**

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

#### **6.5.1**

The company has a policy regarding the prevention of sexual harassment and violence and other forms of which are listed in the Work Environment and Industrial Relations Policy concerning Sexual Harassment No. KHI-smart/016-00 on 01 August 2021 stated that this policy is a tool to increase the awareness of all workers and educational facilities in preventing sexual harassment in the workplace. The company does not tolerate any form of harassment and abuse of authority including physical, sexual, psychological or verbal violence. Everyone must be treated with respect and dignity. Any disputes with local communities must be handled in accordance with the principle of equality and free from intimidation, violence and harassment. The company also has a policy regarding equal rights and participation of women around its operating units which is contained in the GAR Policy for June 2021.

This policy has been disseminated to all employees, including at MTWE on 26 April 2023 which was attended by 58 employees. The purpose of this meeting is to convey information to all employees regarding sexual harassment and reproductive rights, and gender equality.

In addition, there was a socialization held on 22 August 2022 at MKNE which was attended by 30 employees. The purpose of this activity is to socialize complaints about sexual harassment, protection of women, child labor and anti-discrimination. Based on the results of interviews with the gender committee, it is known that so far there has never been an incident of sexual harassment against workers. This is also in accordance with the results of interviews with spray workers and

fertilizer workers in the field.

Based on the description above, it shows that the unit of certification has carried out socialization regarding company policies regarding the prevention of sexual harassment and violence and other forms and communicated them to all employees.

#### **6.5.2**

The company has a policy related to reproductive rights listed in the Work Environment and Industrial Relations Policy No. 001/DSN/CSO/VII/2021 on 08 July 2021. The document explains that no person may experience discrimination in employment, including reproductive rights and other forms of discrimination. The company has established a Gender Committee. In addition to gender and reproductive aspects, the gender committee also covers social, religious, health and child protection. The company has conducted outreach regarding this policy in each unit.

The company has also carried out socialization regarding reproductive rights and reproductive health including the socialization carried out by the gender committee on 14 September 2023 at Muara Kandis Estate which was attended by 20 people consisting of pickers of loose fruit employees and on 21 April 2022 at MTWE socialization regarding rights women's reproduction was attended by 22 employees of the loose-leaf forest.

Based on the description above, it shows that the company already has a company policy regarding the protection of reproductive rights, especially for women.

#### **6.5.3**

The company has a policy regarding pregnant and lactating workers in the work environment and industrial relations policy no. KHI-smart/005-00 which was approved by the HR Managing Director on 01 August 2017. The company does not employ pregnant and lactating women workers in places, locations and jobs that according to doctors are dangerous to the health and safety of their wombs and themselves. Women workers who are still breastfeeding are given appropriate opportunities to breastfeed their children if it has to be done during working hours. Workers Pregnant and lactating women are prohibited from working in jobs related to chemicals.

The company has conducted an assessment of the needs of new mothers by asking for their opinion, as well as taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia. The company has facilitated the knowledge of pregnant women workers through training classes for pregnant women with the aim of:

- Mothers can understand pregnancy checks so that the mother and fetus stay healthy
- Mothers can understand the preparation for childbirth, postpartum and keeping the baby growing healthy
- Mothers can understand and understand the prevention of complications of pregnancy, childbirth and postpartum so that mothers and babies are healthy
- Mothers can understand and understand newborn care for optimal growth and development.

In addition, the Company has fulfilled the needs of new mothers, such as:

- Examination of the pregnancy test is carried out every month
- Bring a hail certificate from the hospital
- Routine visits to Posyandu every month
- Nutrition guidance for pregnant and breastfeeding women by Posyandu
- Provision of nutritional intake every month at Posyandu
- Injections for pregnant women every month at posyandu
- Monitoring the content every month
- Suggestions and guidance regarding the equipment needed by Posyandu for prospective babies
- Assignment of duties and responsibilities adapted to the condition of pregnant women
- Get 1.5 months leave before giving birth and 1.5 months after giving birth
- Provide breastfeeding time when working
- Provide lactation facilities at BPA for employees who will breastfeed their babies.

The company has provided paid breaks to enable new mothers with infants 24 months or younger to breastfeed or express

and store breastmilk.

Based on interviews with the spray foreman and the fertilizer foreman at MKNE and MTWE, it is known that employees can be given permission if they are going to breastfeed their babies. However, based on field observations of spray and fertilization workers at MKNE and MTWE, there were no workers who were still breastfeeding their children.

Based on the description above, it shows that the company has assessed the needs of new mothers by asking for their opinion, as well as taking action to meet the identified needs according to regulations in force in Indonesia.

#### **6.5.4**

The company has procedures for handling complaints/grievance and conflict resolution including filing complaints that guarantee the anonymity and protection of the complainant if requested. This procedure is contained in the SOP for Handling Complaints and Conflicts No. SOP/SMART/SUST/IV/003 Revision 03 was ratified by the Head of Upstream on March 8, 2022. In the revised 3 SOP there are changes to the format, flowcharts and stages of handling complaints and conflicts as well as adjustments to the RSPO and ISPO P&C. The purpose of this SOP is to ensure that complaints and conflicts originating from within (internal) and from outside the company (external) can be resolved effectively and efficiently by taking into account the principles and criteria of oil palm plantations.

The scope of this SOP includes recording of complaints and conflicts, rating, communication, planning, handling, monitoring and reporting of the handling of complaints and conflicts originating from internal and external parties of the company. This procedure also includes handling reports of sexual harassment and acts of violence that occur within the company's operational permits.

The company has a complaint resolution mechanism related to employment, including that each reporter's identity (anonymity/whistleblower) is maintained/confidential. Complaints related to employee complaints can be submitted via SMS, WA, email, and telephone. For example, there are banners containing telephone numbers that can be contacted if there are complaints and these banners are posted in each unit, namely the MKNE, MTWE and MKNM offices. In the problemsolving process, the employee's supervisor is required to study employee complaints accompanied by evidence/facts to resolve the problem.

The results of the document review of outgoing and incoming letters, there were no reports of complaints from external parties. The complaints are internal to the company. For example, on March 8 2022 there was a complaint at MTWE from employees regarding repairs to the electrical installation at the MTWE church and on March 9 2022 the repairs had been completed.

Based on the description above, it shows that the company already has procedures for handling complaints/grievances and conflict resolution including submitting complaints that guarantee the anonymity and protection of the complainant if requested.

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

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

##### **6.6.1**

The company has a policy regarding forced labor in the work environment and industrial relations policy No. KHI-smart/006-00 Ratified by HR Managing Director on 01 August 2017. Based on this policy, the company guarantees to all workers/laborers in the work environment, free from all forms of forced labor or the practice of human trafficking, especially prohibiting slavery in any form.

Based on the results of interviews with the company's HC staff and the employee list document, it is known that there are no migrant workers.

In addition, based on interviews with workers at MKNE, MTWE and MKNM it is known that company employees are employees with permanent employee status. Workers come voluntarily to apply for jobs that are available free of charge



and without storage of identity documents, and the majority come from local communities around the plantations. Overtime is monitored by the company, and workers are given the freedom to choose to work overtime by signing an overtime order if there is work that requires overtime. In addition, there is no penalty for termination of employment if they want to terminate the contract early and there has never been a withholding of workers' wages.

Based on the information above, it shows that the company can prove that the workforce accepts work voluntarily and freely.

#### 6.6.2

Based on interviews with HC Assistants and document review, it is known that the employee status at PT DSL consists of Permanent Worker 1 (PT 1), Permanent Worker 2 (PT 2), Level 3 Worker (P3), and Permanent Worker 4 (PT4), as follows:

- Permanent workers grade 1: Senior administrator (Head of Warehouse, Bookkeeping Clerk, RC Office Head, Workshop Head, School Principal, Deputy Principal, and Middle/Elementary School Teacher).
- Permanent workers grade 2: Manager (Seeding Foreman, Division Foreman, Infra Foreman, Seedling Foreman, Harvest Foreman, Maintenance Foreman, JJK Foreman, Spray Foreman, Tractor/Graber Operator, Grader Operator, Excavator Operator, Bulldozer Operator, Pontoon Operator, Plant Crane, Warehouse Clerk, Payroll Clerk, Checkroll, Personnel Clerk, Cashier Clerk, Workshop Clerk, Welder, Mechanic, D & L Clerk, Midwife, Nurse).
- Permanent workers grade 3: Senior executors (long staff, brondol attendants, MTG (Mini Tractor Graber) clerks), divisional clerk assistants, emplacement foreman, LA foreman, core dependent plasma foreman, other heavy equipment/engine/pump operators, driver, security guard, Danru Security guards, infrastructure officers, survey officers, non-ETF teachers, kindergarten teachers, school administration, mess cooks.
- Permanent workers grade 4: Executor (witness grading, three-wheeled vehicle driver, vehicle/heavy equipment/machine helper, heavy equipment keeper, seedling employee, estate field worker, sprayer employee, fertilizer employee, fire guard, LA employee, laterite calibration employee, officer piezometer monitors, HCV supervisors, building maintenance employees, former 73ranspo workers, OB/OG, Mess attendants, mosque administrators, church administrators, babysitters).

Meanwhile, certain working hours are for work that is seasonal in nature and not core work, such as plant maintenance and maintenance of infrastructure. The company improves employee status through a probationary period and periodic evaluations. The company also reports all temporary workers to the relevant agencies, for example temporary employee reports to the Manpower and Transmigration Agency of Muli Rawas Regency on March 27, 2023. The company also conducted an assessment of temporary employees as a consideration for extending their working period, for example the employee with the initials AAS as a Compound employee whose contract expired on March 14, 2023 and extended his contract to March 13, 2024 because the results of the assessment showed that the employee have good performance. Based on the document review and field observations, it is known that there are no migrant workers at PT DSL.

Based on the description above, it shows that there is an employment policy for temporary workers along with evidence of its implementation. In addition, there are no migrant workers employed at PT DSL.

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

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

##### 6.7.1

The company shows document No. 06/ KPTS/ NAKERTRANS/ 2023 concerning Changes in Approval of PT DSL's P2K3 MTWE Management in May 2023 signed by an. The Head of the Sumatera Selatan Province Manpower and Transmigration Service explaining the revocation of Decree No. 04/ KPTS/ NAKERTRANS/ 2018 dated August 7 2018. This document explains the management of OHS Committee MTWE PT DSL which consists of:

- Coach
- Head of OHS Committee
- Secretary
- Evaluation Division
- Supervision Division

- Research Field
- Counseling Field
- Health Field

The OHS Committee secretary position is held by an NWS who is licensed as a General AK3 Expert with No. Reg 55936/PK3/AJ/31/2022/P1 valid until 07 February 2025.

Formation of P2K3 (K3 Committee) PT Djuanda Sawit Lestari (MKNM) which is registered/approved by the Office of Manpower and Transmigration of the Sumatera Selatan based on SK 05/KPTS/NAKERTRANS/2019 dated 17 September 2019. For the P2K3 secretary position held by a FK who is licensed as an Expert General AK3 with No. Reg 31102/PK3/AJ/31/2019/P1 with the initials FK which is valid until December 23, 2022. The company has extended the General AK3 Expert license before the license expires. Through a Certificate Number FSI198/KEM/X/2022-00 dated October 25, 2022 sent by EW as the Director of PJK3 (PT FSI) to the company, explaining that the license extension and SKP General AK3 Expert on behalf of the FK are in the process of obtaining a certification extension. Company representatives can show evidence of follow-up regarding the results of license extensions to PJK3 which are continuously being carried out, such as forms of communication via application w dated 17 January 2023 and 7 June 2023.

The establishment of the PT Djuanda Sawit Lestari (MKNE) K3 Committee which was registered/approved by the Office of Manpower and Transmigration of the Sumatera Selatan Province based on SK 024/KPTS/NAKERTRANS/2022 dated 10 May 2022. For the OHS Committee secretary position held by P who is licensed as a General OHS Expert with No. Reg 14694/PK3/AJ/31/2022/P2 valid until 07 February 2025.

Realization of the program will be monitored through regular meetings from the Guiding Committee of Occupational Safety & Health (P2K3) every month and documented on meeting minutes of P2K3 such as found in form F/SMART/HESS-EHSD/SADV/017/002 for MKNM meeting minutes that were made on January 19<sup>th</sup>, 2023, MKNE meeting minutes that were made on January 7<sup>th</sup>, 2023, MTWE meeting minutes that were made on January 9<sup>th</sup>, 2023.

The company carries out reporting activities, namely:

- MKNM P2K3 Report for Quarters 3 and 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on October 20, 2022, January 20, 2023, and April 14, 2023.
- P2K3 MKNE Report for Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on January 12, 2023 and April 10, 2023.
- MTWE P2K3 Report Quarter 4 of 2022 and Quarter 1 of 2023 to the Office of Manpower and Transmigration of Sumatera Selatan Province on 12 January 2023 and 25 April 2023.

#### **6.7.2**

The company has emergency preparedness and response procedures in SOP/SMART/UMUM/SADV/II/005 and work-related accident and disease management procedures in SOP/SMART/HESS-EHSD/SADV/II/005. Based on the results of field visits and interviews with company representatives, it is known that there are workers assigned to the field and have received training on first aid in accidents, carried out by P2K3 officers owned by each company's operating unit.

The OHS Committee organization routinely conducts training and simulation activities which are documented in the form F/SMART/HESS-EHSD/SADV/004/001 concerning Work Plans prepared by the unit's P2K3 secretary. The work plan consists of first aid training activities, fire simulation, B3 spill and poisoning simulation, earthquake simulation, riot simulation, ISBPR socialization activities and emergency response flow, OSH policy socialization, PPE socialization, MSDS socialization, and OSH requirements socialization to contractors. Realization of the activities that have been carried out are earthquake simulation activities which were carried out on July 30, 2022 with the scenario documented in the FP-04/SMK3-SOP-09 document dated July 30, 2022, riot simulation activities which were carried out on August 16, 2022 with different scenarios. Documented in document FP-04/SMK3-SOP-09 dated 16 August 2022, workplace explosion simulation activities carried out on 31 December 2022 documented in document FP-04/SMK3-SOP-09 dated 31 December 2022. Based on the results of field visits at MKNE, MKNM, and MTWE, first aid kits were checked and declared complete.

The company has work accident data recorded in the form FP 03/SMK3-SOP-10 Rev. 1 concerning recapitulation of work accident reports, for example for the period January 2022 – May 2023 made by the Secretary of The OHS Committee and known by the Chair of The OHS Committee. For each work accident recorded in a work accident report prepared by the divisional assistant known to the P2K3 Secretary and The OHS Committee Chair with detailed information such as time of accident, name and position of the person who suffered the accident, and a brief description of the accident. The recapitulation results show that there were no work accident incidents recorded during that period at MTWE and MKNE and there was 1 work accident at MKNM due to a burst of fire inside the electrical panel on 05 January 2023 with 12 days lost. Based on "the 3A KK 2 Social Assurance form", the work accident report has been submitted to the Social Assurance and the Manpower Agency with a proposal for financing by the employer and based on a doctor's certificate in *formula 3B KK 1's*. on March 7, 2023 was determined to have recovered without disability.

The results of field observations at MKNM, offices at MKNE and MTWE, it is known that there are evacuation routes and gathering points. The results of observations at MKNM also found that the condition of the hydrant was in good working condition when tested by the MKNM emergency response team. Likewise, during field observations at the firefighting facilities warehouses at MTWE and MKNE, a simulation of fire extinguishers has been carried out and it is known that the equipment can function properly. Apart from that, there are also first aid boxes in strategic places, for example in the workshop and storage.

#### **6.7.3**

The company has provided PPE for all of its employees according to the potential risks in the workplace. The company provides PPE free of charge and will replace it according to the life of the PPE or replace it if the PPE is damaged and is no longer suitable for use. For example, based on the results of field observations at MKNE, there are harvest workers using complete PPE such as helmets, gloves, boots and goggles. In addition, there are pesticide application officers wearing helmets, face shields, rubber gloves, aprons, and boots. The company also provides sanitation facilities for pesticide applicators. Based on field observations, the MKNE rinse house has employee changing rooms, a PPE washing area, a storage area for spray equipment and spraying PPE, a pesticide mixing area and emergency response facilities such as eye washers that function properly. Pesticide applicators come to the rinse house to change all their clothes using the PPE and uniforms that have been prepared by the company. After finishing work in the field, all employees return to the rinse house to clean themselves and their work tools and then put on clean clothes before returning to their respective homes. Apart from that, based on the results of observations at MKNM, all employees also use PPE according to the potential of their workplace, such as at the Engine Room station, employees use helmets, safety shoes, gloves, ear plug and ear muffs.

All the workers provided with PPE as identified in the risk assessment carried out in Criteria 3.6. Adequate and appropriate PPE available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. The PPE provided to workers free of charge and replaced when damaged. The organization has maintained a list of PPE distribution. All workers involved in the operation appropriately trained in safe working practices and trained in the use of the PPE. Based on the results of field observations, workers have used appropriate PPE at work.

The Company have Material Safety Data Sheet (MSDS) for pesticides used readily available for easy reference. There are sanitation facilities available for workers handling pesticides to change out of PPE, wash and put on their personal clothing. Wastewater from sanitation facilities is handled by constructing permanent underground storage and processing tanks to avoid soil or water contamination.

Based on the description above, it shows that workers use appropriate Personal Protective Equipment (PPE) in their workplace and are provided free of charge. The company also provides sanitation facilities for workers who use pesticides so that workers can remove PPE, clean themselves and put on their personal clothes.

#### **6.7.4**

The company has policies related to employment insurance and health insurance in the work environment and industrial relations policies in policy No. KHI-smart/015-00 which was ratified by the HR Managing Director on 01 August 2017. The company guarantees social protection in collaboration with BPJS. In addition, the company enrolls in the health insurance program so that workers have the benefits of health care and protection of their basic health needs. The company also provides medical center facilities as a means of first aid in accidents.

The company has realized employment protection for all of its employees, for example, there is proof of payment for the May MKNM Employment Social Assurance of Rp. 42,891,223 and MKNE of Rp. 164,075,866.

The company has also registered all of its employees in BPJS Kesehatan, as proof of payment for the May 2023 BPJS Kesehatan on 5 May 2023 at MKNM in the amount of Rp. 21,329,305 for 120 employees, at MKNE Rp. 85,993,690 for 485 employees and at MTWE for 337 employees Rp. 59,817,282.

Based on interviews with HC staff and document review, there were no work accidents requiring treatment at the hospital. All work accidents are minor and can be handled by the company clinic. The company has medical staff who have followed the hyperkes certificate, licensed medical officers and first aid workers.

Based on the description above, it shows that all workers are provided with health services and are protected by work accident insurance. Costs incurred as a result of work incidents, resulting in injury or illness, are borne in accordance with applicable regulations.

#### 6.7.5

The company has recorded work accidents using Lost Time Accident (LTA), as follows:

- MKNE

The company has shown operational data related to work accidents for the January-December 2022 period. The data presented is the number of employees, the number of non-effective working days, overtime, the number of hours worked by employees, the number of accidental days lost, the number of days lost, the number of accidents a year, the days lost a year, the number of employees working a year is 990,177, FR and SR. From the data displayed there were no work accidents that caused lost days, so it can be concluded that employees work in safe workplace conditions.

- MTWE

The company has shown operational data related to work accidents for the January-December 2022 period. The data presented is the number of employees, the number of non-effective working days, overtime, the number of hours worked by employees, the number of accidental days lost, the number of days lost, the number of accidents a year, the days lost a year, the number of employees working a year is 711,103, FR and SR. From the data displayed there were no work accidents that caused lost days, so it can be concluded that employees work in safe workplace conditions.

- MKNM

The company has shown operational data related to work accidents for the January-December 2022 period. The data presented is the number of employees, the number of non-effective working days, overtime, the number of hours worked by employees, the number of accidental days lost, 1 number of days lost, 1 number of accidents a year, days lost a year, the number of employees working a year is 284,430, FR 4 and SR 4. From the data shown there is 1 work accident which causes 1 day lost, so it can be concluded that employees work in a safe workplace.

Based on the description above, it shows that the company has recorded work accidents using Lost Time Accident (LTA).

<b>Status: Comply</b>
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### **PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**

#### **7.1**

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

##### **7.1.1**

The company has SOP/SMART/MCAR/VII/TA-HPT procedures. Procedures for explanation of types of pests and diseases in nurseries, pests and diseases in TBM and TM, and other diseases, detailed explanation of detection activities, census, biological mechanical and chemical control of UPDKS, evaluation of UPDKS control, pest control, and weed control procedures in SOP/ SMART/MCAR/VIII/TA-PGM.

Integrated pest control activities carried out by the company are in the form of integrated control between biological controls to reduce the use of chemical controls. Biologically, the use of useful plants, namely *Antigonon leptopus*, *Turnera*

*subulata*, *Turnera ulmifolia* and *Cassia cobanensis* as a preventive measure to suppress the presence of pests in the field, especially for Caterpillar types, as well as the utilization of natural enemies of rat pests, such as *Tyto alba*.

Useful plant utilization activities such as those carried out at MKNE were recorded in the divisional work program document dated June 2, 2023 made by the SPO Officer and known by EM MKNE and MTWE. Plans for planting/maintaining host plants for the types *Antigonon leptopus*, *Turnera subulata*, *Turnera ulmifolia* and *Cassia cobanensis* in January – December 2022 MKNE was 39,734.28 with a realization of 39,734.28 ha (100%), MTWE was 35,382.96 with a realization of 35,382.96 (100%).

The company utilizes *Tyto alba* as a rat population controller in the field. Based on the monitoring documents for the owl cages, it is known that the company has used *Tyto alba* as a biological pest control method with a total of 146 gupons. The results of field visits, for example in Block K34 Division 2 MKNE and Block L51 Division 4 MTWE, it is known that the owl cages are in good condition and active.

The company can show the realization of the integrated pest control plan for 2022-2023. For example, the census records are presented as follows. Based on the census records of rats, it was found that there was an attack of rats with low attack criteria. The results of field visits for example Harvesting Block C18 Division 5 Muara Kandis Estate and Block M58 Division III Muara Tawas Estate did not find signs of rat infestation.

To avoid P&D resistance (including weeds) and the use of prophylactic pesticides, the unit of certification has replaced and/or rotated the use of pesticides for the same target, for example in broadleaf control, the use of pesticides with the active ingredient *Methyl Metsulfuron* can be substituted with pesticides with the active ingredient *Triclophyr Butoxy Ethyl Ester*, *Dimethyl Amine* and *Isopropyl Amine Gliphosate*.

In addition, during field observations carried out in the Block R58/R59 and M59 Division II (MTWE) units, it was found that there were beneficial plants planted on each edge of the block as host plants for predators to control LEC (Leaf Eater Caterpillar) and some were using it. Owl (*Tyto alba*) as a pest control of rats.

### 7.1.2

The use of invasive species is introduced by the company according to applicable regulations (referring to the regulation of the minister of environment and forestry No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016 concerning invasive species, for the types of plants *Turnera subulata*, *Cassia cobanensis*, *Turnera ulmifolia* and *Antigonon leptopus* which are used as host plants in integrated pest control efforts, based on Appendix I to Regulation of the Minister of Environment and Forestry No. P.94/MENLKH/SETJEN/KUM.1/12/2016 dated 6 December 2016, these three species are not invasive species.

### 7.1.3

The company has procedures on SOP/SMART/MCAR/VII/TA-HPT. Procedures explaining types of pests and diseases in nurseries, pests and diseases in TBM and TM, and other diseases, detailed explanation of detection activities, census, biological mechanical and chemical control of UPDKS, evaluation of UPDKS control, control of pest, etc. The procedure does not explain the use of fire as one of the methods used for pest control.

Integrated pest management activities carried out by the company are in the form of integrated control between biological controls to reduce the use of chemical controls. Biologically, the use of beneficial plants in the form of *Antigonon leptopus*, *Turnera subulata*, *Turnera ulmifolia* and *Cassia cobanensis* as a preventive measure to suppress the presence of pests in the field, especially for UPDKS types, as well as the use of natural enemies of rat pests, such as *Tyto alba*.

<b>Status: Comply</b>
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## 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 procedures regarding pesticide management in the SOP/SMART/MCAR/VIII/TA-PGM document. The procedure address, among others:

- LAMPSMART/MCAR/VIII/TA-PGM/01 regarding weed control in the field



- LAMP/SMART/MCAR/VIII/TA-PGM/02 regarding weed sprayers
- LAMP/SMART/MCAR/VIII/TA-PGM/03 regarding general instructions regarding safety in working with pesticides.

The certification unit has SOPs and work instructions for weed management, guidelines covering selection, storage, application, handling of contamination, knowing the signs and symptoms of pesticide poisoning and first aid for poisoning cases. To ensure that the pesticides used are in line with the target, the unit of certification identifies the types of weeds found in the operational area.

Justification for the use of pesticides has been shown through census analysis, for example as follows:

The Census of Rats and LEC (Leave Eating Caterpillar) for MKNE in 2022 with an average attack below 2% and no signs of attack in some time periods of the 2022 census below the minimum economic threshold so that the unit of certification does not control activities properly. Chemicals (pesticides) and still use natural controls such as the use of beneficial plants/predators (barn owl).

The unit of certification has documented pesticide toxicity records in the Monthly Pesticide Toxicity Data document. The document records the 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. The certification unit has also classified the pesticides used according to WHO classes, such as Erkaforon 20 WP (methyl metsulfuron) with the WHO classification, which is probably not available, Garlon (triclopir) with the WHO classification, which is class 3 and so on.

In addition, Material Safety Data Sheets are found in pesticide and fertilizer storage warehouses for each type that explain the instructions for storing and handling materials, handling in the event of an accident (first aid effort) and so forth.

The list of pesticides used by the company :

Brand	Active Ingredient	License number	Validity period
Erkaforon 20 WG	Metil metsulfuron 20%	RI 01030120093530	31 January 2025
Rollup 480 SL	Isopropilamina glifosat 480 g/L	RI 01030120042133	03 September 2023
Garlon Mix 333/17 EW	Triclopyr butoxyethyl ester 333 g/l	RI 0103011984695	16 April 2023
Starane 480 EC	Fluroxypyr methyl ester 480 g/l	RI 01030120083155	02 Februari 2023

The company applies the procedures recorded in LAMP/SMART/MCAR/VIII/TA-01 containing standard TBM and TM maintenance work in which the use of pesticides with the active ingredients contained in them is adjusted to the target weeds accompanied by an effective dosage measure and also adjusted to the plant's response to herbicides (tolerant or not) taking into account the determination of pesticide classes based on WHO classification:

- Erkaforon with active ingredient Methyl Metsulfuron 20% with systemic properties has target weeds, namely broadleaf weeds, ferns (soft and dangerous) and woody (shrubs)
- Roll up with the active ingredient Isopropyl Amina Glyphosate 480 g/L with systemic properties having target weeds, namely the grass and sedge groups,
- Starane with active ingredient Fluroxypyr methyl ester 480 g/l with contact properties has target weeds, namely broadleaf weeds
- Garlon Mix with an active ingredient of Triclopir Butoxy Ethyl Ester with systemic properties has target weeds, namely groups of weeds with broad leaves and woody shrubs.

For recommendations on the use of each type of herbicide and application rotation according to LAMP/SMART/MCAR/VIII/TA-01.

## 7.2.2

The list of pesticides used by the company :

Brand	Active ingredient	License number	Validity period
Erkaforon 20 WG	Metil metsulfuron 20%	RI 01030120093530	31 Januari 2025
Rollup 480 SL	Isopropilamina glifosat 480 g/L	RI 01030120042133	03 September 2023



Garlon Mix 333/17 EW	Triclopyr butoxyethyl ester 333 g/l	RI 0103011984695	31 Januari 2025
Starane 480 EC	Fluroxypyr methyl ester 480 g/l	RI 01030120083155	08 Februari 2028

Records of the use of MKNE pesticides in 2021 and 2022 :

Pesticide	Unit	2021			2022		
		Total	Ha	Application/Ha	Total	Ha	Application/Ha
Erkafuron 20 WG	kg	263,46	4.138,12	0,06	220,16	3965,58	0,06
Roll up 480 SL	Ltr	3330,96	22.268,51	0,15	2.712,07	20.944,51	0,13
Garlon Mix 333/ 17 EW	Ltr	319,84	436,20	0,73	273,34	279,67	0,98
Starane 480 EC	Ltr	341,65	7.866,85	0,04	31,27	5.776,92	0,01

The use of Garlon Mix has increased because the chemicals contained in Garlon Mix (the active ingredient Triclopir Butoxy Ethyl Ester) are considered more effective for controlling the growth of woody weeds so that it is used as a substitute for the active ingredient Isopropyl Amina Glyphosate in the Roll Up brand.

Records of MTWE pesticide use in 2021 and 2022 :

Pesticide	Unit	2021			2022		
		Total	Ha	Application/Ha	Total	Ha	Application/Ha
Erkafuron 20 WG	kg	137.33	3,091.11	0.04	179.90	4,289.94	0.04
Roll up 480 SL	Ltr	2,514.99	14,906.11	0.17	1,604.85	8,970.95	0.18
Garlon Mix 333/ 17 EW	Ltr	215.96	183.87	1.17	263.35	221.56	1.19
Starane 480 EC	Ltr	192.05	5,575.52	0.03	257.67	5,555.93	0.05

There was an increase in the use of pesticides in MTWE brands Roll Up, Garlon Mix, and Starane in 2022, the company's justification explained that weed growth in 2022 was faster due to higher rainfall than the previous year, namely 3,618 mm in 2022 with a total of 221 rainy days in one year and 3,433 mm in 2021 with a total of 207 rainy days in one year so that weed growth tends to be faster and it is necessary to repeat herbicide applications after rain.

### 7.2.3

To reduce the use of pesticides, the company is committed to implementing integrated pest control by combining the use of beneficial plants and the use of natural enemies of plant pests, such as the use of Tyto alba. The company also has procedures related to IPM control and controlling the use of chemicals, namely:

- Pest and Plant Disease Control Procedures in SOP/SMART/MCAR/VII/TA-HPT  
Procedures explaining: census and control of pests and diseases in nurseries, TBM and TM, as well as a detailed explanation of actions for detection, census, biological, mechanical and chemical control of pests, as well as prevention and control of other types of pests and diseases
- Weed Control Procedures in the SOP/SMART/MCAR/VIII/TA-PGM document  
This procedure describes the steps that need to be taken to control weeds in oil palm plantations in seedlings, TBM and TM as well as monitoring the use of pesticides.
- Procedures regarding pesticide mitigation are contained in the SOP/SMART/MCAR/VIII/TA-PGM document. The procedure addresses, among others: LAMP/SMART/MCAR/VIII/TA-PGM/01 regarding weed control in the field, LAMP/SMART/MCAR/VIII/TA-PGM/02 regarding weed sprayers, LAMP/SMART/MCAR/VIII/TA-PGM/03 regarding

general instructions regarding safety in working with pesticides.

- Document Number LAMP/VIII/TA-PGM/03-PUKBP dated 26 March 2012 concerning general instructions on safety in working with pesticides (PUKBP) the document has explained that pesticides are only used when circumstances really require them, pregnant women and workers whose health is not good, are not allowed to work or be employed to use pesticides.

The unit of certification has implemented IPM quite effectively, without using chemicals for pest control and not using pesticides as prophylaxis. Pesticides are used routinely for weed control and if the circle and path conditions are still quite standard then weed control will be stopped.

The IPM program has been listed which is then broken down into monthly work plans and daily work plans. The IPM program prioritizes routine monitoring of the presence of pests. Pesticides are the last alternative control if the observation shows a value above the control threshold. Basically, the application of IPM aims to minimize the use of pesticides in pest control.

The unit of certification has shown the document of the Pest and Disease Census Recapitulation which contains the realization of the implementation of pest and disease detection and census activities. Based on the realization of PT Djuandasawit Lestari's 2022 caterpillar and rat census activities, there are no indications of pest and disease attacks that are above the minimum threshold, so control is not needed.

#### 7.2.4

There is no use of prophylaxis in 2019-2023, the unit of certification does not use pesticides for pest control at all. Based on the results of interviews with pesticide applicators at MTWE and MKNE, it is known that the use of pesticides is only for land sanitation activities as weed control and there has been no use of pesticides to control pesticides or diseases since 2019 until now.

There is no pesticide storage as a preventive for the prevention of pests and diseases (prophylactic use). The types of chemicals found in the warehouses of PT DSL are as follows:

Pesticide	Active Ingredients	Target
Roll Up 480 SL	Isopropil Amina Glifosat	Group of grasses and sedges
Erkafuron 20 WG	Metil Metsulfuron 20%	Broadleaf, fern (soft and dangerous), and woody (shrub) groups
Garlon MIX 333/17 EW	Triklopir Butoksi Etil Ester 670 g/l	Group of broad leaves and woody shrubs
Starane 480 EC	Fluroxypyr methyl ester 480 g/l	Broad leaf group (creeping)

#### 7.2.5

The company shows documents of the pesticides used, namely:

Brand	Active ingredients	LD50 (ppm)	License number	Validity period	WHO Class
Erkafuron	Metil Metsufuron 20%	5000	RI. 01030120093530	31 January 2025	Class III Slightly hazardous
Roll Up	Isopropil Amina Glifosat 480 g/L	5000	RI. 01030120042133	03 September 2023	Class III Slightly hazardous
Starane 480	Fluroxypyr methyl	5000	RI. 01030120083155	31 January	Class III Slightly

EC	ester 480 g/l			2025	hazardous
Garlon Mix 333/ 17EW	Triclopir Butoksi Etil Ester	2000	RI. 0103011984695	31 January 2025	Class III Slightly hazardous

Based on the results of a document review and field visit, no pesticides were found in class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

#### 7.2.6

Training activities related to integrated pest control and spraying activities were recorded on the SMARTRI-Form-PSM-08-02 form conducted on 15 November 2022 at MKNE with a total of 65 participants consisting of spray foremen and several representatives of spray officers from each MKNE and MTWE division. The activities carried out were instructed by BPRE research staff and known by the PIC SRO MKNE.

The results of field observations in rinse houses, PPE warehouses and interviews with Block C21 Division 6 MKNE and Block S50, Division I MTWE pesticide applicators, it is known that applicators have been given regular training on safe working methods. This is evidenced by the explanation of the correct way of working in accordance with procedures including how to use and handle risks in accordance with material safety sheets. There has been a work safety sheet (MSDS) and symbols of hazardous and toxic materials that are properly installed on the walls and doors of the warehouse. Pesticide applicators also use personal protective equipment in accordance with the specified hazard identification and material safety data sheets such as respirator masks, gloves, safety shoes, aprons and goggles. Furthermore, clean water and soap are available in the field. In addition, employees are also informed about safe work steps in every roll call in the morning before work. Meanwhile, the spraying workers interviewed also stated that after the spraying activity they would wash and dry their PPE and spraying equipment (spray tanks, jerry cans, etc.), and shower/change clothes in a special place near the division office's pesticide shop. The results of field observations the company has a place to store all PPE and spraying equipment after use.

Based on the explanation above, it is concluded that those who apply pesticides are employees who have attended training, while employees understand the dangers and risks related to the chemicals used.

#### 7.2.7

Based on the results of field observations at the MKNE, MTWE, dan MKNM chemical warehouses, it is known that the storage of all pesticides is in accordance with recognized best practices, namely referring to PP No. 74 of 2001 concerning Management of Hazardous and Toxic Materials. Based on the results of field observations it can be explained that the storage areas have been equipped with B3 symbols, MSDS, ventilation, good lighting, channels to accommodate pesticide spills, eyewash and showers, storage areas for PPE, complete PPE, clean clothes racks for pesticide applicators, APAR, first aid kits, emergency handling pathways, preparation racks according to packaging, to the handling of used pesticide containers have been carried out properly. In addition, pesticide waste water is also managed properly with a water reservoir used for washing tools contaminated with pesticides.

#### 7.2.8

The company shows the document LAMP/SMART/MCAR/VIII/TA-PGM/03 regarding general instructions for safety in working with pesticides. It contains procedures that workers, tools and containers contaminated with pesticides including PPE must be cleaned. Water used for washing tools and containers must be reused for the next spraying activity. Bath water that is used to flow into the infiltration hole may not be channeled into the drainage channel. Empty and cleanly washed containers are not allowed to store food or drinks and other things that are not related to pesticides. The container is collected for further handling according to the provisions. All equipment related to the application of pesticides must be given a hazard symbol in accordance with applicable regulations.

Based on the results of a field visit to the MKNE and MTWE housing, no reuse of pesticides packaging was found.

#### 7.2.9

The company applies pesticide spray methods and equipment in accordance with LAMP/SMART/MCAR/VIII/TA-PGM/02 procedures regarding weed spray equipment. Two categories of weed sprayers are knapsack sprayers (carrying) and CDA (Controlled Droplet Applicator) which are regulated regarding how to use the weed sprayer. The company also

applies LAMP/SMART/MCAR/VIII/TA-PGM/03 procedures regarding general instructions for safety in working with pesticides. In this procedure there are prohibitions not to spray or spread pesticides when it is going to rain, the wind is blowing hard, and do not direct the spray or spread against the direction of the wind. The procedure instructs to avoid spray carried by the wind to other places so that it does not hit people's homes, plants in other places, rivers, ponds, lakes, and fodder. This is quite representative that the company has procedures that are aware of the spread of pesticides through the air. Based on the results of field visits and interviews, it was found that the company did not apply pesticides by air.

#### 7.2.10

The company has records of special health inspection activities for pesticide operators. Cholinesterase Examination, Spirometry and pregnancy tests (especially for female workers) Semester 1 of 2023 conducted by WAC's doctor with the schedule and results as follows:

- MCU on 31 March 2023 of 29 MKNE pesticide workers in form F/SMART/HESS-EHSD/SADV/012/004 Rev 0.0
- MCU on 17 March 2023 of 14 MTWE pesticide workers in form F/SMART/HESS-EHSD/SADV/012/004 Rev 0.0

The company has shown the results of the medical examinations that have been carried out by the company, based on these documents it is known that there are no employees who experience work-related health problems. Based on the results of the last medical examination, no trends of workers being absent due to incident related to pesticide usage.

The results of the examination showed that all workers associated with the pesticide spraying activities were in normal condition (healthy) and none of them were pregnant.

#### 7.2.11

Document Number LAMP/VIII/TA-PGM/03-PUKBP dated 26 March 2012 regarding general instructions regarding safety in working with pesticides (PUKBP) the document has explained that pesticides are only used when circumstances really require them, pregnant women and workers whose health is not good, are not allowed to work or be employed to use pesticides.

The company has records of special health inspection activities for pesticide operators. Cholinesterase Examination, Spirometry and pregnancy tests (especially for female workers) Semester 1 of 2023 conducted by WAC's doctor with the schedule and results as follows:

- MCU on 31 March 2023 of 29 MKNE pesticide workers in form F/SMART/HESS-EHSD/SADV/012/004 Rev 0.0
- MCU on 17 March 2023 of 14 MTWE pesticide workers in form F/SMART/HESS-EHSD/SADV/012/004 Rev 0.0

The results of the examination showed that all workers associated with the pesticide spraying activities were in normal condition (healthy) and none of them were pregnant.

**Status: Comply**

### 7.3

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

#### 7.3.1

The certification unit 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/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

In waste management, the company shows a permit for the management of toxic hazardous waste materials and the utilization of liquid waste as follows:

1. Temporary storage hazardous :

a. PKS Muara Kandis and Muara Kandis Estate

Permit for temporary storage of Hazardous and Toxic Waste based on the Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Regency number 503/06/LB3/DPM-PTSP/VII/2019 concerning the extension of permits for the management of toxic hazardous materials for temporary storage of hazardous materials. Hazardous and toxic PT Djuandasawit Lestari dated 16 July 2019 which is valid for 5 years from the date of stipulation.

b. Muara Tawas Estate

Temporary storage permit for hazardous and toxic materials based on the Decree of the Head of the Investment and One-Stop Service Office of Musi Rawas Regency number 503/10/LB3/DPM-PTSP/XI/2019 concerning the extension of permits for the management of hazardous and toxic materials for temporary storage of hazardous materials Dangerous Toxic PT Djuandasawit Lestari on November 4 2019 which is valid for 5 years from the date of stipulation.

2. Utilization of Wastewater:

Technical Approval for Utilization of Wastewater for PT Djuanasawit Lestari's land application, Number: 660/08/IV/PBMAL/DLH/2022, September 14, 2022.

In the implementation of waste management, it is divided into several types based on the characteristics of the waste it produces, among others :

A. Hazardous and Toxic Waste

1. Joint Agreement on Management of Hazardous and Toxic Waste (B3) PT Djuandasawit Lestari, PT Prinmaru Jaya, PT Pengolahan Limbah Industri Bekasi No. 164/EPMD/SPK-Management LB3/DSL-PJ-PLIB/X/2022, November 1, 2022, valid until October 6, 2023, types of toxic hazardous waste: medical waste, used lamp waste, used printer ink packaging waste.
2. Cooperation Agreement between PT Djuandasawit Lestari and PT Prinmaru Jaya No. 079/EPMD/SPK-Management LB3/DSL-PJ/X/2021, dated 6 October 2021, valid until 6 October 2023.
3. Minutes of Handover of Hazardous and Toxic Waste, on Monday 6 February 2023, from Muara Tawas Estate, Muara Kandis Estate to PT Prinmaru Jaya.
4. Minutes of Handover of Hazardous and Toxic Waste, on Monday 6 February 2023, from Muara Kandis Mill, to PT Prinmaru Jaya.
5. Transport documents, including Manifest Number KLHK-1680379790, type of lamp waste dated 06 February 2023, Manifest Number KLHK-1680461798, type of used Accu waste, dated 06 February 2023, Manifest Number KLHK-1680494660 type of waste used rags filter, dated 06 February 2023.

B. Solid waste (shell, fiber, empty bunch), 2023 period (January – May):

1. Processed FFB 112,708.79 tons

2. Fiber production: 14,088.60 tons, utilization of 14,088.60 tons for boiler fuel
3. Production of empty fruit bunches: 23,668.85 tonnes, utilization for land applications
4. Shell production: 6,035.05 tons, utilization: for boiler fuel as much as 2,009.85 tons, shells sold 5,812.95 tons.

**C. Liquid Waste :**

1. For the January – December 2022 period, the utilization of liquid waste is 242,992.50 m3 with an application area of 1,949.94 Ha
2. For the period January – May 2023, the utilization of liquid waste is 23,617.15 M3, with an application area of 787.24 Ha.

The results of field observations at MKNM, MKNE, MTWE, and housing areas also show that the company has carried out waste management according to its SOP. The results of interviews with workers and the surrounding community also obtained information that there were no complaints regarding the waste produced by the company. Based on this information, it can be concluded that the company already has SOP for waste management and has implemented it properly.

Based on the results of interviews with the Musi Rawas Regency Environmental Service, it is known that the certification unit has complied with all reporting provisions related to aspects of environmental management (such as waste and pollution management) in accordance with statutory provisions in a disciplined and orderly manner. There has never been a case of environmental pollution causing negative impacts resulting in losses to the community or the environment around the company as a result of the company's operations. It is also known that the unit of certification has never experienced delays in mandatory reporting regarding the results of monitoring and management of liquid, solid and air waste to the relevant agencies

### 7.3.2

Based on interviews with company representatives Toxic and Hazardous material waste Warehouse officers at MTWE, MKNE and MKNM, it was found that they understood the handling of waste disposal, especially Toxic and Hazardous material waste and non- Toxic and Hazardous material waste and Toxic and Hazardous material waste management in accordance with procedures owned by the management unit. In addition, respondents also stated that these regulations were strictly enforced and there were sanctions for those who violated them. All waste disposal facilities have also been provided by the company such as organic and non-organic waste bins as well as transportation of domestic waste which is carried out twice a week.

The company shows evidence of outreach related to waste segregation, prohibition of burning waste, GHG mitigation and hazardous waste management,:

1. On February 27 2022, at Muara Tawas Estate, 67 participants attended
2. On July 12 2022, at Muara Kandis Estate, 75 participants attended.

The results of field observations at MKNM, MKNE, MTWE, and housing areas also show that the company has carried out waste management in accordance with the SOP it has. The results of interviews with workers and the surrounding community also obtained information that there were no complaints regarding the waste produced by the company. Based on this information, it can be concluded that the company already has SOP for waste management and has implemented it properly

### 7.3.3

The results of field visits in several areas of estate or Mill did not find any indications of waste destruction by open burning.

<b>Status: Comply</b>	
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## 7.4

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

### 7.4.1

The company has procedures for practicing oil palm cultivation to manage soil fertility in the document



SOP/SMART/MCAR/IX/TA-PPK No. Rev 1.0 with a published date of July 15 2020. Procedure's are related to the following matters:

- LSU collection, contained in document IK/SMART/MCAR/IX/TA-PPK/06
- Taking SSU, contained in document IK/SMART/MCAR/IX/TA-PPK/07
- Fertilizer sampling, contained in document IK/SMART/MCAR/IX/TA-PPK/08
- Inorganic manual fertilization in TM, contained in document IK/SMART/MCAR/IX/TA-PPK/09
- Fertilization with FS, contained in the document IK/SMART/MCAR/IX/TA-PPK/10
- Fertilization by plane, contained in the document IK/SMART/MCAR/IX/TA-PPK/11
- Fertilization of empty shoots in TM, contained in document IK/SMART/MCAR/IX/TA-PPK/12
- Compost fertilization in TM, contained in document IK/SMART/MCAR/IX/TA-PPK/13
- Fertilization of empty long ash in TM, contained in document IK/SMART/MCAR/IX/TA-PPK/14
- Sampling of air and soil in the waste application area for PKS, contained in the document IK/SMART/MCAR/IX/TA-PPK/15.

The company implements soil analysis and leaf analysis for each estate unit which are then used as basic fertilization recommendations consist of:

- MKNE leaf sample analysis was carried out on April 10, 2023 on 38 samples with the type of analysis N, P, K, Mg, Ca, B, Cl recorded in document number 0322/DAUN/LAB-SMARTRI/IV/2023
- MKNE soil sample analysis was carried out on May 17, 2022 on 96 samples with the type of textural analysis, pH, C-organic, N-total, P, K, Mg, exchange base, CEC, H-Al exchange recorded in document 083/TANAH/AL/ANLZ/05/22
- MTWE leaf samples analysis was carried out on April 11, 2023 on 69 samples with the type of analysis N, P, K, Mg, Ca, B, Cl recorded in document number 0324/DAUN/LAB-SMARTRI/IV/2023
- MTWE soil samples analysis was carried out on May 17, 2022 on 72 samples with the type of textural analysis, pH, C-organic, N-total, P, K, Mg, Exchange bases, CEC, H-Al exchanges recorded in document 084/TANAH/AL/ANLZ/05/22.

Utilization of empty fruit bunches as a form of implementing soil fertility management for example planning application of MKNE EFB in 2022 for the period January – December 2022 is 55,162 tons with the actual application of 59,419.32 tons.

Records of fertilization activities carried out by the company consist of:

Fertilization Recommendations and Realization Reports for the 2022 period at MKNE are as follows:

No	Fertilizer type	Plan (ton)	Real (ton)	Persentase (%)
1	Urea	587.25	546.75	93,1%
2	RP	684.50	647.80	94,6%
3	MOP	1,157.50	1,109.60	95,9%
4	Dolomite	6.90	6.90	100%
5	Kieserite. Granular	262.00	262.00	100%
6	HGFB	23.85	23.85	100%

High rainfall in 2022 is an obstacle to fertilization activities not being 100% implemented. Shortage of fertilizer application in 2022 will be continued in 2023.

Fertilization Recommendations and Realization Reports for the 2022 period at MTWE are as follows:

No	Fertilizer type	Plan (ton)	Real (ton)	Persentase (%)
1	RP	890.85	890.85	100%
2	TSP	3.90	3.90	100%
3	MOP	1,553.70	1,553.70	100%
4	Dolomite	11.95	11.95	100%
5	Granular	294.80	294.80	100%
6	Urea	1,139.25	1,139.25	100%
7	HGFB	19.146	19.146	100%

#### 7.4.2

The leaf sampling programed every year and soil analysis every 5 years. The results of interviews with management representatives and document review revealed that the company had carried out a soil and leaf tissue analysis to develop fertilizer recommendations.

The company maintains regular records of analysis of leaf and soil tissue samples to monitor and manage changes in soil fertility and plant health. The results of the analysis consist of :

- MKNE leaf sample analysis was carried out on April 10, 2023 on 38 samples with the type of analysis N, P, K, Mg, Ca, B, Cl recorded in document number 0322/DAUN/LAB-SMARTRI/IV/2023
- MKNE soil sample analysis was carried out on May 17, 2022 on 96 samples with the type of textural analysis, pH, C-organic, N-total, P, K, Mg, exchange base, CEC, H-Al exchange recorded in document 083/TANAH/AL/ANLZ/05/22
- MTWE leaf samples analysis was carried out on April 11, 2023 on 69 samples with the type of analysis N, P, K, Mg, Ca, B, Cl recorded in document number 0324/DAUN/LAB-SMARTRI/IV/2023
- MTWE soil samples analysis was carried out on May 17, 2022 on 72 samples with the type of textural analysis, pH, C-organic, N-total, P, K, Mg, Exchange bases, CEC, H-Al exchanges recorded in document 084/TANAH/AL/ANLZ/05/22.

#### 7.4.3

The company's nutrient recycling strategy includes using empty stems as part of plant maintenance to increase plant nutrients. This is contained in the company's procedures in IK/SMART/MCAR/IX/TA-PPK/12 for fertilizing oil palm EFB in immature area and IK/SMART/MCAR/IX/TA-PPK/04 for EFB fertilizing at immature area. In addition to chemical fertilizers, the certification unit has also implemented a nutrient cycling strategy for soil fertility purposes, through the application of by-products, such as empty fruit bunch mulch (EFB) and land application with palm oil mill effluent (POME). The EFB mulch dose is 40 tons/ha/year (or about 250-300 kg/palm/year) on mature land, depending on field conditions. Furthermore, the dose of POME given is around 750 m3/ha/year. Taking into account the distance between the POM and the estate, the use of empty bunk beds at PT DSL is only carried out at MKNE which is quite close to the PKS. The planned application of MKNE EFB in 2022 for the period January – December 2022 is 55,162 tons with the actual application of 59,419.32 tons.

#### 7.4.4

The unit certification has documented records of fertilizer use in the field which are part of the Company's Agronomy Report. Fertilization Recommendations and Realization Reports for the 2022 period at MKNE are as follows:

No	Fertilizer type	Plan (ton)	Real (ton)	Persentase (%)
1	Urea	587.25	546.75	93,1%
2	RP	684.50	647.80	94,6%
3	MOP	1,157.50	1,109.60	95,9%
4	Dolomite	6.90	6.90	100%
5	Kieserite. Granular	262.00	262.00	100%
6	HGFB	23.85	23.85	100%

High rainfall in 2022 is an obstacle to fertilization activities not being 100% implemented. Shortage of fertilizer application in 2022 will be continued in 2023.

Fertilization Recommendations and Realization Reports for the 2022 period at MTWE are as follows:

No	Fertilizer type	Plan (ton)	Real (ton)	Persentase (%)
1	RP	890.85	890.85	100%
2	TSP	3.90	3.90	100%
3	MOP	1,553.70	1,553.70	100%
4	Dolomite	11.95	11.95	100%
5	Granular	294.80	294.80	100%
6	Urea	1,139.25	1,139.25	100%
7	HGFB	19.146	19.146	100%

Based on the table above, it is known that fertilization has been well recorded by the estate manager. Based on document review and interviews with staff, fertilization realization in each plantation reached 100% in 2022 and was completed according to the program.

**Status: Comply**

## 7.5

### Practices 87ranspor and control erosion and degradation of soils.

#### 7.5.1

The company shows the semi-detailed land survey map document No. Reg RPMNP/18/02/214/026 for MKNE plantations and No. Reg RPMNP/18/02/214/028 for MTWE plantations presented in a scale of 1: 75,000 which contains information on soil classification, texture, depth, drainage, limiting factors, rocks, and information on suitability for the development of oil palm plantations with details:

#### MKNE

Topography		Description	Depth		Suitability class	Wide (Ha)	
%	(°)		Effective	Solum		Ha	%
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	784,77	10,9
0-3	0-2	<i>Typic Endoaquults</i>	>120	40-75	S3	139,01	1,9
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	111,23	1,5
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	51,49	0,7
3-9	2-5	<i>Typic Hapludults</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	141,79	2,0
0-3	0-2	<i>Aquic Hapludults</i>	>120	40-75			
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	89,92	1,2
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S2	327,36	4,6
3-9	2-5	<i>Typic Hapludults</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S2	684,34	9,5
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100	S2	627,42	8,7
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	54,59	0,8
9-16	5-9	<i>Typic Hapludults</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S2	442,41	6,2
9-16	5-9	<i>Typic Dystrudepts</i>	>120	>100	S2	495,57	6,9
9-16	5-9	<i>Typic Hapludults</i>	>120	>100	S2	470,62	6,5
16-21	9-12	<i>Typic Hapludults</i>	>120	>100	S2		
Not yet surveyed						<b>2.770,90</b>	<b>38,6</b>
TOTAL						<b>7.191,48</b>	<b>100,0</b>

#### MTWE

Topography		Description	Depth		Suitability class %	Wide (Ha)	
%	(°)		Effective	Solum		(°)	%
0-3	0-2	<i>Typic Endoaquults</i>	>120	40-75	S3	415,72	9,5
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
0-3	0-2	<i>Aquic Hapludults</i>	>120	75-100	S2	107,91	2,4
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			

3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100	S2	519,31	11,9
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
0-3	0-2	<i>Histic Humaquepts</i>	>120	40-75	S2	12,72	0,3
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
3-9	2-5	<i>Typic Dystrudepts</i>	>120	40-75	S2	144,60	3,3
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	1478,01	33,7
9-16	5-9	<i>Typic Hapludults</i>	>120	>100	S2	495,15	11,3
9-16	5-9	<i>Typic Hapludults</i>	>120	>100			
9-16	5-9	<i>Typic Hapludults</i>	>120	40-75	S2	205,79	4,7
9-16	5-9	<i>Typic Hapludults</i>	>120	>100			
40-58	22-30	<i>Typic Hapludults</i>	>120	>100	S2	12,27	0,3
<b>Water body</b>						<b>8,26</b>	<b>0,2</b>
<b>Not yet surveyed</b>						<b>979,39</b>	<b>22,4</b>
<b>Total</b>						<b>4.379,13</b>	<b>100,0</b>

### 7.5.2

At the time the ASA-1.2 audit was carried out, PT DSL had not yet carried out any replanting activities. The replanting activity plan is contained in the 5-year Economic Feasibility Analysis document of PT Djuandasawit Lestari for 2023 – 2027 which was approved by the Director of PT Djuandasawit Lestari on 31 May 2023. The document contains information that the replanting plan to be carried out by the company will be carried out in 2024 covering an area of 647 Ha, in 2025 area of 1,878 Ha, in 2026 an area of 1,885 Ha, and in 2027 an area of 1,412 Ha with plans for the preparation of new activities to begin in semester 2 of 2023.

### 7.5.3

Based on the semi-detailed land survey map, Registration Number RPMNP/18/02/214/028 for MTWE plantations presented in a scale of 1: 75,000, there are areas with a topography of 40 – 58% with an area of 12.27ha. Based on the results of interviews with company representatives, the 12.27 ha area is located at several points (several peaks) and is spread across SPT 14 with a total area of 12.27 ha. Terraces have been made since planting in 2005/2006. Further replanting activities can be noticed because based on the SOP/SMART/MCAR/IV/TA-PLB published on 15 July 2020 it is explained that terraces are made based on the slope of the land so that they can provide good planting sites, facilitate access to harvesting, and plant maintenance. Making contour terraces is done mechanically so that a skilled bulldozer/excavator operator is needed because the construction of terraces requires special skills. For the classification and slope of the terrace needs can be seen in the following table:

Topography		Note
< 15 %	< 9°	Planted at standard spacing, no need for terraces and hoofs
15 – 27 %	9 – 15°	Double terrace 5,5 ± 0,5m (wide terrace 2,4 ± 0,25m for planting lines and 3,1 ± 0,25m for mechanical path with the difference in height between the terraces about 0,3 – 0,7m
28 – 40 %	16 – 22°	Minimum terrace's wide is 3,5 – 5,0m, depending on soil conditions and soil depth
> 40 %	> 22°	Not recommended for planting

Further information regarding the construction of contour terraces is regulated by the company in document IK/SMART/MCAR/IV/TA-PLB/07.

**Status: Comply**

### 7.6

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

**7.6.1**

The company shows the semi-detailed land survey map document No. Reg RPMNP/18/02/214/026 for MKNE plantations and No. Reg RPMNP/18/02/214/028 for MTWE Estate presented in a scale of 1 : 75,000. Evidence of land suitability has been listed in the suitability class column which can serve as a guideline for the company in considering and determining long-term planning

**MKNE**

Topography		Description	Depth		Suitability class %	Wide (Ha)	
%	(°)		Effective	Solum		(°)	%
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	784,77	10,9
0-3	0-2	<i>Typic Endoaquults</i>	>120	40-75	S3	139,01	1,9
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	111,23	1,5
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	51,49	0,7
3-9	2-5	<i>Typic Hapludults</i>	>120	>100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S3	141,79	2,0
0-3	0-2	<i>Aquic Hapludults</i>	>120	40-75			
3-9	2-5	<i>Typic Hapludults</i>	>120	>100			
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100	S2	89,92	1,2
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	327,36	4,6
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100	S2	684,34	9,5
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	627,42	8,7
9-16	5-9	<i>Typic Hapludults</i>	>120	>100	S2	54,59	0,8
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
9-16	5-9	<i>Typic Dystrudepts</i>	>120	>100	S2	442,41	6,2
9-16	5-9	<i>Typic Hapludults</i>	>120	>100	S2	495,57	6,9
16-21	9-12	<i>Typic Hapludults</i>	>120	>100	S2	470,62	6,5
<b>Not yet surveyed</b>						<b>2.770,90</b>	<b>38,6</b>
<b>TOTAL</b>						<b>7.191,48</b>	<b>100,0</b>

**MTWE**

Topography		Description	Depth		Suitability class %	Wide (Ha)	
%	(°)		Effective	Solum		(°)	%
0-3	0-2	<i>Typic Endoaquults</i>	>120	40-75	S3	415,72	9,5

0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75			
0-3	0-2	<i>Aquic Hapludults</i>	>120	75-100			
0-3	0-2	<i>Typic Endoaquepts</i>	>120	40-75	S2	107,91	2,4
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100	S2	519,31	11,9
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
0-3	0-2	<i>Histic Humaquepts</i>	>120	40-75	S2	12,72	0,3
3-9	2-5	<i>Typic Dystrudepts</i>	>120	>100			
3-9	2-5	<i>Typic Dystrudepts</i>	>120	40-75	S2	144,60	3,3
3-9	2-5	<i>Typic Hapludults</i>	>120	>100	S2	1478,01	33,7
9-16	5-9	<i>Typic Hapludults</i>	>120	>100	S2	495,15	11,3
9-16	5-9	<i>Typic Hapludults</i>	>120	>100			
9-16	5-9	<i>Typic Hapludults</i>	>120	40-75	S2	205,79	4,7
9-16	5-9	<i>Typic Hapludults</i>	>120	>100			
40-58	22-30	<i>Typic Hapludults</i>	>120	>100	S2	12,27	0,3
<b>Water body</b>						<b>8,26</b>	<b>0,2</b>
<b>Not yet surveyed</b>						<b>979,39</b>	<b>22,4</b>
<b>Total</b>						<b>4.379,13</b>	<b>100,0</b>

**7.6.2 & 7.6.3**

PT DSL had not yet carried out any replanting activities. The replanting activity plan is contained in the 5-year Economic Feasibility Analysis document of PT Djuandasawit Lestari for 2023 – 2027 which was approved by the Director of PT Djuandasawit Lestari on 31 May 2023. The document contains information that the replanting plan to be carried out by the company will be carried out in 2024 covering an area of 647 Ha, in 2025 area of 1,878 Ha, in 2026 an area of 1,885 Ha, and in 2027 an area of 1,412 Ha with plans for the preparation of new activities to begin in semester 2 of 2023.

**Status: Comply**
**7.7**

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

**7.7.1 – 7.7.7**

The company shows the semi-detailed land survey map document No. Reg RPMNP/18/02/214/026 for MKNE plantations and No. Reg RPMNP/18/02/214/028 for MTWE plantations presented in a scale of 1 : 75,000 contains information on soil classification, texture, depth, drainage, limiting factors, rocks, and information on suitability for the development of oil palm plantations. The map informs that there is no peat in PT DSL's operational area.

**Status: Comply**
**7.8**

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

**7.8.1**

The company has SOPs for identification, management and maintenance of water sources and quality listed in the SOP for Management and Monitoring of Water Resources No. SOP/SMART/BCOS-EHSD/SADV/I/2004 rev 0.0 which was approved by the Head of Upstream and is effective from the 1<sup>st</sup> July 2014. The purpose of this SOP is to maintain the existence and sustainability of the condition, nature and function of water resources so that they are always available in sufficient quantity & quality to meet the operational needs of plantations.

The company has also identified water sources in the company's area with the identification results in the form of reservoirs, rivers and drilled wells. This can also be proven through a map of water sources with a scale of 1:70,000 made in 2016 which was approved by the Head Upstream. The map clearly describes the location and position of water sources



and bodies in the company area. Based on the results of a field visit to the MKNE and MTWE Estate riparian areas, it is known that the location of the water source is in accordance with the map they have.

The water management and monitoring plan is also contained in the Environmental Monitoring Plan Matrix – Environmental Management Plan, which is carried out every 6 months, includes management of potential contamination of water sources, improving the quality of river banks, preventing erosion and prohibiting the application of chemicals and river banks, while the program monitoring is testing water quality.

The surface water quality monitoring program carried out by the unit of certification in the 2<sup>nd</sup> semester of 2022, namely:

- Monitoring of Wastewater which is carried out once a month.
- Monitoring of Surface Water located in the Lakitan River, Water Catchment Pool, Water Temani, Bakul River and Aur River which is conducted every 6 months.
- Groundwater monitoring is carried out at 3 monitoring wells in the Muara Kandis Estate location every 6 months

Water quality testing was carried out by a Testing Laboratory that has received KAN LP-001-IDN accreditation, on October 19, 2022.

### **7.8.2**

Companies can show management and maintenance documents for water sources contained in the Report on the Implementation of Management and Monitoring of High Conservation Value Areas in 2022, the report describes activities related to the management and maintenance of water sources in operational locations for the past year. These activities include:

- Socialization of HCV, waste management and social and environmental policies, on 12 July 2022
- Planting fertiver plants along the canal to prevent avalanches/erosions.
- Tree planting on river banks.
- Conduct regular monitoring of surface water quality in the upper and lower reaches of the river, which is done every 6 months.
- Determination of buffer zones for river border areas.
- Installation and maintenance of warnings/singboards and boundary stakes in river border areas and monitoring their condition every 6 months.
- Security and protection of the area by way of security patrols which are carried out every week, and the results of the patrols are recapitulated monthly and for one semester to then be reported in reports on the implementation and management and monitoring of HCV areas.
- Conduct socialization related to the use and saving of water to all workers and residents of housing.
- Carry out routine checks of existing water distribution infrastructure facilities to ensure there are no leaks or damage every month.
- Carry out canal maintenance by carrying out washing/dredging programs to maintain shallowness.

The company shows a High Conservation Value Map on a scale of 1:75,000 showing the existence of HCV protected areas/riparian areas, one of which is the Temani riverbank which is located in block J31-J39 Division 2 and Blocks J23-J28 and H23.

Based on the results of field visits to several HCV locations that are equivalent to rivers, it has been shown that local plants have grown naturally. In addition, the company also planted fertiver plants along the canal to prevent landslides and erosion and maintained the canal with a washing/dredging program to protect it from siltation, whereas on the Temani riverbank in Block J32-J35 Division 2 Muara Kandis Estate, there is not a small area of equivalent size. Rivers, installation of river-appropriate boundary stakes and installation of information boards (notifications, calls for conservation and warnings) regarding the existence of river-comparable areas (HCV 1.1 & 4.1) as well as a prohibition on the application of chemicals, this is non-compliance with 7.12.7

### **7.8.3**

The company shows Document Number: 660/08/IV/PBMAL/DLH/2022, September 14, 2022, concerning Technical Approval for the Utilization of Wastewater for Soil Applications.

The company regularly conducts wastewater quality tests (conducted by the KAN Accredited Testing Laboratory LP-1148-IDN) and monitoring well water (performed by the KAN Accredited Testing Laboratory LP-001-IDN) to ensure the quality

of waste water used for land applications according to standards specified quality and does not adversely affect groundwater around the utilization location, with examples of evidence as follows:

1. Quality of liquid waste
  - a. March 2023 Period: Test Result Report Number: 660/194.ALI/LHU-LAB/I/DLH/2023, March 15 2023, with pH 8 (quality standard (6-9), BOD 620 mg/L (standard quality 5,000 mg/L);
  - b. April 2023 Period: Test Result Report Number: 660/280.ALI/LHU-LAB/I/DLH/2023, April 14 2023, with pH 7 (quality standard (6-9), BOD 850 mg/L (standard quality 5,000 mg/L);
  - c. Parameters tested 8 Parameters with reference to quality standards: Decree of the Minister of Environment No. 28 of 2003.
2. Monitor Well Water Quality
  - a. Monitoring Well 1: Test Result Report Number: 15877/SL/X/2022, October 19, 2023, with BOD results of 2.20 mg/L (quality standard -), pH 6.95 (quality standard 6-9), N03 2.09 mg/L (quality standard 10 mg/L);
  - b. Well Monitor 2: Test Result Report Number: 15878/SL/X/2022, October 19, 2023, with BOD results of 2.10 mg/L (quality standard -), pH 6.54 (quality standard 6-9), N03 0.071 mg/L (quality standard 10 mg/L);
  - c. There were 12 parameters tested, with reference to quality standards: Regulation of the Minister of Health No. 32 of 2017.

Based on the results of interviews with representatives of the people of Petrans Jaya Village, Beliti Jaya Village, and Muara Megangi Village, it is known that there were no negative complaints regarding environmental management carried out by the company. So far, the company has been considered quite good at monitoring environmental conditions, such as conducting routine monitoring regarding the quality of surface water around the company's operational areas. Based on the results of these interviews it is known that there is no issue of environmental pollution caused by the company's operational activities in terms of utilization of liquid waste (POME).

#### 7.8.4

The company shows the completeness of water utilization permits as follows:

1. Licensing trying to show business activities Water Resources Exploitation Permit (Kewangan River Area Provincial Government) PB-UMKU: 81203130617920000001, a PT Djuandasawit Lestari, KLBI 01262 – Oil Palm Plantation, March 29, 2022, a Governor of Sumatra Selatan- Head of *DPMP TSP* Sumatra Selatan Province.
2. Technical Recommendation Number 610/3769/DPSDA-BM/XII/2021, December 30, 2021, the Water Resources Management Office, explains: the water source comes from the Temani River, the water debit is 1,600 M3/day or 0.0341 M3/ second.

The company shows the Muara Kandis Mill Factory and Domestic Water Usage Data document, as follows:

1. Period 2022 (January – December), January 6 2023: FFB processed 283,001.28 tons, water used for processing 191,878.33 M3, domestic use 59,713.87 M3, total water use 251,592.20 M3 (0.90 M3/Ton FFB).
2. Period 2023 (January – May), June 6 2023: FFB processed 112,708.79 tons, water used for processing 64,333.52 M3, domestic use 24,174.08 M3, total water use 88,507.60 M3 (0.78 M3/Ton FFB).

Proof of Payment of Water Levies:

1. Notification of Surface Water Tax, a PT Djuanda Sawit Lestari dated 5 April 2023, period March 2023, was paid on 10 April 2023, with proof of Non-Savings deposit Form, Surface Water Tax Deposit of PT Djuandasawit Lestari, to the Regional Revenue Agency of Sumatra South.
2. Notification of Surface Water Tax, a PT Djuanda Sawit Lestari dated 08 May 2023, period April 2023, was paid on 09 May 2023, with proof of Non-Savings deposit form, Surface Water Tax Deposit of PT Djuandasawit Lestari, to the Regional Revenue Agency of Sumatra South.

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

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

The company shows records of production and utilization of solid waste (shell, fiber, empty fruit):

1. Period 2022 (January – December):
  - a. Processed FFB 283,001.28 tons
  - b. Fiber production: 35,375.16 tons, utilization of 35,375.16 tons for boiler fuel
  - c. Production of empty fruit bunches: 59,430.27 tonnes, utilization for land applications:
  - d. Shell production: 18,288.62 tonnes, utilization: 5,129 tonnes for boiler fuel, the remainder being sold
2. Period 2022 (January – May):
  - a. Processed FFB 112,708.79 tons
  - b. Fiber production: 14,088.60 tons, utilization of 14,088.60 tons for boiler fuel
  - c. Production of empty fruit bunches: 23,668.85 tonnes, utilization for land applications:
  - d. Shell production: 6,035.05 tonnes, utilization: 2,009.85 tonnes for boiler fuel, shells sold 5,812.95 tonnes

From the use of shells and fiber in 2022, 2,983,572 kWh of energy will be generated, from the use of 23,422,825 kg of shells and fiber. With fossil fuel savings of 577,248.39 liters or 94.36%.

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

**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to 93transpor GHG emissions.**

##### 7.10.1

The company has an inventory of GHG emission sources listed in the document identifying sources of greenhouse gas emissions for the period Jan – Dec 2022, for PKS and Estate, including:

- Use of fertilizers
- Use of pesticides
- Use of fossil fuels for generators and transportation
- POME management
- Use of chemicals
- Use of electricity
- Energy production in PKS
- Use of fossil fuels for PKS generators.

The unit of certification has plans for reducing greenhouse gases and energy efficiency as follows:

- Consistency of checking the nozzle of the transport engine, calibration of the fuel injection pump, and calibration of the fuel dispenser to prevent wasting diesel fuel in the combustion chamber.
- Optimizing the use of compound fertilizers as a substitute for single fertilizers.
- Tyto alba breeding as a biological pest control for rat.
- Efficiency of water use (reuse from rinse room for spraying activities, recording of water for estate and domestic needs, use of water dilution from fresh water to ex condensate decoction, use of ex vacuum water to vibrating moderbak, consistency in inspection and maintenance of shoot blowing conditions and their operation to increase the efficiency of the steam boiler so that water consumption can be reduced.
- Consistency in inspection and maintenance of shoot blowing conditions and their operation to improve steam boiler efficiency so that the use of shell/fiber as fuel can be reduced.

The company shows identification documents of activities that produce emissions for the period 2022 for Mill and Estate. Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and 93transpor.

The Calculation of GHG and its monitoring has conducted by sustainable department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Muara Kandis POM and its supply base are listed as follows:

**Summary Emission:**

<b>Emission Production</b>	<b>tCO2e/t Product</b>
CPO	2,76
PK	2,76

<b>Extraction</b>	<b>%</b>
OER	20,43
KER	5,81

<b>Land use</b>	<b>Ha</b>
Oil palm planted on mineral soil	9,487.95
Total oil palm planted area	9,487.95
Conservation area (Non-Forested)	448.00

**Mill Emissions and Credit**

<b>Description</b>	<b>tCO2e</b>	<b>tCO2e/tFFB</b>
<b>Emission Sources</b>		
POME	55473.04	0.20
Fuel consumption	375.15	0.00
Grid Electricity Utilization	0.00	0.00
<b>Credits</b>		
Export excess electricity to housing & grid	0.00	0.00
Sale of PKS	0.00	0.00
Sale of EFB	0.00	0.00
<b>Total</b>	<b>55848.20</b>	<b>0.20</b>

**Estate Field Emissions and Sinks**

<b>Description</b>	<b>tCO2e</b>	<b>tCO2e/t ha</b>	<b>tCO2e/t FFB</b>
<b>Emissions sources</b>			
Land conversion	41489.20	4.37	0.19
CO2 emission from fertilizer	66411.25	7	0.30
N2O emission from peat	0.00	0.00	0.00
N2O emission from fertilizer	10402.94	1.10	0.05
Fuel consumption	2198.04	0.23	0.01
Peat oxidation	0.00	0.00	0.00
<b>Sinks</b>			
Crop sequestration	-29206.73	-3.08	-0.13
Sequestration in Conservation area	-448.60	-0.05	0
<b>Total</b>	<b>90846.11</b>	<b>9.57</b>	<b>0.41</b>

**Emission from Palm Kernel Crusher**

<b>Emission source</b>	<b>tCO2e</b>
PK from own mill	0.00
PK from other sources	0.00
Fuel consumption	0.00
<b>Total crusher emissions</b>	<b>0.00</b>

**Production**

Production	t/yr
FFB processed	283,001,28
CPO Produced	57806,769

**7.10.2**

The company shows identification documents of activities that produce emissions for the period 2022 for Mill and Estate. Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for 95 transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP.

**7.10.3**

The company has a GHG mitigation plan document with the document name PT Djuandasawit Lestari Greenhouse Gas Mitigation Program, the most recent of January 2023.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester I and semester II the year 2022. According to RKL-RPL report, the company conducted routine environmental quality test regularly once in three to six months for the following parameters:

- Wastewater quality testing
- Ambient air quality testing
- Air quality testing (generator, boiler, transportation)
- Stench quality testing
- Noise (machinery) testing
- Building shock vibration testing
- River water quality testing (biological/plankton/bentos, chemical compounds)

The company demonstrates emission testing of immovable sources including ambient air and air emissions, carried out by the KAN Accredited Testing Laboratory LP-001-IDN, with examples of test results as follows:

**A. Ambient Air**

1. Front of the Palm Oil Mill Office: Test Result Report Number: 15847/SL/X/22, October 19, 2022, a total of 9 test parameters,
2. Front of the Palm Oil Mill Housing: Test Result Report Number: 15763/SL/X/22, October 19, 2022, a total of 9 test parameters,
3. Reference to PP RI quality standards no 22 of 2021 attachment VII concerning ambient air quality standards

**B. Air Emissions**

1. Genset 1 Muara Kandis Mill: Report on Test Results Number: 15849/SL/X/22, October 19, 2022, a total of 7 test parameters,
2. Boiler 1 Muara Kandis Factory: Test Result Report Number: 15861/SL/X/22, October 19, 2022, a total of 6 test parameters,
3. Boiler 2 Muara Kandis Factory: Test Result Report Number: 15861/SL/X/22, October 19, 2022, total test parameters are 6 parameters,
4. The quality standard refers to the Regulation of the Minister of Environment Number 7 of 2007 Attachment. 1

From all the quality testing that has been conducted as explained above by the company with help from third party (in this case, accredited laboratory), it is known that the results of the test were still in accordance with the applicable standards.

POM Muara Kandis has implemented a reduction in fossil fuels by using fiber/shell for boiler fuel. Returned as this activity has been stated in the document Report on the Implementation of the Environmental Management Plan – Environmental Monitoring Plan.

<b>Status: comply</b>
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**7.11**

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

**7.11.1**

The company has a procedure Number SOP / SMART / MCAR / IV / TA-PLB regarding Opening of New Land, entered into force on June 12, 2012. The document states that the purpose of this SOP is to prepare new land clearing for oil palm cultivation using the principle of no burn (zero burning) in accordance with agronomic techniques. The stages of the process of opening new land in the SOP are pioneering blocking, road building, drainage preparation, preparation of chemical system, preparation of ex-secondary mineral forest land (*imas*, uprooted, pile lane stakes, mechanical *perun*, chopping lane) and terracing construction (contour terracing, individual terracing) in a certain slope area.

Based on the statement of the company representative and the results of the study of the planting year document, it is known that up to 2023 there are no plans for replanting activities within the scope of PT DSL certification. Based on the results of interviews with management, it was also stated that the company is committed not to carry out land burning activities in land clearing activities during replanting activities.

**7.11.2**

The company has a policy regarding land clearing without burning with No: 071/SMD OPS/IX/2007. Made on 4 September 2007 regarding the prohibition of land clearing without burning. The contents include:

- Conducting land fire prevention patrols in the plantation area and its surroundings
- Prepare fire fighting teams and facilities in accordance with the conditions of each employee at the location
- Assisting the government in the event of land fires around plantations and development areas
- Make warning boards or symbols warning of fire hazard and prohibition of burning land
- Efforts to improve coordination with related agencies to increase fire prevention.

The company also has SOP/SSMART/MCAR/IV/TA-PLB land clearing procedures, in which the procedure describes the mechanism regarding land clearing without burning and observing soil and water conservation principles such as making terraces, hooves and planting legumes as ground cover.

Up to the audit conducted in 2023, the unit of certification has not carried out any Replanting or new development activities, nor has the plan for replanting. Based on the results of interviews with the management also stated that the company is committed not to carry out burning activities for land clearing.

**7.11.3**

The company periodically carries out fire prevention activities through several activities involving stakeholders, including an Earthquake, Residential and Land Fire Emergency Response Simulation which was carried out in June 2022 in collaboration with Manggala Agni, Forest and Land Fire Team Preparedness Simulation, on the 18<sup>th</sup> April 2022, involving the community around the company, one of which is the community from Muara Megang Village.

The company also shows documents of fire hazard socialization activities and control techniques to the people of Muara Megang Village on April 18, 2022.

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

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

**7.12.1 and 7.12.8**

Based on interviews and verification of planting year documents, it shows that all PT. DSL is from the planting year below November 2005. Disclosure of Liability for SMART, GAR, IMT membership was sent to RSPO via email on 29 August 2014. Based on the Zero Liability SMART, GAR, IMT HCV Assessment file, it is known that PT. DSL includes zero liability.

**7.12.2**

The company has identified protected areas in 2013 which is listed in the Identification & Analysis Report on the Existence of High Conservation Value Areas (HCV) PT Djuandasawit Lestari which was carried out by the Biodiversity & Conservation Section (Sustainability Division) SMART Team. The HCV Development Team is an Approved HCV Assessor by RSPO. The scope of identification is carried out for the units of Muara Kandis Estate, Muara Tawas Estate, and



Pendawa Plasma with an area of  $\pm 14,000$  Ha. Based on the identification report, the HCV area is 496.95 Ha. The identified HCV areas included in the scope of certification are the HCV areas in the Muara Kandis Estate and Muara Tawas Estate units with a total area of 385.56 Ha, of which the entire HCV area is included in the planted area. This is due to the identification of HCV areas after the company has planted oil palm. Based on the results of document verification, it is known that the company does not develop new land after 15 November 2018 so that the HCS assessment is not mandatory for the company.

Based on the results of a field visit to the Temani riverbank in Block J32-J35 Division 2 Muara Kandis Estate, there were no restrictions on the riverbank area, installation of river boundary markers and installation of information boards (notifications, calls for preservation and warnings) regarding the existence of riverbank areas (HCV). 1.1 & 4.1) as well as a ban on the application of chemicals. **This becomes a non-compliance in 7.12.7**

### 7.12.3

Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

### 7.12.4

The company indicates:

1. Report on the identification and Analysis of the Existence of High Conservation Value Areas (HCV), PT Djuandasawit Lestari, 2013, with the results of the identification of the total area of the HCV Area: 496.65 Ha, one of which is HCV 1.1 and 4.1 with one example on the Temani River Rim area of 86.24 Ha with management recommendations:
  - a. Perform delineation and restrictions in the field in the form of paint marks or stake boundaries
  - b. Installation of information boards (notifications, calls for preservation and warnings) regarding the existence of HCV Area 1.1.
  - c. Put up signs in the form of warning boards and invitations for employees, or other people to maintain the sustainability of the HCV Area 1.1.
  - d. Carry out agronomic activities carefully, such as manual fertilization in river border areas.
  - e. Conduct socialization on the importance of preserving rivers and protected areas.
2. SOP for Management and Monitoring of High Conservation Values (Doc. No. SOP/SMART/BCOS-EHSD/SADV/II/002, dated 1 July 2014). Described the Implementation of Water Resources Management, 3. Annual Work Plan for Management and Monitoring of HCVs for the Muara Kandis Unit for the 2023 period, with planned activities including: making spray boundary markings, maintaining boundary markers and maintaining HCV warning signs on the riparian of the Lakitan river, the Jadi river, the Alum river, and the Bakul river, is planned done every 3 months.
3. The Report on the Implementation of Management and Monitoring of High Conservation Value Areas of PT Djuandasawit Lestari, 2022, contains information on the condition of the HCV areas in 2022, one of which is on the Temani River Rim, namely: oil palm plantations, verifier grass and natural saplings, not polluted and without disturbance. As well as suggestions in the form of increasing HCV management and monitoring activities in accordance with the 2014 HCV management and monitoring SOP standards in all HCV areas in the plantation.
4. HCV monitoring report for April 10, 2023, Blok H23 Temani River Rim with good condition results.
5. Report on monitoring of HCV attributes: boundary markers, warnings and spray limits on block H23, along the Temani River, needs to be cleaned.

### 7.12.5

Same with previous audit (ASA-1.1). Verification of the planting year document shows that all PT. DSL is from the planting year under November 2005, so the company only conducts HCV assessments as required in Annex 5 of the RSPO. Based on the results of HCV identification, it is known that there is no area needed by the community to fulfill basic needs. In addition, based on interviews with communities around the company, it was found that the community no longer fulfilled their basic needs from the forest but from local markets. The livelihoods of the surrounding community include farming with rubber or oil palm plantations.

The company can also show the Minutes of the collective agreement on HCV management with Lubuk Pandan Village which was agreed on 11 July 2016 which explains that the company and the village community are to jointly maintain and conserve HCV in the company area. In addition, in the implementation of HCV management in 2021, the company also

conducted interviews with communities around the plantations regarding HCV 5 & 6, for example on August 16, 2021, with the results of interviews that local communities did not use natural products to meet their daily needs.

#### **7.12.6**

The company has a Social and Environmental Policy signed by the Head of Upstream on September 8, 2015. This policy contains issues relating to the protection of rare, threatened and endangered species and important ecosystems and habitats of rare, threatened and endangered species, and the company also prohibits hunting of wild animals, including rare, threatened and endangered species.

The company has a program to educate the workforce about the status of RTE species. This program is also included in the company's HCV management plan. This program includes knowledge and skills improvement activities for all plantation staff and employees, especially the special officers tasked with managing HCV/HCV and monitoring important species, especially endangered species.

The company routinely conducts outreach to the community and workers at the company regarding the existence of endangered plants and animals, which is carried out simultaneously with the socialization of HCV areas, for example:

- Minutes of socialization on 12 July 2022, regarding social and environmental policies, HCV areas, protected species of animals and plants, prohibition of burning garbage and separation of organic and inorganic waste in the Muara Kandis estate which was attended by 48 participants.
- Attendance list for Muara Tawas Estate HCV Outreach Activities, April 21 2022, attended by 77 participants
- Attendance List for the HCV Socialization of the Muara Megang village community, April 18, 2022, attended by 14 community representatives

Based on interviews with harvesting and spraying warehouse officers at the Muara Kandis Plantation and Muara Tawas Plantation, it is known that the company prohibits workers from keeping protected animals and plants and prohibits catching, hunting and killing animals and prohibits destroying HCVs and no workers have received sanctions for keeping them. Wild animal.

Based on the results of interviews and field visits in housing complexes, no workers were found looking after wild animals and based on the results of HCV monitoring there was no information on field findings regarding the installation of snares.

#### **7.12.7**

The company shows documents on the management and monitoring of HCV areas, as follows:

1. Report on the identification and Analysis of the Existence of High Conservation Value Areas (HCV), PT Djuandasawit Lestari, 2013, with the results of the identification of the total area of the HCV Area: 496.65 Ha, one of which is HCV 1.1 and 4.1 with one example on the Temani River Rim area of 86.24 Ha with management recommendations:
  - a. Perform delineation and restrictions in the field in the form of paint marks or stake boundaries
  - b. Installation of information boards (notifications, calls for preservation and warnings) regarding the existence of HCV Area 1.1.
  - c. Put up signs in the form of warning boards and invitations for employees, or other people to maintain the sustainability of the HCV Area 1.1.
  - d. Carry out agronomic activities carefully, such as manual fertilization in river border areas.
  - e. Conduct socialization on the importance of preserving rivers and protected areas.
2. The 1:75,000 scale High Conservation Value Map shows the existence of protected areas/HCV riparian areas, one of which is the Temani riverbank, located in blocks J31-J39 Division 2 and Blocks J23-J28 and H23.
3. Annual Work Plan for Management and Monitoring of HCVs for the Muara Kandis Unit for the 2023 period, with planned activities including: making spray boundary signs, maintaining boundary markers and maintaining HCV warning signs on the riparian areas of the Lakitan, Temari, Tawas, and Bakul rivers, planned done every 3 months
4. The Report on the Implementation of Management and Monitoring of High Conservation Value Areas of PT Djuandasawit Lestari, 2022, contains information on the condition of the HCV areas in 2022, one of which is on the Temani River Rim, namely: oil palm plantations, verifier grass and natural saplings, not polluted and without disturbance. As well as suggestions in the form of increasing HCV management and monitoring activities in accordance with the 2014 HCV management and monitoring SOP standards in all HCV areas in the plantation.
5. HCV monitoring report for April 10, 2023, Blok H23 Temani River Rim with good condition results.

6. Report on monitoring of HCV attributes: boundary markers, warnings and spray limits on block H23, along the Temani River, needs to be cleaned.

Based on the results of a field visit to the Temani riverbank in Block J32-J35 Division 2 Muara Kandis Estate, there were no restrictions on the riverbank area, installation of river boundary markers and installation of information boards (notifications, calls for preservation and warnings) regarding the existence of riverbank areas (HCV). 1.1 & 4.1) as well as a ban on the application of chemicals.

The company has not been able to show comprehensive evidence regarding the implementation of the HCV/HCV area management plan as described in the HCV management plan and SOP that it has, and the monitoring and management results have been used for follow-up actions to improve the management plan. Based on this, it **becomes Non-conformity 2023.1**

Based on interviews and verification of planting year documents, it shows that all PT. DSL is from the planting year below November 2005. Disclosure of Liability for SMART, GAR, IMT membership was sent to RSPO via email on 29 August 2014. Based on the Zero Liability SMART, GAR, IMT HCV Assessment file, it is known that PT. DSL includes zero liability.

**Status: Non-conformity 2023.1**

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

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-1.2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<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-1.2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<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-1.2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>ASA-1.2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><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> <li>9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 01 November 2021</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>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 Binawit 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> <li>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</li> </ol>



<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) 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> <li>2. PT. Kresna Duta Agrindo – Gunung Kombeng Mill: Compliance Audit 21 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>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>Auditor Verification:</b></p> <p><b>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> <li>7. PT. Bangun Nusa Persada – Kenari Mill: Compliance Audit 19 September 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>
		<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> 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> <ol style="list-style-type: none"> <li>a) 4 companies have received Concept Note approval from RSPO dated 27 July 2020, namely:</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>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 Primaestari – 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 HCVRN, is PT Sawit Mas Sejahtera – Sumatera Selatan (2 reports).</p>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>HCV assessments for 17 reports was conducted in the period of 2010 to 2018 by external (consultant) and internal parties. The HCV assessment is carried out by a team assessor with a Team Leader who has been approved by the RSPO. The reference for the HCV assessment using the HCV Toolkit 2008. The peer review is carried out by an independent consultant who has also been approved by the RSPO.</p> <p>Assessment of PT Sawit Mas Sejahtera – Sumatera Selatan has used Integrated HCV-HCS with the consultants who have been licensed in HCVN and HCSA.</p> <p>The company continues to follow up on the RaCP process, so that the RSPO timebound for uncertified units can be realized immediately.</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated 04 August 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata</li> </ol> <p>The company is still collecting information and documentation regarding the fulfillment of RaCP obligations for the newly acquired company. The timeline that has been prepared for the fulfillment of this RaCP is:</p> <ul style="list-style-type: none"> <li>• Submission of Disclosure and LUCA on semester 1 of 2022</li> <li>• Submission of Concept Notes on Semester 2 of 2022</li> <li>• Approval RaCP Proposal on Semester 1 of 2023</li> </ul> <p>For the RaCP process, smallholders scheme will be adjusted to the 2023 timebound along with the new acquisition company.</p> <p><b>Auditor Verification:</b></p> <p>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, and is currently still being reviewed by the RSPO Compensation Panel.</li> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah (Jalemo Estate, Manuhing Estate, Kajui Estate) concept note get</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>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.</p> <p>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.</p> <p>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</p> <p>5. PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process.</p> <p>6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process.</p> <p>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.</p> <p>8. PT Paramitra Internusa Pratama – Kalimantan Barat (Belian Mill, Belian Estate and Tengawang Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>13. PT Aditunggal Mahajaya – Kalimantan Tengah (Sungai Ayawan Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>14. PT Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>15. PT Agrokarya Primalestari – Kalimantan Tengah (Kuayan Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>16. PT Buana Adhitama – Kalimantan Tengah (Sairi Estate and Bukit Dua Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p>



<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>17. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan (Sungai Magalau Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>18. PT Sawita Karya Manunggul – Kalimantan Selatan (Sawita Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO</p> <p>19. PT Satya Kisma Usaha – Jambi (Batang Gading Estate), the LUCA report has been approved in 12 November 2021.</p> <p>20. PT Sawit Mas Sejahtera – Sumatera Selatan, the LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN.</p> <p>21. The companies were acquired by GAR on 2021 are PT Kruing Lestari Jaya (Sungai Perak Mill and supply bases), PT Harapan Rimba Raya (Sungai Kedang Mill and supply bases), PT Rimbaraya Tamajaya (Sungai Pahu Estate), PT Agrolestari Subur Sejahtera (Bukit Permai Estate), PT Agrolestari Hijau Sentosa (Bukit Lestari Estate), PT Kharisma Riau Sentosa Prima (Kharisma Estate), PT Mitranusa Permata (Sungai Manunggul Estate). The company is still collecting information and documentation regarding the fulfillment of RaCP obligations.</p> <p>22. PT. Agrolestari Sentosa – 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></p> <p>GAR and its subsidiaries planted after January 2010. There are companies that had conducted the RSPO New Planting Procedure (NPP) and have gone through a 30-day public consultation process in April 2014. These companies include:</p> <ol style="list-style-type: none"> <li>1. PT Satya Kisma Usaha – Jambi</li> <li>2. PT Kresna Duta Agroindo – Kalimantan Timur</li> <li>3. PT Mitra Karya Agroindo – Kalimantan Tengah</li> <li>4. PT Binasawit Abadi Pratama – Kalimantan Tengah</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>5. PT Aditungal 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 Binasawit Abadi Pratama (Perdana Mill and supply base): NPP on 8 July 2014</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): NPP on 26 April 2014 and PT Buana Adhitama (supply base) conduct NPP on 4 June 2014.</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base): NPP on 26 April 2014</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base): NPP on 3 June 2014, PT Kartika Prima Cipta (supply base) conduct NPP on 8 July 2014 and PT Persada Graha Mandiri (Supply base) conduct NPP on 6 June 2014.</li> <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 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> <li>11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010.</li> <li>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014.</li> <li>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		base): NPP on 8 July 2014. 14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. This is become subject of sanction.
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 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</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>RSPO is waiting for the results of a review from the consultant.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapuas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO, and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15 December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling 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 is no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base)</li> <li>2. PT SMART (Bukit Kapur Mill and supply base)</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base).</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<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> <p>In addition, based on electronic media on December 13, 2022, there is information on problems between Koperasi Perkebunan</p>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>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><i>Company Group/Holding Statement:</i></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><i>Auditor Verification:</i></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><i>Auditor Verification:</i></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. Based on confirmation with PT. Adi Tunggal Mahajaya, it is known that the employee has the status of a contract employee/PKWT for 1 year and is not renewed because he does not meet the competency requirements. In addition, based on labor regulations after the UUCK was issued, companies are no longer obliged to provide compensation to workers whose contracts have been terminated. The realization of CSR is carried out in stages and this demand is the program of the previous Village Head.</p> <p>In addition, there was an issue in the electronic news on September 30 2022 that there was an employee who had died</p>



<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		who had been abandoned by PT. Kruing Lestari Jaya and their rights are not fulfilled. However, there is information from the management of the Ikentim organization that there was no abandonment of the corpse. This is in accordance with confirmation from the management representative of PT. Kruing Lestari Jaya that the company has facilitated the corpse to be delivered and buried in Resak according to the wishes of the family.
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/I/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> <li>23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)</li> <li>24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma)</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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> <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>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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> <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> </ul>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<ul style="list-style-type: none"> <li>- PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha).</li> <li>- PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha).</li> <li>- PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha).</li> <li>- PT Ivomas Tunggal: there is an area still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha).</li> <li>- PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha).</li> <li>- PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha).</li> <li>- PT Bumipalma LestariPersada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha).</li> <li>- PT 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 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</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<p>Mill (PT Bumipalma Lestari Persada) 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 Lestari Persada) 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 (Mambuk 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>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		<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 ASA 1.1 Assessment**

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

**3.4.2. Identification of Findings, Corrective Actions and Observations at AS 1.2 Assessment**

NCR No.	: 2023.01	Issued by Diterbitkan oleh	: Fauzi Prima Sanusi
Date Issued	: 16 June 2023	Time Limit Batas Waktu	: Next Surveillance
NC Grade	: Minor	Date of Closing Tanggal Terpenuhi	: 27 June 2023
Standard Ref. & Requirement	7.12.7 Status of HCV and HCS forest after 15 November 2018, other natural ecosystems peatland conservation areas and RTE species monitored. The monitoring results are used to follow up on improvements to the management plan.		
<b>Evidence observed (filled by auditor):</b> The company shows documents on the management and monitoring of HCV areas, as follows: <ol style="list-style-type: none"><li>Report on the identification and Analysis of the Existence of High Conservation Value Areas (HCV), PT Djuandasawit Lestari, 2013, with the results of the identification of the total area of the HCV Area: 496.65 Ha, one of which is HCV 1.1 and 4.1 with one example on the Temani River Rim area of 86.24 Ha with management recommendations:<ol style="list-style-type: none"><li>Perform delineation and restrictions in the field in the form of paint marks or stake boundaries</li><li>Installation of information boards (notifications, calls for preservation and warnings) regarding the existence of HCV Area 1.1.</li><li>Put up signs in the form of warning boards and invitations for employees, or other people to maintain the sustainability of the HCV Area 1.1.</li><li>Carry out agronomic activities carefully, such as manual fertilization in river border areas.</li><li>Conduct socialization on the importance of preserving rivers and protected areas.</li></ol></li><li>The 1:75,000 scale High Conservation Value Map shows the existence of protected areas/HCV riparian areas, one of which is the Temani riverbank, located in blocks J31-J39 Division 2 and Blocks J23-J28 and H23.</li><li>Annual Work Plan for Management and Monitoring of HCVs for the Muara Kandis Unit for the 2023 period, with planned activities including: making spray boundary signs, maintaining boundary markers and maintaining HCV warning signs on the riparian areas of the Lakitan, Temari, Tawas, and Bakul rivers, planned done every 3 months</li><li>The Report on the Implementation of Management and Monitoring of High Conservation Value Areas of PT Djuandasawit Lestari, 2022, contains information on the condition of the HCV areas in 2022, one of which is on the Temani River Rim, namely: oil palm plantations, verifier grass and natural saplings, not polluted and without disturbance. As well as suggestions in the form of increasing HCV management and monitoring activities in accordance with the 2014 HCV management and monitoring SOP standards in all HCV areas in the plantation.</li><li>HCV monitoring report for April 10, 2023, Blok H23 Temani River Rim with good condition results.</li><li>Report on monitoring of HCV attributes: boundary markers, warnings and spray limits on block H23, along the Temani River, needs to be cleaned</li></ol> Based on the results of a field visit to the Temani riverbank in Block J32-J35 Division 2 Muara Kandis Estate, there were no restrictions on the riverbank area, installation of river boundary markers and installation of information boards (notifications, calls for preservation and warnings) regarding the existence of riverbank areas (HCV). 1.1 & 4.1) as well as a ban on the application of chemicals.			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show comprehensive evidence regarding the implementation of the HCV/HCV area management plan as described in the HCV management plan and SOP that it has, and the monitoring and management results have been used for follow-up actions to improve the management plan.			
<b>Root Cause Analysis (filled by organization audited):</b> The company has an SOP for Management and Monitoring of High Conservation Values (Doc. No. SOP/SMART/BCOS-EHSD/SADV/002, dated 1 July 2014) and has an Annual Work Plan for Management and Monitoring of the HCV Unit			

Muara Kandis for the 2023 period and has carried out implementation in the field includes the installation of warnings and cross signs in river border areas and spray limit signs such as in block H23 Division 3 MKNE. However, the implementation has not been carried out consistently because there is an understanding of some implementers (Divisional Assistants) who think that not all river banks need to be marked. Then another factor is the lack of samples in checking the monitoring team (PIC HCV).

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

The company, in this case the Manager, SPO Region, SPO Assistant, Divisional Assistant and the PMNP Survey Team, marked the river boundaries (red crosses on the palm trees, spray boundary marks) along the accompanying river channel which had not been marked with spray limits.

**Fulfillment Documents :**

1. Minutes of the installation of HCV warnings, HCV boundary markers and spray boundary signs at the Temani River border on 16 June 2023 and blocks J31, K29 (Amaran), blocks J31, J32, J33, J34, K39 (Boundary posts)
2. Minutes of installation of KBKT border signs (crosses on palm trees) on 16 June 2023 Blocks J31, J32, J33, J34, J35, J36, J37, J38, J39, K29 and 19 June 2023 Blocks J23, J24, J26
3. HCV attribute maintenance form for April, May and June 2023.

**Corrective Action** *(filled by organization audited):*
**Tindakan Korektif** *(dilengkapi oleh organisasi yang diaudit):*

1. Regional Control reiterates the need for consistent implementation of HCV management
2. SPO Region provides socialization on understanding of HCV management to all staff at PT Djuanasawit Lestari
3. SPO Assistant and HCV PIC provide socialization of understanding of HCV management to all employees at PT Djuandasawit Lestari
4. Increase the number of samples in checking implementation in the field.

**Fulfillment Documents :**

1. Circular from RC Sumsel 1 regarding confirmation of HCV management at PT Djuanasawit Lestari on 17 June 2023
2. Documents disseminating understanding of HCV management to all staff and Circular from RC Sumsel 1 regarding confirmation of HCV management at PT Djuanasawit Lestari to employees and staff
  - MKNE on 17 June 2023
  - MTWE on June 19, 2023
  - MKNM on June 19, 2023
3. Document of dissemination of understanding of HCV management to all employees and staff
  - MKNE on 17 June 2023
  - MTWE on June 19, 2023
  - MKNM on June 19, 2023
  - Program to check the implementation of HCV management in the field

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

**Verified by** : **Fauzi Prima Sanusi**

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	3.4.1	<p><b>Contributions to community development that are based on the results of consultation with local community are demonstrated</b></p> <p>The company shows a program to improve the welfare of the surrounding community based on the results of consultations with the local community which are described in several documents, namely:</p> <ol style="list-style-type: none"> <li>1. Report on the implementation of the 2022 CSR program.</li> <li>2. Report on maintenance, harvesting and transport costs for May 2023 for KUD in Karya Sakti, Beliti Jaya, Karya Mukti and Petrans Jaya villages which explains the costs of plant maintenance, harvesting and transportation. While staff costs by the company.</li> <li>3. The CSR work plan for the SUMSEL 1 region explains that the plan was prepared on January 11, 2023 and signed by the company and the village head.</li> </ol> <p>Companies need to ensure that CSR programs are prepared based on the aspirations of several layers of society which are priority villages around the company and pay attention to selecting programs according to needs based on a shared priority scale.</p>
2	3.4.3	<p><b>Social and environmental management and monitoring plans are implemented, monitored and updated periodically in a participatory manner.</b></p> <ol style="list-style-type: none"> <li>1. Interview with representatives of the Petrans Jaya Village community on 13 June 2022, there was an issue that the spread of flies had increased due to the application of empty flower beds in the company area adjacent to the village boundary.</li> <li>2. Interview with representatives of the Beliti Jaya community on June 13, 2022, there was an issue that the spread of flies had increased due to the application of empty flower beds in the company area</li> <li>3. Minutes of socialization, March 9, 2020 regarding a participatory study regarding negative issues related to flies in residents' settlements caused by empty bed sheets and statements of FFB transport trucks from outside FFB suppliers that have not passed the Karya Sakti SP2 Village road.</li> <li>4. Social Impact Monitoring Report, 2019 – 2020 period, review for the period January 2019 – January 2020, discusses the perceptions of the people of Karya Sakti and Petrans Jaya Villages regarding the appearance of flies in the village, describes investigative activities involving the Musi Rawas Regency Environmental Service with results not mentioning that The flies that were complained of in the two villages came from the company's empty fruit basket application, and the status of the impact was declared not proven.</li> <li>5. Report on Management of Monitoring the Impact of Palm Oil Plantations and Mills for the period 2022, November 2022, the review period for 2021 is included in the social impact management review agenda and in 2022 is included in the monitoring agenda, the report does not discuss monitoring the impact of the empty fruit application which raises flies.</li> <li>6. Based on the results of interviews with management representatives, it was explained that social impact monitoring for the years 2022 to 2023 will be discussed in the social impact monitoring report for the September 2023 period.</li> </ol> <p>Companies need to ensure that the latest SIA program contains the latest issues and pays attention to historical issues that have arisen in previous activities.</p>

**3.4.4. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	The company's commitment to implementing a sustainable palm oil management system.
2	-	Good cooperation with the companion team
3	-	Has realized a smallholder scheme (plasma) with the surrounding community
4	-	Do not use herbicides with the active ingredient paraquat.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Plantation Office of Musi Rawas District, On June 14<sup>th</sup>, 2023</b> <ul style="list-style-type: none"> <li>• The company routinely submits fire control reports, plantation business development reports every semester</li> <li>• estate class category company II</li> <li>• the company is expected to improve the smallholder scheme</li> <li>• there were no complaints or negative reports on the company's performance</li> </ul>	<p>There are no negative issues that need further verification</p>
<b>Sadar Sejahtera Cooperative, On June 14<sup>th</sup>, 2023</b> <ul style="list-style-type: none"> <li>• cooperative members as many as 1,430 heads of families with an area of 2,474 ha</li> <li>• plasma management system is full management by the company</li> <li>• the company is transparent in determining the price of FFB with a reference price set by the Sumatera Selatan Province Plantation Office</li> <li>• payments to cooperatives have never experienced problems and delays</li> <li>• cooperatives can also freely access FFB prices through associations</li> <li>• plasma yields are very beneficial for the people of Karya Sakti Village, Beliti Jaya, Petrans Jaya and Karya Mukti Village</li> </ul>	<p>There are no negative issues that need further verification</p>
<b>Head of Muara Megang Village On June 14<sup>th</sup>, 2023</b> <ul style="list-style-type: none"> <li>• The village community has the same opportunity to work in the company</li> <li>• The company routinely provides CSR assistance</li> <li>• the company is very responsive to complaints and requests for assistance from the community</li> <li>• there are no local contractors involved in the company's activities</li> <li>• the relationship between the company and the village and the community is quite good</li> <li>• The company often communicates and visits the village to meet village officials and community leaders</li> </ul>	<p>There are no negative issues that need further verification</p>
<b>Musi Rawas Regency Environmental Service, Head of Environmental Management Division</b> <ul style="list-style-type: none"> <li>• There is no change to the environmental permit and environmental management and monitoring plan documents</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>the company already has a technical approval for the utilization of liquid waste (POME) for land applications issued in 2022</li> <li>Permit for temporary storage of toxic hazardous waste is still valid</li> <li>the company routinely submits reports on the implementation of the Environmental Management Plan and Monitoring Plan, management of toxic hazardous waste materials, utilization of liquid waste and reports on land fire control</li> <li>The company includes compliance with applicable laws and regulations</li> <li>There are no reports of environmental impacts from the public or other parties</li> </ul>	
<b>Petrans Jaya Village Secretary On June 14<sup>th</sup>, 2023</b> <ul style="list-style-type: none"> <li>There are community members who work in the company</li> <li>The company opens business opportunities to the community in various fields</li> <li>According to monitoring by the village, the company often makes local purchase transactions at villagers' shops</li> <li>There are community members who become contractors in companies and this has a positive impact on business opportunities and reduces unemployment</li> <li>The company has not carried out initial consultations in terms of determining the CSR program</li> <li>Giving CSR is still in the form of assistance from the company</li> <li>There were no reports of complaints about the company's operations in terms of smell, water and air quality</li> <li>There are complaints from the public about the large number of flies in the community settlements which are thought to be the result of the application of empty bunch which is adjacent to the residents' settlements</li> </ul>	<p>This has been verified on the report</p>
<b>Village Representative Body, Beliti Jaya Village</b> <ul style="list-style-type: none"> <li>There are community members who become contractors in companies that provide FFB transportation services</li> <li>There are community members who work in the company</li> <li>The preparation of the CSR program has not involved the community or village officials</li> <li>The company routinely provides CSR assistance in the form of funds, materials and facility support in various fields</li> <li>The village government and village representative bodies know the mechanism for submitting complaints and suggestions to the company if there are complaints</li> <li>If there is a dispute between residents and the company, it is agreed that it will be resolved by way of deliberation to reach a consensus</li> </ul>	<p>This has been verified on the report</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Transmigration and Manpower Agency of Musi Rawas Distric</b>  <b>Interviewee: Head of industrial relations and social security</b>  <b>On June 14<sup>th</sup>, 2023</b></p> <ul style="list-style-type: none"> <li>• The company already has a labor union but there has been no submission of a collective labor agreement.</li> <li>• The company has provided OHS facilities for workers.</li> <li>• The company provides wages according to the provisions of the government.</li> <li>• During the past year there have been no issues related to industrial relations.</li> <li>• Mandatory reports related to employment have been submitted regularly</li> <li>• The company has implemented the use of local labor.</li> <li>• The current wage for <i>UMK</i> 2023</li> <li>• The company has given the project to the contractor, but it needs to be verified regarding social security for its workers</li> </ul>	<p>This has been verified on the report</p>
<p><b>Labor Union Muara Kandis POM PT. Djuandasawit Lestari</b>  <b>Head of Labor Union</b>  <b>On June 13<sup>th</sup>, 2023</b></p> <ul style="list-style-type: none"> <li>• The labor union membership is IDR 25.000/Month</li> <li>• The labor union management meetings are every 3 months</li> <li>• The company has carried out employment obligations towards workers</li> <li>• for the past 1 year there have been no complaints from workers regarding labor violations</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Labor Union Muara Kandis Estate PT. Djuandasawit Lestari</b>  <b>Head of Labor Union Forum of Trade Unions, Finance, Informatics and Industry</b>  <b>On June 13<sup>th</sup>, 2023</b></p> <ul style="list-style-type: none"> <li>• There are no workers' rights that the company ignores</li> <li>• The labor union membership is IDR 25.000/Month</li> <li>• The labor union management meetings are every 3 months</li> <li>• There are 211 union members</li> <li>• The company has carried out employment obligations towards workers</li> <li>• for the past 1 year there have been no complaints from workers regarding labor violations</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>FFB Suplier PT Anugerah Ageng Amanah On June 14<sup>th</sup>, 2023</b> <ul style="list-style-type: none"> <li>• FFB supply cooperation has been 2 years</li> <li>• Independent FFB supplier</li> <li>• the price of FFB is in accordance with the price of CPO</li> <li>• The average FFB sent to the MKNM is 100 tons/days from 300 Ha independent smallholders</li> <li>• Payment of FFB according to the agreement</li> </ul>	<p>There are no negative issues that need further verification.</p>
<b>Contractor of FFB transport – PT Satrindo Jaya Agrindo</b> <ul style="list-style-type: none"> <li>• Contractor with job duties and functions are to carry out the activities of transporting FFB, loose fruit and empty fruit bunches.</li> <li>• Has 114 workers with permanent worker status</li> <li>• The contractor has registered workers at BPJS Health and Employment, and paid wages according to the UMK</li> <li>• Providing PPE needed by workers in the form of helmets, gloves, boots and safety shoes</li> <li>• The employment contract with the company contains all information related to obligations and rights, payment systems, correspondence, mechanisms for submitting information and complaints, other provisions such as force major matters</li> <li>• During the period of the work agreement there are no obstacles in the delivery of information, and the implementation of work from the second party, as well as payment for the second party</li> <li>• Have an integrity pact which, among other things, contains no corruption and bribery, adheres to business ethics, respects human rights, does not employ workers under the age of 18, does not discriminate, does not perform forced labor, complies with K3 regulations, the environment, licensing, legality, and employment</li> </ul>	<p>There are no negative issues that need further verification.</p>
<b>Worker Cooperative</b>  <b>Sehati Sekanti (MKNE)</b> <ul style="list-style-type: none"> <li>• It is a type of savings and loan cooperative</li> <li>• Consists of 35 cooperative members who are workers at Muara Tawas Estate</li> <li>• The last annual member meeting was held on July 9, 2022 with the agenda of accountability reports for management and supervisory bodies as well as ratification of reports</li> <li>• Distribution of the remaining results of operations</li> </ul> <b>Guyub Rukun (MTWE)</b>	<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>• It is a type of savings and loan cooperative</li> <li>• Consists of 104 cooperative members who are workers at Muara Kandis Estate</li> <li>• The last annual member meeting was held on April 3, 2023 with the agenda of accountability reports for management and supervisory bodies as well as ratification of reports</li> <li>• Distribution of the remaining results of operations</li> </ul>	
<b>Gender Committee of Muara Kandis Mill, Muara Kandis Estate, and Muara Tawas Estate</b> <ul style="list-style-type: none"> <li>• The organizational structure of the gender committee consists of women and men workers at PT DSL.</li> <li>• Each unit still runs its gender committee properly.</li> <li>• There is no definite meeting schedule but the gender committee plays an active role at any time such as when there are morning briefings or recitation activities, social gathering, or posyandu. The gender committee in each unit carries out activities such as outreach not limited to mechanisms in the event of discrimination, harassment or sexual violence but also socialization regarding family and child health, organic and anorganic waste management, meeting children's nutritional needs, education, and posyandu activities.</li> <li>• Women workers are entitled to leave for menstruation and maternity leave.</li> <li>• After giving birth, women workers are allowed to take certain hours to breastfeed their children.</li> <li>• For female workers in the field, such as fertilizing and spraying pesticides, routine pregnancy tests are carried out. The aim is to find out the condition of female workers whether they are pregnant or not. If it is known that she is pregnant, she will be given an alternative to office maintenance work or activities around the worker's housing.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<b>National Land Agency</b> <p>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), and has routinely sent land use reports. There is no complaints from stakeholder related land disputes.</p>	<p>There is no negative issue that need further verification. Based on document review, field observations, and stakeholder consultation, the certification unit has demonstrated legal compliance related land legality, and no indications of land disputes.</p>
<b>Head of Lubuk Tua Village</b> <ul style="list-style-type: none"> <li>• Relations and communication between the village and the company are well established.</li> <li>• The company provides assistance to villages submitted through proposals. The company has also participated in deliberations with the village</li> <li>• Socialization of HCV in the form of installing planks in operational areas</li> </ul>	<p>There was no negative issue that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• There are no problems with land disputes or environmental pollution.</li> <li>• There are no complaints from the community</li> <li>• The village feels a positive impact from the existence of the company.</li> <li>• The company has prevented land fires involving surrounding villages.</li> </ul>	
<b>KUD Alfaiz Mandiri (Cooperative)</b> <ul style="list-style-type: none"> <li>• There is an MoU between PT DSL and Alfaiz Mandiri cooperative.</li> <li>• FFB prices based on prices determined by plantation agency. Changes in FFB prices can be found through the internet or informed directly from the Mill.</li> <li>• There are no complaints related to payments both in payment amounts and payment times. Everything has been done in accordance with the work agreement agreed with the company.</li> <li>• Details of smallholder farmer payments are available on the payment slip. Deduction on farmer payments include operational costs and fees for the company.</li> </ul>	<p>There was no negative issue that need further verification. The documentation has been shown that the payment of FFB from smallholders has been paid according to the agreement and on time.</p>
<b>The previous land owner of Lubuk Pandan village</b> <ul style="list-style-type: none"> <li>• Land owner from Lubuk Pandan village, it is known that there was no coercion in the process of selling the land, the compensation process has also implemented an FPIC system, there is no coercion, and it is agreed by both parties without harming anyone.</li> <li>• There are no negative issues in aspects of land tenure, social, employment, and environmental. Good communication and relationship between the company and communities. The unit of certification land did not source from individual or customary rights.</li> </ul>	<p>There was no negative issue that need further verification.</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>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>Djuandasawit Lestari Head of Sustainability Management System and Certification Operations Sustainability</p>  <p><b><u>Yahya Mustakim</u></b> Monday, 03 July 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Satria Adi Putra</u></b> Monday, 03 July 2023</p> </div> </div>



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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Musi Rawas Regency	-	Via phone	14 June 2023	✓	
2	Transmigration and Manpower Agency	Musi Rawas Regency	-	Via phone	14 June 2023	✓	
3	Environmental Agency	Musi Rawas Regency	-	Via Phone	14 June 2023	✓	
4	Land Agency	Musi Rawas Regency	-	Via Phone	14 June 2023	✓	
5	Labor Union Muara Kandis POM	Musi Rawas Regency	-	Via phone	13 June 2023	✓	
6	Labor Union Muara Kandis Estate	Musi Rawas Regency	-	Direct	13 June 2023	✓	
7	FFB Suplier PT Anugerah Ageng Amanah	Musi Rawas Regency	-	Direct	14 June 2023	✓	
8	Contractor of FFB transport – PT Satrindo Jaya Agrindo	Musi Rawas Regency	-	Direct	14 June 2023	✓	
9	Worker Cooperative – Sehati Sekanti and Guyub Rukun	Musi Rawas Regency	-	Direct	13 and 14 June 2023	✓	
10	Gender Comitee	Musi Rawas Regency	-	Direct	14 June 2023	✓	
11	Village Official of Petran Jaya	Musi Rawas Regency	-	Via phone	13 June 2023	✓	
12	Village Official of Muara Megang	Musi Rawas Regency	-	Via phone	13 June 2023	✓	
13	Village Official of Lubuk Tua	Musi Rawas Regency	-	Direct	13 June 2023	✓	
14	Village Official of Beliti Jaya	Musi Rawas Regency	-	Via phone	13 June 2023	✓	
15	KUD Sadar Sejahtera	Musi Rawas Regency	-	Via Phone	14 June 2023	✓	
16	KUD Alfaiz Mandiri	Musi Rawas Regency	-	Direct	14 June 2023	✓	
17	Previous Land owner from Lubuk Pandan village	Musi Rawas Regency	-	Direct	14 June 2023	✓	
18	AMAN	Jakarta	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Via email	05 June 2023		✓
19	Wahana Lingkungan Hidup Indonesia	Jakarta	<a href="mailto:informasi@wahi.or.id">informasi@wahi.or.id</a>	Via email	05 June 2023		✓
20	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	05 June 2023		✓
21	World Wide Fund Indonesia	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Via email	05 June 2023		✓
22	<b>Muara Kandis POM</b> • 3 FFB Grading operator • 1 sterilizer operator	Musi Rawas Regency	-	Direct interview	05 June 2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> <li>• 1 Press Operator</li> <li>• 1 engine room operator</li> <li>• 3 boiler operators</li> <li>• 1 nut and kernel operator</li> <li>• 1 Filter electric operator</li> <li>• 3 Fire Fighter</li> <li>• 1 WTP Operator</li> <li>• 2 weighbridge operators</li> <li>• 3 securities</li> <li>• Land Application officer</li> <li>• Workshop officer</li> </ul>						
23	<b>Muara Kandis Estate</b> <ul style="list-style-type: none"> <li>• 4 Pesticide Applicator</li> <li>• 1 Foreman Pesticide Applicator</li> <li>• 2 Plantation Workers</li> <li>• 1 Pruning Foreman</li> <li>• 1 Pruning Worker</li> <li>• 6 Harvesters</li> <li>• 3 Loose Fruit Pickers</li> <li>• 1 Harvester Foreman</li> <li>• 1 Daycare Worker</li> <li>• 1 Genset Operator</li> <li>• 3 Housing Resident</li> </ul>	Musi Rawas Regency	-	Direct interview	13 June 2023	✓	
24	<b>Muara Tawas Estate</b> <ul style="list-style-type: none"> <li>• 1 Tractor Operator</li> <li>• 2 Daycare Worker</li> <li>• 1 Genset Operator</li> <li>• 2 Housing Resident</li> <li>• 1 Warehouse Staf</li> <li>• 1 Foreman Pesticide Applicator</li> </ul>	Musi Rawas Regency	-	Direct interview	15 June 2023	✓	

**Appendix 2. Assessment Program**

DATE	12 – 16 Juni 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>MONDAY, 12 Juni 2023</b>		
07.35 – 08.45 08.45 – 16.00 16.00 – 17.00	Jakarta (CGK) (GA-102) → Palembang Palembang → Site PT Djuandasawit Lestari <b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit).</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li> </ul>	<b>All Auditor</b>  <b>Management Representative PT DSL &amp; All Auditor</b>
<b>TUESDAY, 13 Juni 2023</b>		
08.00 – 12.00	Field Observation to <b>Muara Kandis Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Environmental, Conservation/HCV.</li> <li>Implementation of the Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Workshop, Clinic, Fire Control Facilities, Waste Management).</li> <li>Implementation of Employment Procedure and Mechanism Aspect.</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application).</li> <li>Implementation of Occupational Health &amp; Safety Aspect.</li> </ul>	<b>TIO</b>  <b>FPS &amp; RISKA</b>  <b>FIT</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<ul style="list-style-type: none"> <li>Interview with previous land owner, scheme smallholders, Local NGO and Land Agency</li> <li>Interview with Worker's Union, Local Contractor (for Mill and Estate), Third Party Supplier and Labor Agency</li> <li>Interview with affected communities surrounding the plantations, Plantation Agency and Environment Agency</li> <li>Interview with Gender Committee, Worker's Cooperative (if any),</li> <li>Document review, basic info verification and metric template verification.</li> </ul>	<b>TIO</b>  <b>FIT</b>  <b>FPS RISKA</b>  <b>All Auditor</b>
16.30 – 17.00	Presentation of Daily Progress	<b>All Auditor</b>
<b>WEDNESDAY, 14 Juni 2023</b>		
08.00 – 12.00	Document review and completing audit checklist	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<b>Field observation to Muara Kandis POM:</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO).</li> </ul>	<b>TIO</b>

DATE	12 – 16 Juni 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"><li>Processing Activity</li><li>Implementation of Employment Procedure, OHS and Mechanism Aspect.</li><li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation.</li><li>POME Pond</li><li>Presentation of Daily Progress.</li></ul>	<b>FIT &amp; RISK FPS</b>  <b>All Auditor</b>
16.30 – 17.00	Presentation of Daily Progress	<b>All Auditor</b>
THURSDAY, 15 Juni 2023		
08.00 – 12.00	Field Observation to <b>Muara Tawas estate</b> Aspect to be verified: <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li><li>Implementation of Environmental, Conservation/HCV.</li><li>Implementation of the Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Workshop, Clinic, Fire Control Facilities, Waste Management).</li><li>Implementation of Employment Procedure and Mechanism Aspect.</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application).</li><li>Implementation of Occupational Health &amp; Safety Aspect.</li></ul>	<b>TIO</b>  <b>FPS</b>  <b>FIT &amp; RISK</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	Document review and completing audit checklist	<b>All Auditor</b>
16.30 – 17.00	Presentation of Daily Progress	
FRIDAY, 16 June 2023		
07.00 –09.00	<b>Closing Meeting</b> <ul style="list-style-type: none"><li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion) //</li><li>Comments, Responses and Questions.</li></ul>	<b>All Auditor</b>
09.00 – 13.00 14.20 – 15.35	<ul style="list-style-type: none"><li>PT Djuandasawit Lestari → Lubuk Linggau</li><li>Lubuk Linggau (ID-6821) → Jakarta (CGK)</li></ul>	<b>All Auditor</b>