

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organisation : **Lembiru Palm Oil Mill, PT Sandika Natapalma subsidiary of Sime Darby Plantation Bhd**
 Plantation Name : PT Sandika Natapalma : Lembiru Estates and Awatan Estate
 PT Budidaya Agro Lestari : Pelanjau Estate
 Location : Village of Sukakarya, Sub District of Marau, District of Ketapang Province of Kalimantan Barat, Indonesia.
 Certificate Code : **MUTU-RSPO/044**
 Date of Certificate Issue : 03 July 2019 Date of License Issue : 03 October 2023
 Date of Certificate Expiry : 02 July 2024 Date of License Expiry : 02 July 2024

| Assessment | Assessment Date | PT Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|--------------------|--|---------------------|-------------|
| ASA 1.4 | 27 – 31 March 2023 | Moh Arif Yusni (Lead Auditor), Rindu Galih Rezza, Benli Manurung, Fauzi Prima Sanusi | Hasiholan Sihombing | Leonada |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA 1.4 | 25 September 2023 |

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 on March 12th, 2014 with registration number **ASI-ACC-055**

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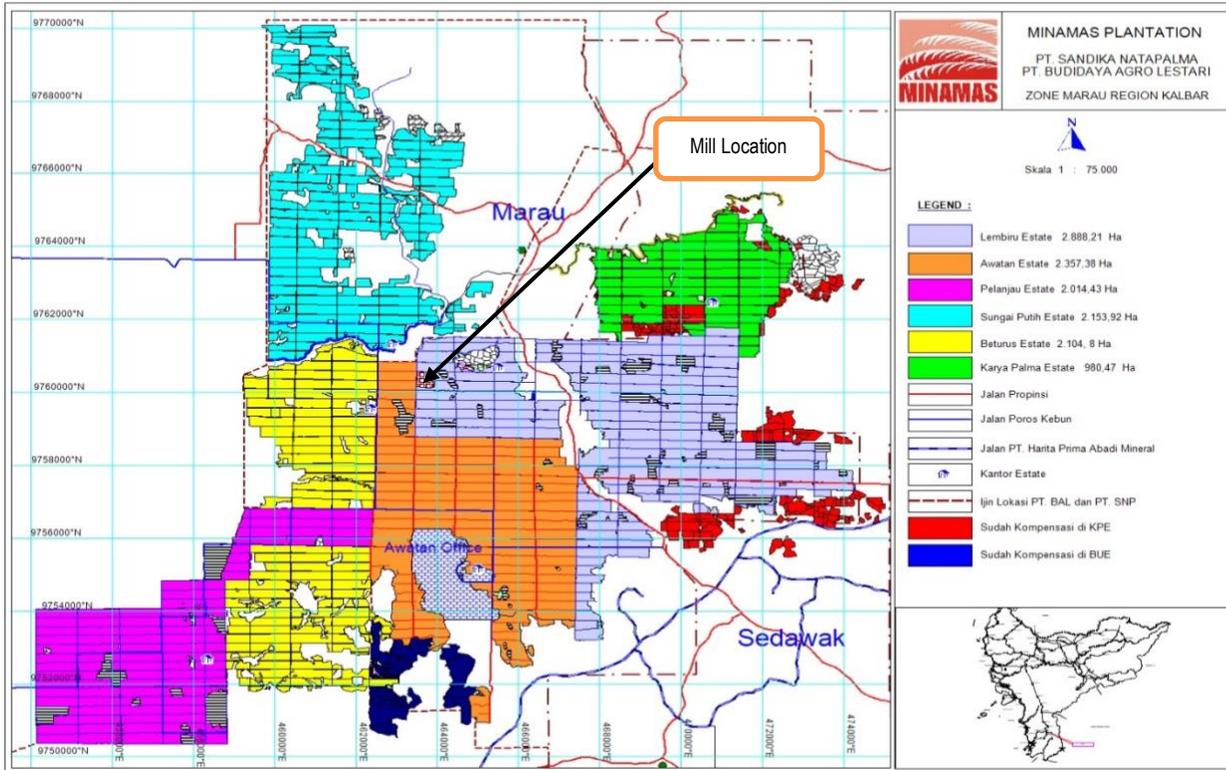
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Figure 1. Location Map of PT Sandika Natapalma



Figure 2. Operational Map of PT Sandika Natapalma



Abbreviations Used

| | | |
|-------|---|---|
| AMDAL | : | Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>) |
| ASA | : | Annual Surveillance Assessment |
| APD | : | Alat Pelindung Diri (<i>Personal Protective Equipment</i>) |
| AWE | : | Awatan Estate |
| BAL | : | Budidaya Agro Lestari |
| BOD | : | Biological Oxygen Demand |
| BPJS | : | <i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance Agency) |
| BPN | : | Badan Pertanahan Nasional (<i>National Land Agency</i>) |
| BSS | : | Block Spraying System |
| CB | : | Certification Body |
| CSR | : | Corporate Social Responsibility |
| CD | : | Community Development |
| CECT | : | Closed Ended Conservation Trenches |
| CH | : | Certificate Holder |
| CLA | : | Collective Labor Agreement |
| COD | : | Chemical Oxygen Demand |
| CPO | : | Crude Palm Oil |
| DPLH | : | Environment Management Document |
| EFB | : | Empty Fruit Bunch |
| EHS | : | Environment Health and Safety |
| EIA | : | Environmental Impact Assessment |
| EWS | : | Early warning system |
| FFB | : | Fresh Fruit Bunches |
| FPIC | : | Free Prior and Informed Consent |
| GHG | : | Green House Gases |
| GIS | : | Geographic Information System |
| GM | : | General Manager |
| GNSS | : | Global Navigation Satellite System |
| HCV | : | High Conservation Value |
| HGU | : | Hak Guna Usaha. (<i>Land Use Permit</i>) |
| HIRAC | : | Hazard Identification Risk Assessment and Risk Control |
| IPM | : | Integrated Pest Management |
| KER | : | Kernel Extraction Rate |
| KUD | : | <i>Koperasi Unit Desa</i> (Village Unit Cooperatives) |
| LBE | : | Lembiru Estate |
| LBF | : | Lembiru Factory |
| LCC | : | Legume Cover Crop |
| LD50 | : | <i>Lethal Dose 50</i> |
| LUCA | : | Land Use Change Analysis |
| MA | : | Mill Advisory |
| MRC | : | Minamas Research Centre |
| MSDS | : | Material Safety Data Sheet |
| MRA | : | Manual Referensi Agronomi |
| MUTS | : | Mitra Usaha Tani Sejahtera |
| NGO | : | Non-Government Organizations |

| | | |
|-------------|---|---|
| OER | : | Oil Extraction Rate |
| OFI | : | Opportunity For Improvement |
| OHS | : | Occupational Health and safety |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Safety and Health Committee) |
| PA | : | Plantation Advisory |
| PIC | : | Person in Charge |
| PJE | : | Pelanjau Estate |
| PK | : | Palm Kernel |
| PKB | : | <i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement) |
| PKWT | : | <i>Perjanjian Kerja Waktu Tertentu</i> (Specified Time Worker Agreement) |
| PKWTT | : | <i>Perjanjian Kerja Waktu Tidak Tertentu</i> (Indefinite Time Work Agreement) |
| PMU | : | Plantation Management Unit |
| POM | : | Palm Oil Mill |
| POME | : | Palm oil mill effluent |
| PPE | : | Personal Protection Equipment |
| PSD | : | Plantation Services Department |
| PSQM | : | Plantation Sustainability and Quality Management |
| PT | : | <i>Perseroan Terbatas</i> |
| RACP | : | Remediation and Compensation Plan |
| RKL | : | <i>Rencana kelola lingkungan</i> (Environment Management Plan) |
| RPL | : | <i>Rencana pemantauan lingkungan</i> (Environment Monitoring Plan) |
| RSPO | : | <i>Roundtable on Sustainable Palm Oil</i> |
| RTE | : | Rare, Threatened or Endangered |
| SCCS | : | Supply Chain Certification Standard |
| SDP | : | Sime Darby Plantation |
| SGM | : | Senior General Manager |
| SKU-H/SKU-B | : | <i>Syarat Kerja Umum Harian/ Syarat Kerja Umum Bulanan</i> (Monthly and Daily Permanent Worker) |
| SIA | : | Social Impact Assessment |
| SEIA | : | Social Environment Impact Analysis |
| SNP | : | Sandika Natapalma |
| SOP | : | Standard Operational and Procedure |
| SPS | : | Sejahtera Palma Sejati |
| TQEM | : | Total Quality Environmental Managements |
| WTP | : | Water Treatment Plant |
| WWTP | : | Waste Water Treatment Plant |

| | | | |
|------------|---|---|-----------------------------------|
| 1.0 | SCOPE of the CERTIFICATION ASSESSMENT | | |
| 1.1 | Assessment Standard Used | <ul style="list-style-type: none"> RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 | |
| 1.2 | Organisation Information | | |
| 1.2.1 | Organisation name listed in the certificate | PT SANDIKA NATAPALMA subsidiary of SIME DARBY PLANTATION Bhd | |
| 1.2.2 | Contact person | Alagendran Maniam | |
| 1.2.3 | Organisation address and site address | RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350 | |
| 1.2.4 | Telephone | +62-21-29926000 | |
| 1.2.5 | Fax | +62-21-29922686 | |
| 1.2.6 | E-mail | alagendran.maniam@simedarbyplantation.com | |
| 1.2.7 | Web page address | www.simedarbyplantation.com | |
| 1.2.8 | Management Representative who completed the application for certification | Alagendran Maniam (Head of Sustainability) | |
| 1.2.9 | Registered as RSPO member | 1-0008-04-000-00, 7 September 2004 | |
| 1.3 | Type of Assessment | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Lembiru POM, Lembiru Estate, Awatan Estate and Pelanjau Estate | |
| 1.3.2 | Type of certificate | Single | |
| 1.4 | Locations of Mill and Plantation | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | Latitude Longitude |
| | Lembiru | Village of Suka Karya, Sub District of Marau, District of Ketapang, Province of Kalimantan Barat, Indonesia | S 02° 10' 08" E 110° 40' 26" |
| 1.4.2 | Location of Certification Scope of Supply Base | | |
| | Name of Supply Base | Location | Coordinate |
| | | | Latitude Longitude |

| | | | |
|-----------------|--|---------------|----------------|
| Lembiru Estate | Village of Suka Karya, Sub District Marau, District Ketapang, Province Kalimantan Bara, Indonesia | S 02° 09' 53" | E 110° 41' 16" |
| Awatan Estate | Village of Suka Karya, Sub District Marau, District Ketapang, Province Kalimantan Barat, Indonesia | S 02° 12' 55" | E 110° 40' 55" |
| Pelanjau Estate | Village of Pelanjau, Sub District Marau, District of Ketapang, Province of Kalimantan Barat, Indonesia | S 02° 13' 40" | E 110° 37' 19" |

1.5 Description of Area Statement

| | | |
|-------|-------------|-------------|
| 1.5.1 | Tenure | |
| | • State | 9,409.00 Ha |
| | • Community | - Ha |

1.5.2 Area Statement

| Description | PT SNP | PT BAL | Total |
|-------------------------|----------|----------|-------------|
| • Total area | 8,406.21 | 1,002.79 | 9,409.00 Ha |
| • Mature area | 2,980.65 | 884.86 | 3,735.41 Ha |
| • Immature area | 2,245.56 | 74.42 | 2,449.15 Ha |
| • Mill & Infrastructure | 241.31 | 41.49 | 282.80 Ha |
| • Conservation Area | 615.87 | 2.02 | 617.89 Ha |
| • Occupation | 2,323.82 | - | 2,323.82 Ha |

1.6 Planting Year and Cycles

| | | | | | |
|-------|------------------------------|-----------------|-----------------|---------------|-----------------|
| 1.6.1 | Age profile of planting year | | | | |
| | Planting Year | Hectarage (Ha) | | | |
| | | Awatan | Lembiru | Pelanjau | Total |
| | 1997 | | 7.82 | - | 7.82 |
| | 1998 | 655.65 | | 146.71 | 802.36 |
| | 1999 | | 100.28 | 121.01 | 221.29 |
| | 2001 | | 1,178.94 | 79.51 | 1,258.45 |
| | 2016 | 78.44 | | | 78.44 |
| | 2017 | 171.76 | | 167.91 | 339.67 |
| | 2018 | 122.22 | 303.41 | 177.34 | 602.97 |
| | 2019 | | 362.13 | 192.38 | 554.51 |
| | Sub Total | 1,028.07 | 1,952.58 | 884.86 | 3,865.51 |
| | 2019 | 433.17 | 80.22 | | 513.39 |
| | 2020 | 96.89 | 267.06 | 52.02 | 415.97 |
| | 2021 | 560.16 | 244.80 | 22.40 | 827.36 |

| | | | | | | | |
|------------|--|------------------------------------|--|-------------------------------|---|------------------------------|---------------------------|
| | 2022 | 138.08 | 266.74 | | 404.82 | | |
| | 2023 | 89.90 | 68.54 | | 158.44 | | |
| | Sub Total | 1,318.20 | 927.36 | 74.42 | 2,319.98 | | |
| | TOTAL | 2,346.27 | 2,879.94 | 959.28 | 6,185.49 | | |
| 1.6.2 | New Planting area after January 2010 | | - | Ha | | | |
| 1.6.3 | Planting Cycle | | 2 nd Cycle | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | Lembiru | 45 | 167,168.18 | 36,247.43 | 21.68 | 8,296.81 | 4.96 |
| | <i>*Production data source from 12 months before assessment (March 2022 – February 2023)</i> | | | | | | |
| 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/y ear) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |
| | Lembiru Estate | 4,929.49 | 1,952.58 | 32,544.61 | 16.67 | 32,544.61 | 100 |
| | Awatan Estate | 3,476.92 | 1,028.07 | 18,528.05 | 18.02 | 18,528.05 | 100 |
| | Pelanjau Estate | 1,002.79 | 884.86 | 11,892.04 | 13.44 | 11,892.04 | 100 |
| | TOTAL | 9,409.00 | 3,865.51 | 62,964.70 | 16.29 | 62,964.70 | 100 |
| | <i>*Production data source from 12 months before assessment (February 2022 – March 2023)</i> | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of Sources/Organisation (RSPO non-certified) | Type of Organisation | Number of Smallholders | Production Area (Ha) | Supplied to Mill FFB (tonnes/year) | | |
| | Pelanjau Estate | PT Budidaya Agro Lestari | - | 802.78 | 11,892.04 | | |
| | Beturus Estate | | - | 2,383.05 | 40,421.64 | | |
| | Karya Palma Estate | | - | 738.81 | 16,274.50 | | |
| | Sungai Putih Estate | | - | 2,345.90 | 27,877.96 | | |
| | Karya Palma Plasma/SUP2 | | - | 413.00 | 7,682.31 | | |
| | TOTAL | | | | 104,148.45 | | |
| | <i>*Production data source from 12 months before assessment (March 2022 – February 2023)</i> | | | | | | |
| 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 (MT) | Last Year Actual Certified Volume (March 2022 – February 2023) (MT) | | | | | |
| | FFB Processed | 63,676 | 62,964.70 | | | | | |
| | CPO Production | 13,727 | 13,583.48 | | | | | |
| | Palm Kernel (PK) Production | 3,144 | 3,114.42 | | | | | |
| 1.8.2 | Product selling | | | | | | | |
| | Type of selling product | Actual selling product for last year (March 2022 – February 2023) (MT) | | | | | | |
| | CSPO sold as RSPO certified product | - | | | | | | |
| | CSPK sold as RSPO certified product | 13,109.37 | | | | | | |
| | CSPO sold under other scheme | - | | | | | | |
| | CSPK sold under other scheme | - | | | | | | |
| | CSPO sold as conventional | 2,281.64 | | | | | | |
| | CSPK sold as conventional | - | | | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | | |
| | Name of Estates | Total Area (Ha) | Production Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | | |
| | Lembiru Estate | 4,929.49 | 1,848.78 | 34,000.00 | 17.41 | | | |
| | Awatan Estate | 3,476.79 | 1,194.15 | 19,500.00 | 18.97 | | | |
| | Pelanjau Estate | 1,002.79 | 692.48 | 12,500.00 | 14.13 | | | |
| | TOTAL | 9,409.07 | 3,735.41 | 66,000.00 | 17.07 | | | |
| | <i>*Projected FFB production for 12 months of certificate</i> | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | | Supply Chain Module |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) | |
| | Lembiru | 45 | 66,000.00 | 14,520.00 | 22.00 | 3,300.00 | 5.00 | Mass Balance |
| | <i>*Projected CSPO and CSPK production for 12 months of certificate</i> | | | | | | | |
| 1.9 | Other Certifications | | | | | | | |
| | ISO 9001:2008 | | | - | | | | |
| | ISO 14001: 2004 | | | - | | | | |
| | OHSAS 18001:2007 | | | - | | | | |
| | ISCC | | | - | | | | |
| | Others | | | ISPO Certificate Valid until 2026 | | | | |
| 1.10 | Time Bound Plan | | | | | | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | | | | | | |
| | Management Unit | Estate (Supply Base) | | Location | | | | Status |

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

| | | | | | | |
|----------|---|------|------------------------------------|------|---|-----------|
| | | | KKPA-5 PT.SHE | 2013 | | Certified |
| | | | SAP 1 | 2023 | | - |
| 12 | Gunung Aru. PT Bersama Sejahtea Sakti | 2011 | Gunung Aru | 2011 | Kotabaru District – South Kalimantan | Certified |
| | | | Gunung Kemas | 2011 | | Certified |
| | | | Laut Timur | 2011 | | Certified |
| | | | Pantai Timur | 2011 | | Certified |
| | | | KKPA BSS | 2023 | | - |
| 13 | Bebunga. PT. Langgeng Muaramakmur | 2011 | Bebunga | 2011 | Kotabaru District – South Kalimantan | Certified |
| | | | Bakau | 2011 | | Certified |
| | | | Sungai Cengal | 2011 | | Certified |
| 14 | Sukamandang PT Kridatama Lancar | 2011 | Sukamandang | 2011 | Seruyan and East Kotawaringin District – Central Kalimantan | Certified |
| | | | Sapiri | 2011 | | Certified |
| | | | Barasdanum | 2011 | | Certified |
| | | | Kuala Kuayan | 2011 | | Certified |
| 15 | Pondok Labu. PT Paripurna Swakarsa | 2012 | Binturung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Pondok Labu | 2012 | | Certified |
| | | | Rampa | 2012 | | Certified |
| | | | Sesulung | 2012 | | Certified |
| 16 | Rantau. PT Laguna Mandiri | 2012 | Rantau | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Matalok | 2012 | | Certified |
| | | | KKPA Sungai Cengal (1,382 SH) | 2014 | | Certified |
| | | | Selabak (PT SAA) | 2012 | | Certified |
| | | | Randi (PT SAA) | 2012 | | Certified |
| | | | Sangkoh (PT SAA) | 2012 | | Certified |
| | | | Lanting (PT LMR) | 2012 | | Certified |
| 17 | Betung. PT Laguna Mandiri | 2014 | Betung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Sekayu | 2012 | | Certified |
| 18 | Ungkaya. PT Tamaco Graha Krida | 2012 | Ungkaya | 2012 | Morowali District – Sulawesi Tengah | Certified |
| | | | Plasma TGK | 2023 | | - |
| 19 | Ladang Panjang. PT Bahari Gembira Ria | 2012 | Ladang Panjang | 2012 | Muaro Jambi District - Jambi | Certified |
| | | | Ladang Panjang (HGU on process) | 2023 | | - |
| | | | Plasma BGR | 2023 | | - |
| 20 | Rantau Panjang. PT Guthrie Pecconina Indonesia | 2012 | Rantau Panjang | 2012 | Musi Banyuasin District – South Sumatera | Certified |
| | | | Rantau Panjang (HGU on process) | 2023 | | - |
| | | | Bumi Ayu | 2012 | | Certified |
| | | | Karang Ringin | 2012 | | Certified |
| | | | Napal | 2012 | | Certified |
| | | | Napal (HGU on process) | 2023 | | - |
| | | | Mangun Jaya | 2012 | | Certified |
| | | | Mangun Jaya (HGU on process) | 2023 | | - |
| | | | Sungai Jernih | 2023 | | - |
| GPI KKPA | 2023 | - | | | | |
| 21 | Blang Simpo. | 2013 | Tamiang (PT PPP) | 2013 | | Certified |

| | | | | | | |
|-----------------|--------------------------------|------|--|------|--|-----------|
| | PT Perkasa Subur Sakti | | Batang Ara (PT PSK) | 2013 | Aceh Tamiang and East Aceh District – Aceh | Certified |
| | | | Blang Simpo-01 | 2013 | | Certified |
| | | | Blang Simpo-02 | 2013 | | Certified |
| 22 | Lembiru. PT Sandika Nata Palma | 2014 | Lembiru | 2014 | Ketapang District – West Kalimantan | Certified |
| | | | Awatan | 2014 | | Certified |
| | | | Karya Palma | 2024 | | - |
| | | | KKPA SNP | 2024 | | - |
| | | | Pelanjau (PT BAL) | 2019 | | Certified |
| | | | Sungai Putih (PT BAL) | 2024 | | - |
| | | | Baturus (PT BAL) | 2024 | | - |
| | | | KKPA BAL | 2024 | | - |
| MALAYSIA | | | | | | |
| 1 | Sg Dingin SOU 1 | 2010 | Bukit Hijau | 2010 | Kerangan, Kedah | Certified |
| | | | Padang Buluh | 2010 | | Certified |
| | | | Bukit Selangor | 2010 | | Certified |
| | | | Sg Dingin | 2010 | | Certified |
| | | | Jentayu | 2010 | | Certified |
| | | | Anak Kuli | 2010 | | Certified |
| | | | Somme | 2010 | | Certified |
| 2 | Chersonese SOU 2 | 2011 | Chersonese | 2011 | Kuala Kurau, Perak | Certified |
| | | | Holyrood | 2011 | | Certified |
| | | | Kalumpong | 2011 | | Certified |
| | | | Tali Ayer | 2011 | | Certified |
| 3 | Elphil SOU 3 | 2011 | Kinta Kellas | 2011 | Sg Siput, Perak | Certified |
| | | | Elphil | 2011 | | Certified |
| | | | Kamuning | 2011 | | Certified |
| 4 | Flemington SOU 4 | 2011 | Flemington | 2011 | Teluk Intan, Perak | Certified |
| | | | Bagan Datoh | 2011 | | Certified |
| | | | Sabak Bernam | 2011 | | Certified |
| | | | Sg Samak | 2011 | | Certified |
| 5 | Seri Intan SOU 5 | 2011 | Seri Intan (Main Division) | 2011 | Teluk Intan, Perak | Certified |
| | | | Sabrang | 2011 | | Certified |
| | | | Sg Wangi | 2011 | | Certified |
| | | | Sogomana (Main Division) | 2011 | | Certified |
| 6 | Selaba SOU 5 | 2011 | Seri Intan (Selaba Division) | 2011 | Teluk Intan, Perak | Certified |
| | | | Sogomana (Cashwood & Sg Beruas Division) | 2011 | | Certified |
| | | | Bikam | 2011 | | Certified |
| | | | Clumy | 2011 | | Certified |
| 7 | Tennamaram SOU 6 | 2011 | Tennamaram | 2011 | Bestari Jaya, Selangor | Certified |
| | | | Sungei Buloh | 2011 | | Certified |
| | | | Bkt Talang | 2011 | | Certified |
| 8 | Bkt Kerayong SOU 7 | 2011 | Bkt Kerayong | 2011 | Kapar, Selangor | Certified |
| | | | Bkt Cherakah | 2011 | | Certified |
| | | | Bkt Rajah | 2011 | | Certified |
| | | | Bkt Lagong | 2011 | | Certified |
| | | | Elmina | 2011 | | Certified |

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|----|---------------------------|------|-----------------|------|-------------------------------|-----------|
| 9 | East SOU 8 | 2010 | East | 2010 | Carey Island, Selangor | Certified |
| | | | Dusun Durian | 2010 | | Certified |
| | | | Sepang | 2010 | | Certified |
| 10 | West - SOU 9 | 2010 | West | 2010 | Carey Island, Selangor | Certified |
| 11 | Bukit Putri - SOU 10 | 2011 | Bukit Putri | 2011 | Raub, Pahang | Certified |
| 12 | Kerdau SOU 11 | 2011 | Kerdau | 2011 | Temerloh, Pahang | Certified |
| | | | Jentar | 2011 | | Certified |
| | | | Mentakab | 2011 | | Certified |
| | | | Sg Mai | 2011 | | Certified |
| | | | Chenor | 2011 | | Certified |
| 13 | Jabor - SOU 12 | 2011 | Jabor | 2011 | Kemaman, Trengganu | Certified |
| 14 | Labu SOU 13 | 2011 | Labu | 2011 | Nilai, Negeri Sembilan | Certified |
| | | | New Labu | 2011 | | Certified |
| | | | Bradwall | 2011 | | Certified |
| 15 | Tanah Merah SOU 14 | 2010 | Tanah Merah | 2010 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sua Betong | 2010 | | Certified |
| | | | Bukit Pelandok | 2010 | | Certified |
| 16 | Sua Betong SOU 15 | 2014 | Salak | 2014 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sengkang | 2014 | | Certified |
| | | | Siliau | 2014 | | Certified |
| | | | PD Lukut | 2014 | | Certified |
| | | | Sungai Baru | 2014 | | Certified |
| | | | Tampin Linggi | 2014 | | Certified |
| 17 | Kok Foh SOU 16 | 2011 | Bukit Pilah | 2011 | Bahau, Negeri Sembilan | Certified |
| | | | Kok Foh | 2011 | | Certified |
| | | | Muar River | 2011 | | Certified |
| | | | St. Helier | 2011 | | Certified |
| | | | Pertang | 2011 | | Certified |
| | | | Sg Gemas | 2011 | | Certified |
| | | | Sg Sebaling | 2011 | | Certified |
| | | | Sg Senarut | 2011 | | Certified |
| 18 | Kempas SOU 17 | 2010 | Kempas | 2010 | Jasin, Melaka | Certified |
| | | | Kemuning | 2010 | | Certified |
| | | | Tangkah | 2010 | | Certified |
| 19 | Diamond Jubilee SOU 18 | 2011 | Bukit Asahan | 2011 | Jasin, Melaka | Certified |
| | | | Diamond Jubilee | 2011 | | Certified |
| | | | Serkam | 2011 | | Certified |
| 20 | Pagoh SOU 19 | 2014 | Pagoh | 2014 | Muar, Johor | Certified |
| | | | Lanadron | 2014 | | Certified |
| | | | Pengkalan Bukit | 2014 | | Certified |
| | | | Welch | 2014 | | Certified |
| 21 | Chaah SOU 20 | 2010 | North Labis | 2010 | Chaah, Johor | Certified |
| | | | Cha'ah | 2010 | | Certified |
| | | | Sg Simpang Kiri | 2010 | | Certified |
| 22 | Gunung Mas SOU 21 | 2010 | Gunung Mas | 2010 | Kluang, Johor | Certified |
| | | | Kempas Klebang | 2010 | | Certified |
| | | | Bukit Paloh | 2010 | | Certified |

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|----|------------------------|------|------------------|------|----------------------|-----------|
| | | | Yong Peng | 2010 | | Certified |
| 23 | Bukit Benut SOU 22 | 2011 | Bukit Benut | 2011 | Kluang, Johor | Certified |
| | | | CEP Niyor | 2011 | | Certified |
| | | | Lambak / Elaeis | 2011 | | Certified |
| 24 | Ulu Remis SOU 23 | 2011 | Pekan | 2011 | Layang-layang, Johor | Certified |
| | | | Sembrong | 2011 | | Certified |
| | | | Tun Dr. Ismail | 2011 | | Certified |
| | | | Ulu Remis | 2011 | | Certified |
| | | | Bukit Badak | 2011 | | Certified |
| | | | Cenas | 2011 | | Certified |
| 25 | Hadapan SOU 24 | 2011 | CEP Rengam | 2011 | Layang-layang, Johor | Certified |
| | | | Kulai | 2011 | | Certified |
| | | | Layang | 2011 | | Certified |
| | | | Seri Pulai | 2011 | | Certified |
| 26 | Sandakan Bay SOU 26 | 2008 | Tun Tan Siew Sin | 2008 | Sandakan, Sabah | Certified |
| | | | Tunku | 2008 | | Certified |
| | | | Tigowis | 2008 | | Certified |
| | | | Sentosa | 2008 | | Certified |
| | | | Saguliud | 2008 | | Certified |
| 27 | Melalap SOU 27 | 2011 | Melalap | 2011 | Tenom, Sabah | Certified |
| | | | Sapong | 2011 | | Certified |
| 28 | Binuang SOU 28 | 2009 | Tingkeyu | 2009 | Kunak, Sabah | Certified |
| | | | Sungang | 2009 | | Certified |
| | | | Jelata Bumi | 2009 | | Certified |
| | | | Binuang | 2009 | | Certified |
| 29 | Giram SOU 29 | 2009 | Mostyn | 2009 | Kunak, Sabah | Certified |
| | | | Giram | 2009 | | Certified |
| 30 | Merotai SOU 30 | 2009 | Imam | 2009 | Tawau, Sabah | Certified |
| | | | Merotai | 2009 | | Certified |
| | | | Table | 2009 | | Certified |
| | | | Tiger | 2009 | | Certified |
| 31 | Lavang SOU 31 | 2011 | Belian | 2011 | Bintulu, Serawak | Certified |
| | | | Kelida | 2011 | | Certified |
| | | | Lavang | 2011 | | Certified |
| | | | Lavang (SE) | 2011 | | Certified |
| | | | Rasan | 2011 | | Certified |
| | | | Chartquest | 2011 | | Certified |
| | | | Dulang | 2011 | | Certified |
| | | | Peroh | 2011 | | Certified |
| | | | Pekaka | 2011 | | Certified |
| | | | Ruai | 2011 | | Certified |
| 32 | Rajawali SOU 32 | 2011 | Rajawali | 2011 | Bintulu, Serawak | Certified |
| | | | Samudera | 2011 | | Certified |
| | | | Semarak | 2011 | | Certified |
| | | | Bayu | 2011 | | Certified |
| 33 | Derawan SOU 33 | 2011 | Takau | 2011 | Bintulu, Serawak | Certified |
| | | | Damai | 2011 | | Certified |
| | | | Derawan | 2011 | | Certified |

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|---|----------------------------------|-----------|--------------------------------|-------|---------------------------------------|-----------|---------|------|-------------|-----------|
| | | | Sahua | 2011 | | Certified | | | | |
| P & G (New Britain Palm Oil) | | | | | | | | | | |
| 1 | Poliamba | 2012 | Kara | 2012 | Kevieng, New Ireland Province, P&G | Certified | | | | |
| | | | West Coast | 2012 | | Certified | | | | |
| | | | Nalik | 2012 | | Certified | | | | |
| | | | Noatsi | 2012 | | Certified | | | | |
| | | | Madak | 2012 | | Certified | | | | |
| | | | North (Smallholders) | 2012 | | Certified | | | | |
| | | | South (Smallholders) | 2012 | | Certified | | | | |
| | | | West (Smallholders) | 2012 | | Certified | | | | |
| 2 | Tetere | 2011 | Tetere | 2011 | Gudaicanal, Slomon Island | Certified | | | | |
| | | | Ngalimbiu | 2011 | | Certified | | | | |
| | | | Mbalisuna | 2011 | | Certified | | | | |
| | | | West Zone (Smallholders) | 2011 | | Certified | | | | |
| | | | Central Zone (Smallholders) | 2011 | | Certified | | | | |
| | | | MBA East (Smallholders) | 2011 | | Certified | | | | |
| | | | MBA West (Smallholders) | 2011 | | Certified | | | | |
| 3 | Sangara, Sambiripa & Mamba | 2013 | Sangara | 2013 | Higaturu, Popondetta, Oro, P&G | Certified | | | | |
| | | | Sumberipa | 2013 | | Certified | | | | |
| | | | Ambogo | 2013 | | Certified | | | | |
| | | | Embi | 2013 | | Certified | | | | |
| | | | Mamba | 2013 | | Certified | | | | |
| | | | Sorovi (smallholders) | 2013 | | Certified | | | | |
| | | | Igora (smallholders) | 2013 | | Certified | | | | |
| | | | Saiho (smallholders) | 2013 | | Certified | | | | |
| | | | Aeka (smallholders) | 2013 | | Certified | | | | |
| | | | Ilimo (smallholders) | 2013 | | Certified | | | | |
| | | | 4 | Gusap | | 2010 | Dumpu | 2010 | Madang, P&G | Certified |
| | | | | | | | Surinam | 2010 | | Certified |
| Jephcott | 2010 | Certified | | | | | | | | |
| Gusap | 2010 | Certified | | | | | | | | |
| Paddox | 2010 | Certified | | | | | | | | |
| Ngaru | 2010 | Certified | | | | | | | | |
| Madang VOP (smallholders) | 2010 | Certified | | | | | | | | |
| Morobe VOP (smallholders) | 2010 | Certified | | | | | | | | |
| 5 | Hagita | 2013 | Giligili | 2013 | Milne Bay, P&G | Certified | | | | |
| | | | Hagita | 2013 | | Certified | | | | |
| | | | Waigani | 2013 | | Certified | | | | |
| | | | Sagarai | 2013 | | Certified | | | | |
| | | | Padipadi | 2013 | | Certified | | | | |
| | | | Mariawatte | 2013 | | Certified | | | | |
| | | | East Gurney | 2013 | | Certified | | | | |
| | | | West Gurney | 2013 | | Certified | | | | |
| East Sagarai | 2013 | Certified | | | | | | | | |

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| 6 | Mosa Kumbango Kapiura Namumdo Waraston | 2008 | West Sagarai | 2013 | West New Britain | Certified | | | | |
| | | | Bebere | 2008 | | Certified | | | | |
| | | | Kumbango | 2008 | | Certified | | | | |
| | | | Togulo | 2008 | | Certified | | | | |
| | | | Dami | 2008 | | Certified | | | | |
| | | | Waisisi | 2008 | | Certified | | | | |
| | | | Kautu | 2008 | | Certified | | | | |
| | | | Karaisu | 2008 | | Certified | | | | |
| | | | Moroa | 2008 | | Certified | | | | |
| | | | Bilomi | 2008 | | Certified | | | | |
| | | | Loata | 2008 | | Certified | | | | |
| | | | Haella | 2008 | | Certified | | | | |
| | | | Garu | 2008 | | Certified | | | | |
| | | | Daliavu | 2008 | | Certified | | | | |
| | | | Sapuri | 2008 | | Certified | | | | |
| | | | Malilimi | 2008 | | Certified | | | | |
| | | | Rigula | 2008 | | Certified | | | | |
| | | | Nomundo | 2008 | | Certified | | | | |
| | | | 7 | | | | Navarai / Karato ME | 2008 | | Certified |
| | | | | | | | Volupai . Lotomgam / Natupi / Goruru | 2008 | | Certified |
| Lolokoru | 2008 | Certified | | | | | | | | |
| Silovoti | 2008 | Certified | | | | | | | | |
| LSS Hoskin (1,877 Smallholders) | 2008 | Certified | | | | | | | | |
| VOP East (1,815 Smallholders) | 2008 | Certified | | | | | | | | |
| VOP Central (1,958 Smallholders) | 2008 | Certified | | | | | | | | |
| VOP West (1,277 Smallholders) Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders) | 2008 | Certified | | | | | | | | |
| LSS Kapiura (847 Smallholders) | 2008 | Certified | | | | | | | | |
| VOP Kapiura (551 Smallholders) | 2008 | Certified | | | | | | | | |
| <p>TBP in June 2022.</p> <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 10 in P&G. There is change of time bound plan, with detail:</p> <ol style="list-style-type: none"> 1. Uncertified area in PT Sime Indo Agro: postpone become 2023 due to HGU process 2. Uncertified area in PT Bina Sains Cemerlang: postpone become 2023 due to HGU process 3. Uncertified area in PT Bahari Gembira Ria: postpone become 2023 due to HGU process 4. Uncertified area in PT Budidaya Agro Lestari: postpone become 2023 due to HGU process 5. For Liberia operations: As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) | | | | | | | | | | |

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| | to Mano Palm Oil Industries Ltd (MPOI). https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard |
| | The smallholder scheme under PT SNP and PT BAL planned to be certified on 2024, which is full managed under the company, so that the certification program for the smallholder scheme is following time bound plan. |

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| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA 1.4 | <p>1. Moh. Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor course in 2014, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO and ISPO Lead auditor refresher course in 2021 etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified legality, supply chain, social, time bound plan and partial audit.</p> <p>2. Benli Manurung (Auditor). Bachelor of Agriculture Majoring in Soil Science. He has more than 4 years of experience as a plantation operations staff in a private oil palm plantation company in Indonesia. The trainings he has attended include: ISPO, RSPO, Lead auditor of ISO 9001: 2015; ISO 14001; 2015, IHT Health & Safety Aspect and Best Management Practice. Has participated in several audit activities since 2016 in the field of Best Management Practice, Health & Safety Aspect and Worker Welfare. During the audit, he verified Best Management Practice and OHS aspect.</p> <p>3. Rindu Galih Rezza Rachmansyah (Auditor) Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP & NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During the audit, he verified worker welfare, SCCS and social aspect.</p> <p>4. Fauzi Prima Sanusi (Trainee auditor). 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>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p> |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA 1.4 | <p>Number of auditors: 3 auditor, 1 trainee</p> <p>Number of days for audit: 5 days</p> <p>Number of working days for document review : 15 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA 1.4 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sandika Nata Palma & PT Budidaya Agro Lestari subsidiary of Sime Darby Plantation Bhd) to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</p> |

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Team of auditor started their trip from Jakarta to Pangkalan Bun and continued. Opening meeting carried out on 27 March 2023n the Meeting Room of Region office of PT Sandika Natapalma. Opening meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

Stakeholder consultation involved internal and external stakeholders. discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also considered in the assessment

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.

Closing Meeting conducted in the region office of PT Sandika Natapalma on 31 March 2023. Closing meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel and unit of certification accepted the recommendation from auditor team regarding certification process.

Some opportunities for improvement of the results of assessment delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase Recertifications. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.4 reports

The assessment program please find Appendix 2

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| <p>2.2.3</p> | <p>Locations of Assessment</p> |
| <p>ASA 1.4</p> | <p>The sampling location consider the issue arose from the review documents and stakeholder’s consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Lembiru Estate</p> <ul style="list-style-type: none"> ● Creche: observation of building conditions and feasibility of facilities, interviews with creche officials. ● Housing complex Division II : observation of the availability of worker welfare facilities, and the adequacy of housing and sanitation facilities. ● Fire Monitoring tower block P44 Division III: field observation of fire tower conditions, condition of observation range and available supporting facilities. ● Sekakai River Block 036/037 Division III: Observation of the condition of the river border cover, availability of border areas and spray boundaries, availability of HCV warnings and signs. |

- **Land Application block K41** : Field observation to determine the condition of the flat bed, the potential for contamination to the environment, the potential for liquid waste overflow.
- **Solid application Block L41 Divisi I**: Field observation to determine the condition of the application area, solid application technique.
- **Monitoring well Block L42 Division I**: field observation of the condition of the monitoring well, and the accuracy of the coordinates of the location.
- **Landfill block K47 Division I**: field observation of TPSA conditions, type of waste being disposed of and potential for environmental contamination.
- **Landfill block K47 Division I**: field observation of TPSA conditions, type of waste being disposed of and potential for environmental contamination.
- **Chemical Storage**. Field observations related to condition in the chemical warehouse and management of hazardous and toxic materials.
- **Housing of Block Spraying System**. Field observations related storage of PPE and handling hazardous materials and toxic waste.
- **Generator House**. Observation and interviews with operators related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Replanting and Making CECT**. R50 block. Observations regarding the technical implementation of replanting and IPM for Oryctes.
- **Pesticide Warehouse**. Observations and interviews regarding pesticide management.
- **Fertilizer warehouse**. Observations and interviews regarding.
- **General warehouse**. Observations and interviews regarding the management of goods including the stock of PPE and extra fooding conditions for employees.
- **BSS house**. Observations and interviews regarding the use and condition of the BSS house.
- **Landfill**. Observations on the company's domestic waste management.
- **Harvesting Block K41I**. Observation and interview related BMP, OHS, Environment and Worker Welfare aspect.
- **Spraying Activities in Block R46**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, and the existence of trade unions, gender committees, and special leave for women workers.
- **Manuring activity block L43**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, as well as the existence of trade unions, gender committees, and special leave for women workers.
- **Barn Owls Box, block R47I**. Observations related to the existence of owl nests that are monitored routinely. Based on observations, owl nests are in good condition and active.

Awatan Estate

- **Herbicide and pesticide store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Fertilizer store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Scheduled waste satellite store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Generator room**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Washing and PPE store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Crèche**. Observation and interview regarding to the OSH aspect, employment aspect and worker's facility.
- **Workshop**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Workers line-site**. Observation and interview regarding to the OSH aspect, employment aspect and worker's facility.

- **Temporary / Transit storage of Hazardous Waste**, Observations related hazardous waste managements.
- **Terrace Area Block L268**, Observations related soil conservations and managements.
- **The sacred tomb in block L32**: field observation of the condition of the sacred area, marking and maintenance of the location.
- **Occupation Area Next to Awatan Hill and Block J28**. Observations related occupation area and potential land dispute.
- **Harvesting Block K31**. Observation and interview related BMP, OHS, Environment and Worker Welfare aspect.
- **Replanting, block A19 Division I**. Observation of mechanical replanting activities.
- **Spray Activities in Block M14**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, and the existence of trade unions, gender committees, and special leave for women workers.
- **Manuring activity block M19**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, as well as the existence of trade unions, gender committees, and special leave for women workers.
- **Boundaries Poles No 01, 35, 1D**. Observations regarding boundaries poles and potential land disputes.
- **Replanting, block A19 Division I**. Observation of mechanical replanting activities.
- **River Riparian Block K37/50**. Observation related HCV Area.

Pelanjau Estate

- **Boundaries Poles No 35, 38,40 and 44**. Observations regarding boundaries poles and potential land disputes.
- **HCV Area, River Riparian Block C10 Division 2**, Field observation and interview related to HCV area.
- **Lanfill Block D20 Division 2**. Observations related hazardous waste managements.
- **Herbicide and pesticide store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Fertilizer store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Scheduled waste satellite store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Generator room**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Washing and PPE store**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Crèche**. Observation and interview regarding to the OSH aspect, employment aspect and worker's facility.
- **Workshop**. Observation and interview regarding to the OSH aspect, employment aspect and waste management.
- **Workers line-site**. Observation and interview regarding to the OSH aspect, employment aspect and worker's facility.
- **Harvesting Block28 Division III**. Observation and interview related BMP, OHS, Environment and Worker Welfare aspect.
- **Replanting, block A19 Division I**. Observation of mechanical replanting activities.
- **Spray Activities in Block D13**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, and the existence of trade unions, gender committees, and special leave for women workers.
- **Manuring activity block H409**: interviews related to OHS, employment, work techniques, worker wages and welfare facilities, filing complaints, as well as the existence of trade unions, gender committees, and special leave for women workers.
- **Barn Owls Box, block D20I**. Observations related to the existence of owl nests that are monitored routinely. Based on observations, owl nests are in good condition and active.
- **Terrace Area Block 2H28**, Observations related soil conservations and managements.

Lembiru POM

- **WWTP location:** field observations regarding WWTP conditions, land application pump operations, waste recording and flow meter conditions, as well as interviews with WWTP officers regarding OSH, Labor, Health checks and work techniques.
- **Location of stacking of empty fruit bunches, fiber and shells:** observation of field conditions in the area of solid waste accumulation and potential for environmental contamination.
- **WTP area:** field observation regarding the condition of the WTP installation, chemical application, recording of water production, and interviews with officials regarding technical work, OHS and employment.
- **Water source.** Observation of the condition of water source management and monitoring.
- **Hazardous waste temporary storage.** Field observations and interview related to the fulfilment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. (1 person)
- **Workshop.** Observation and interview related to OHS implementation, worker welfare, training and machine maintenance. (1 person)
- **Hazardous Material Storage.** Observation and interview related to hazardous material store. (1 person)
- **Weigh Bridge Station.** Observations related to the acceptance and separation of FFB entering the factory. (1 person)
- **Security post.** Observations related to receipt of FFB. (2 person)
- **Grading.** Observation of activities and interviews with 6 grading workers. Interviews related to safe work practices, standard sorting and complaint complaints mechanisms.
- **Sterilization station.** Observation related to work procedures, OSH aspects, employment status, wage systems and employee complaint mechanisms.
- **Press station.** Observation and interviews with 1 operator and foreman related to work procedures, OSH aspects, employment status, wage systems and employee complaint mechanisms.
- **Engine room station.** Observation and interviews with 1 operator related to work procedures, OSH aspects, employment status, wage systems and employee complaint mechanisms.
- **Boiler station.** Observation and interviews with 2 operators related to work procedures, OSH aspects, employment status, wage systems and employee complaint mechanisms.
- **Hydrant simulation.** Observation of preparedness of fire emergency response teams and preparedness of emergency response devices. The number of employees who simulated 2 people.

| | |
|--------------------|--|
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA 1.4 | Summary of stakeholder consultation process Consultation of stakeholders for PT SNP was held by: <ul style="list-style-type: none"> ● Public announcement in Mutuagung Website on 14 March 2023 ● Public.Consultation to the Agencies of Ketapang Regency in 27 March 2023. ● Public Consultation for surrounding Community in 27 March 2023. ● Public Consultation for internal stakeholder and local contractor in 27 March 2023. ● Online Questionnaire for NGO has been sent in 21 March 2023. |
| 2.3.2 | Stakeholder contacted |
| | Please find appendix 1 |
| 2.4 | Determining Next Assessment |

| |
|---|
| The next visit Recert be determined 8 – 12 months after date of certificated issued |
|---|

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Lembiru POM –PT Sandika Natapalma subsidiary of Sime Darby Plantation Bhd operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there are two (2) Non conformities were assigned against Major Compliance Indicators and ten (10) 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 that had been reviewed and accepted by Auditor in form of documentation evidences e.g. (document record/photographic/etc). Those corrective actions taken that consist of two (w) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Lembiru POM – PT Sandika Natapalma subsidiary of Sime Darby Plantation Bhd 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 that the RSPO certificates of PT SNP and PT BAL be continued.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification |
|--|---|
| PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY | |
| 1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| <p>1.1.1 The unit of certification has a list of information/documents that can be accessed and/or shared with stakeholders such as government agencies, external audits and NGOs listed in the SOP Request for Information (RSPO/1.1/PI) dated 01 June 2014. The document contains 15 types of documents that can be accessed by stakeholders, including the following:</p> <ul style="list-style-type: none"> • Social and Environmental Documents: Environmental impact analysis documents, HCV identification reports, SIA identification reports, community empowerment program reports, procedures for handling social conflict, continuous improvement program documents, complaints and dissatisfaction reports. • Legality Documents: Evidence of ownership of land rights, Human Rights policy documents, RSPO and ISPO audit report documents. • Employment Documents: Work health and safety implementation plan documents, number of employees and list of basic wages as well as <i>BPJS</i> payment receipts, <i>NPWP</i> and tax data, and Occupational Health and Safety Advisory Committee Reports. <p>Meanwhile, documents that cannot be accessed by the public which are company secrets include: financial data such as expenses and income, as well as details related to customers and/or suppliers as well as data related to individual privacy. In addition, there are several other documents that can be accessed publicly and reported periodically to relevant government agencies such as <i>RKL-RPL</i> reports, fire handling reports, waste management and so on.</p> | |
| 1.1.2 | |

Based on document verification, all public documents (explained in 1.1.1) are accessible to relevant stakeholders by submitting an official letter of request for information. All information is provided in Bahasa.

The company has also reported several mandatory reports on environmental, manpower, legality and other aspects, for example:

- Reporting of Employment Report for PT Sandika Natapalma in 2022 via online on 12 August 2022 and must be reporting back on 12 August 2023.
- Reporting of Employment Report for PT Budidaya Agro Lestari in 2022 via online on 12 August 2022 and must be reporting back on 12 August 2023.
- Reporting of CSR Report 2022 for PT Sandika Natapalma on 20 March 2023 to Regional Planning Agency of Ketapang Regency.
- Reporting of CSR Report 2022 for PT Budidaya Agro Lestari on 20 March 2023 to Regional Planning Agency of Ketapang Regency.

Based on explanations above, results of document verification revealed that the mandatory report had been reported to the government, but the results of the document review found that there were several reports that were reported simultaneously for several periods, for example:

- Quarterly Report on Liquid Waste of PT Sandika Natapalma for Quarter 3 and Quarter 4 of 2022 was reported on March 10, 2023.
- Fire Control Reports of PT Sandika Natapalma and PT Cultivation Agro Lestari for Semester 1 and 2 of 2022 were reported on March 10, 2023.
- Quarterly Report on Hazardous Waste Management PT Cultivation Agro Lestari for the 3rd and 4th Quarter of 2022 was reported on March 29, 2023.

Related to this, companies are encouraged to submit mandatory reports to the government in accordance with a predetermined time period. (OFI)

1.1.3

The company has a record of requests for information and responses to the AWE, LBE, PJE and LBF units, a list of incoming letters and their responses. The document is in the form of a Complaints and Suggestions Book as well as a Book of Incoming and Outgoing Letters. The document contains information on the letter number, date, sender, subject, and company response. Based on the document review, it is known that incoming letters recorded in the company register are in the form of requests for assistance and invitation letters.

1.1.4

The company has provided procedure of *Komunikasi dan Konsultasi* (Doc 301/SNP-KOM-08/11, April 8th, 2011) which is a guide for communication and consultation with the community. In the procedure described on the mechanism of communication with community begins with providing a letter through the village head, analysing the response letter from the public, if necessary, held a meeting with the public to communicate directly, if a response within the limits of authority manager unit will be immediately given a decision and, if so without the authority manager then the unit will be delivered to the head of department and unit managers will send a letter of response to the public.

The company has also shown a document of the minutes of the socialization that was conducted at Awatan Estate (from the Brayan Village Community) on January 10, 2023.

1.1.5

Company has shown a document that lists the names of the stakeholders of PT Sandika Natapalma and PT Budidaya Agrolestari. The document explains the name, position, address and telephone number. From these documents it is known that the stakeholders of PT. SNP and PT BAL are as follows:

1. Government (Province, district, sub-district) as many as 37 stakeholders

2. To the village and community leaders as many as 20 stakeholders
3. Workers Union as many as 1 stakeholder
4. Contractors / suppliers / consultants as many as 14 stakeholders
5. Local NGO

From the results of interviews via telephone with stakeholders referring to the list, it can be contacted, and the information found is valid.

Status: Comply

1.2

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

1.2.1

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

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

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

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

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

1.2.2

The certification unit has a several methods to monitor compliance and the implementation of overall ethical business policies and practices, such as internal audit and field monitoring. Every contractor has received a socialization regarding the policy of the code of ethics given at the time of signing the works agreement and the contractor has a Vendor Integrity Pledge, in which it is committed to comply with all applicable codes of ethics in the company.

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

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

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

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.

Worker Welfare

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

- Reporting of Employment Report for PT Sandika Natapalma in 2022 via online on 12 August 2022 and must be reporting back on 12 August 2023.
- Reporting of Employment Report for PT Budidaya Agro Lestari in 2022 via online on 12 August 2022 and must be reporting back on 12 August 2023.
- Reporting of CSR Report 2022 for PT Sandika Natapalma on 20 March 2023 to Regional Planning Agency of Ketapang Regency.
- Reporting of CSR Report 2022 for PT Budidaya Agro Lestari on 20 March 2023 to Regional Planning Agency of Ketapang Regency.
- The implementation of the minimum wage in 2023 is in accordance with the Kalimantan Barat Provincial Minimum Wage Decree that has been the established by the Governor of Kalimantan Barat in 25 November 2022.
- The implementation of the minimum wage in 2023 is in accordance with the Ketapang Regency Minimum Wage Decree that has been the established by the Governor of Kalimantan Barat in 05 December 2022.
- Payment of overtime wages to workers in accordance with Government Regulation No. 35 of 2021.
- Implementation of the wage, structure and scale of wages for all levels of workers in accordance with Government Regulation No. 36 of 2021.

Environment

The company has shown compliance with **environmental regulations**, such as:

- The company has demonstrated compliance related to environmental management by having environmental documents in accordance with the provisions of PP 27 of 2012.
- The company has conducted management and monitoring of environmental impact every semester and reporting to Environmental Agency.
- The company has demonstrated compliance with regard to hazardous waste management by having a hazardous waste storage area and periodic reporting of Hazardous waste management in accordance with PP NUMBER P.12/MENLHK/SETJEN/PLB.3/5/2020 for the storage of hazardous and hazardous waste.
- The company Store hazardous waste in the licensed hazardous warehouse.
- The company has demonstrated compliance with liquid waste management by conducting land applications to plantation lands and periodic reporting of liquid waste management to agencies in accordance with Ministry of Environment Decree No. 29/2003.

- The Company has conducted replanting by a mechanical method not using fire.
- The company carries out Corporate Social Responsible activities every year for the community around the company.
- The company carries out Social Impact Assessment activities every year for the community around the company.

Best Management Practice:

- The company has carried out hazardous material management including pesticides in accordance with regulations.
- The company has carried out land management without burning.
- No use of invasive species for biological pest control.

OHS:

- The company already has an OHS Committee organization which is equipped with a secretary who has received General OHS Expert training.
- The company has provided PPE to all workers.
- The company has provided BPJS Health and Employment facilities to all workers.

Legal

- Already has Land Use Rights with a total area of 9,409.07 Ha as described in indicator 4.4.1
- Already have a Plantation Business Permit or its equivalent as follows:
 - **PT SNP** : Plantation Business Permit Letter No.: 196/Mentanhut/VII/2000, an area of 8,406.21 Ha with a capacity of 60 Tons FFB/hour dated 03 November 2000 and Decree No. 523/DISBUN – D/2014 dated October 14, 2014 concerning Changes in Land Area of PT. Sandika Natapalma; Approved the expansion of the area of the Oil Palm Plantation Business Permit (IUP) from 8,406.21 Ha to 13,936.21 Ha with a capacity of 45 Tons of FFB/Hour
 - **PT BAL** : Plantation Business Registration Letter (SPUP), Number: 195/Mentanhut/VII/2000, dated November 3, 2000, Land Area of 1,002.79 Ha and permit capacity of 60 Tons of FFB/Hour; Plantation Business Permit based on the Decree of the Regent of Ketapang Number: 522/DISBUN-D/2014, dated October 14, 2014, land area of 7,972.79 Ha (an addition from the original 1,002.79 Ha) with a capacity of 45 Tons of FFB/Hour; Ketapang Regent Decree No. 603/DPMPTSP-D/2019 changes in area to ± 9,060 Ha.
- Plantation Assessment :
 - PT SNP: Decree of the Regent of Ketapang No. P/275/DPMTSP-D.525/IX/2021 dated 6 September 2021 designated as class II (Good)
 - PT BAL: Decree of the Regent of Ketapang Number: P/276/DPMTSP-D.525/IX/2021, dated September 6, 2021 with the results Class 2 (Good).

2.1.2

The certificate holder has a documented system to ensure legal compliance listed in the Legal Requirements Procedure (301/SNP-HKM-05/15), dated on 25 April 2015, the procedures include explaining that regulations can be obtained and updated by contacting government and non-government agencies to ensure that the latest regulations apply, including international, national, and local and actively visit related websites. Company have shown list of updated regulation related to the field of worker welfare aspect are:

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

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted on 25 January 2023. To ensure compliance with the certification unit and third-party laws in the certification unit, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last internal audit for RSPO and SCCS was conducted on 21 – 24 February 2023.

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

2.1.3

The procedure of boundary pole maintenance is still the same as the previous assessment listed on procedure of Boundaries Pole (HGU) Maintenances (December 2010) On the procedure described the maintenance carried out by each unit. During audit the unit of certifications presented the distribution of boundaries poles in each estate as described below:

- Lembiru Estate : 30 Boundaries poles and all poles are available
- Awatan Estate : 18 Boundaries Poles where 4 poles are missing due located in occupation area
- Pelanjau Estate : 13 Boundaries poles and all poles are available

During audit the unit of certification presented document of boundaries monitoring where the last activity conducted in March 2023 and based on monitoring all boundaries are available and the conditions was good. Based on observation to in poles sample (Poles No 27, 28, 29 in Lembiru Estate: Poles 35, 38, 44 and 40 in Pelanjau Estate and Poles No 01, 33, 35 and 1D in Awatan Estate) it was known that Boundaries poles were satisfactory maintained and easy to identify. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by Land Agency.

Status: Comply

2.2

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

2.2.1

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

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

- Letter of Agreement No. 007/Replanting/BAL-PJE/VI/VI/2018 dated 21 June 2021 with PT Roswell Karya Abadi for the Replanting, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.
- Letter of Agreement No. 010/LBE/SPK-ATC.MRU/II/2023 dated 02 January 2023 with CV Anaroga for the Loose Fruit Pickers, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.
- Letter of Agreement No. 001/Jasa Pengangkutan/SNP-LBF/II/2022 dated 03 January 2022 with CV Trans Pillar Tiga for the CPO Transportation, in which it explains the type of work/specifications, the validity period of the agreement, the rights/obligations of the parties, compliance with regulations and so on.

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

2.2.2

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

Based on the results of document review, it is known that there are several jobs in the management unit that are handed over to third parties / contractors. For example, replanting work, transporting CPO and PK. There are several third parties registered in each unit as follows:

| No | LBF | LBE | AWE | PJE |
|----|--------------------------|-------------------------|-------------------------|-------------------------|
| 1 | CV. Transpilar Tiga | CV. Enggang Borneo | PT. Meta Estetika Graha | PT. Meta Estetika Graha |
| 2 | CV. Anugrah Putra Sejati | CV. Disha Rafa Mandiri | CV. Tangga Batu Permai | PT. Roswell Karya Abadi |
| 3 | | CV. Rifa | PT. Roswell Karya Abadi | PT. Karya Murni Prima |
| 4 | | CV. Ridzki Putra Bungsu | CV. Tunas Inti Pratama | |
| 5 | | CV. Anaroga | PT. Karya Murni Prima | |
| 6 | | CV. Tangga Batu Permai | | |

For example, SPK No. 009/Replanting/SNP-AWE-LBE/VI/2018 dated 29 June 2018 between PT Sandika Nata Palma and PT Roswell for replanting activities in the AWE, PJE, and LBE areas with a validity period of up to 31 December 2021. Those who received revisions and contract extensions through LOA No. O/Ref: 005/MMTC-AWD/VII/2020/Plant until December 2023. In the contract it has included several obligations related to compliance with regulations starting from BPJS participation, use of PPE, SIO ownership, SIM and so on according to applicable law in Indonesia. Indonesia.

Management unit shows PT RKA's Replanting Work Evaluation & Report Card document period of July 2021. Contents of the evaluation of activities carried out are more focused on technical replanting work carried out by PT RKA but have not included evaluation or monitoring related to compliance with regulations (laws) carried out by contractors such as BPJS Payments to RKA Workers, Monthly Wage payments, provision of PPE, ownership of SIO (work permit) for each Operator.

Thus, it can be concluded that the unit of certification has not been able to show sufficient evidence that the fulfillment of the clause as written in contract has been proven to be fulfilled by the concerned third party. **Based on that's explanation this indicator raised non-Conformity no 2022.01 with minor category.**

The Non-Conformity has been verified again when the Surveillance-1.4 assessment of this discrepancy still cannot be fulfilled so that this non-Conformity becomes **Minor raise to Major**.

2.2.3

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

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

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

2.2.2 Status: **Nonconformity No.2022.01 with Major Category**

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

2.3.1
All entire FFB accepted in Lembiru Factory originally from its own estate under the scope of certifications and other estates under the subsidiary of Sime Darby Plantation Bhd. Based on document review and interview with management it was known there was no FFB from out-growers or smallholders.

2.3.2
As mentioned in Indicator 2.3.1, it was known Lembiru Factory do not accepted FFB from out growers, agent, or middlemen. All FFB process originally from its own estate under the scope of certifications and other estates under the subsidiary of Sime Darby Plantation Bhd.

Status: **Comply**

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

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

3.1.1
The company shows the Long-Term Plan document for the period 2022 – 2026 which is signed by the Head of Sustainability & Quality Management. The Long-Term Plan informs the projection of FFB Production, OER, KER, CPO & PK Production, and Financial Indicators.

3.1.2
Based on the results of field visits, it is known that there are areas that have been replanted in 2022 and 2023. Related to this, the company can also show documents for replanting plans for the next 5 years (2023 – 2027) as follows:

| Estate | Replanting (Ha) | | | | |
|-------------|-----------------|------|------|------|------|
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| LBE and AWE | 545 | 616 | 513 | 427 | - |
| PJE | 245 | 249 | 311 | 207 | - |

The company can show an evaluation of replanting activities yearly, for example the realization of the replanting work in 2021 which includes works including chopping, digging weeds, covering holes, building roads (main road and collection road), making trenches (main drain and collection drain), making levelling of harvesting path, making terraces, making silt pits, making planting holes, planting LCC, planting oil palm, CECT and chambering. Based on review of hectare statement 2023, it is known that replanting has been carried out in:

- AWE covering an area of 138.08 Ha in 2022 and 89.90 Ha in 2023.
- LBE covering an area of 266.74 Ha in 2022 and of 68.54 Ha in 2023.
- PLE covering 0 Ha in 2022 and 2023.

3.1.3
The company has conducted regular management reviews, for example through the Performance Monitoring Unit Visit, which is conducted twice a year. For example, the PMU summary for PJE on the results of the visit on February 2023 which explains, among others, the assessment of Areas of Coverage, Areas of Responsibility, OP Immature Assessment, Manuring Assessment, Building and Facility Management Assessment, Mature Upkeep Rating, Field Categorization and Verification Action the previous plans.

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

Status: Comply

3.2

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

3.2.1

Certification Unit also has developed and implemented action plans for continuous improvement, and it is based on the consideration of the main social and environmental impacts and opportunities of the Certification Unit, as follows:

- The company no longer uses pesticides with the active ingredient paraquat dichloride.
- The company has implemented IPM.
- The company has implemented land management practices without burning.
- 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.
- Management of water tub as a means of providing clean water for residents who need it for social activities. This adds to the positive output for the company from the villagers.
- Partnership program for local communities and local contractors around the plantation. This provides an output in the form of increasing the welfare of the community around the Estate.
- Actively involving local communities around company's area to prevent and protect HCV area from any disruption through socialization about HCV area.

Based on the description above, Lembiru POM is known to have implemented continuous improvement actions, taking into account the main social and environmental impacts and opportunities faced by the certification unit properly without any complaints or negative outputs from the surrounding community. Furthermore As a result of the verification, it was discovered that there were several procedures for which the rules/regulations/standard references used were no longer valid. In this regard, companies are encouraged to update their references in accordance with the provisions that are still in force)OFI)

3.2.2

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

The company shows the RSPO Metrics P&C Template a week prior the audit, however there are several reviews regarding data in the Matrix that need to be synchronized and it's finalized on the last day of audit. In accordance with the guidelines in the RSPO P&C Metric Template, it is stated that the RSPO P&C Metric Template will be completed at the unit level of certification and must be submitted to the certification body prior to RSPO certification, recertification, or annual supervisory audit.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company has a documented procedure for the mill and estate that available in Indonesian. The estate procedure starts from the procedure of plant material, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and transporting it contained in the document of Standard Operating Procedure (SOP) of Agronomy Reference of Oil Palm Plantation, document number 110 / EST- ARM / 13, signed by Head Plantation Upstream Indonesia Minamas. The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels listed in the technical guidelines of the palm oil mills Part I and II, Minamas Plantation dated April 30, 2007.

Based on the results of interviews with workers, it is known that workers understand and can briefly explain the technical aspects of work in their work area.

3.3.2

To ensure that procedures are carried out consistently, it is known that the company conducts an internal audit which includes plantation and mill operations as well as finances. In addition, to ensure that the work carried out by the contractor is in accordance with the procedures, the company ensures its suitability at the time of submitting the Minutes of Work Completion.

3.3.3

The company can show records of monitoring and follow-up that has been carried out, for example:

- PT SNP – BAL Structured Crop Recovery Assessment (SCRA) document on visit March 2023 with issues of concern including the presence of wild palm trees and bamboo plants in the harvesting path area, along with information on recommendations and responses from management.
- LBF Structured Oil Recovery Assessment (SORA) document on visit 4-6 March 2023 which informs the assessment related to process control, spillages/leakages, housekeeping, quality of production, etc.
- Records of discrepancies in the results of the RSPO internal audit conducted on 21- 24 February 2023, based on the document, it is known that there are 08 Non conformities.

Status: Comply

3.4

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

3.4.1

Environmental Document.

PT SNP listed on Environmental Impact Analysis (EIA) conducted in 2004 with study area of 24,000 Ha and Environmental Management Documents (DPLH) with study area of 2,517 Ha for PT SNP.

For Pelanjau Estate which are included in PT Budidaya Agro Lestari, the company already have an environmental impact analysis, including:

- Environmental Impact Analysis (AMDAL) conducted in 2003 with an area of 20,598 Ha and Mill capacity of 60 tons FFB/hour. This document has been approved by Governor of West Kalimantan with Decision Letter Number 660.1 / 557 / Bappedalda-An on September 26, 2003.
- Environmental Management Document for Oil Palm Plantation (DPLH) covering ± 2,886 Ha. This document has received a recommendation from the Environment Agency of Ketapang on 10 March 2014 with decision letter number 660.1 / 103 / KLH-B.

Following are some activities related to Environmental Impact Analysis:

1. Erosion Rate Management
2. Management of Environmental Impacts Due to Replanting Activities
3. Management of Surface Water Quality and Liquid Waste
4. Fire Potential Management
5. Flora dan Fauna Management
6. Community Anxiety Management
7. Public Health Quality Management.

Social Impact Assessment document.

The Social Impact Assessment for PT BAL and PT SNP was conducted by Aksenta in March 2010, which identified positive impacts and negative impacts on internal (workers) and external (surrounding village) stakeholders.

Based on interviews with representatives of the Suka Karya Village and Pelanjau Jaya It is known that there are several issues, including the ownership status of the Village Treasury Estates, the position of bailout funds for plasma plantations, and community involvement in the preparation of CSR programs. The community feels less involved in the formation of CSR programs. The program is considered less representative of the needs of the village community.

Based on the results of interviews with company representatives, it is known that the company already has an SOP for preparing CSR programs contained in Sime Darby Plantation's Corporate Social Responsibility Procedure Document with document number 361/TJSL-CSR/COM which states that the CSR implementer recapitulates CSR proposals and Non CSR originating from around the Business Unit into the Application Stakeholder in Application Form for the Estate Crops. In this procedure, it is explained that the preparation of CSR is carried out routinely at least once every 2 months with stakeholders in the business unit for discussions, deliberation to get input and improve social relations.

The company representative stated that the preparation of the SIA program and review of the implementation of the SIA program was carried out regularly once a year by involving all stakeholders, both internal and external stakeholders. This can be proven through the SIA Program Evaluation document as well as explained in the next indicator (indicator 3.4.2).

Based on interview with local communities, it is known that they are quite easy to access information and all of the request of information has been replied by the company. Information can be accessed by submitting requests verbally, e-mail, fax, telephone and direct visits. The local communities also known the officer in charge of communication and consulting PT SNP and PT BAL.

3.4.2

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

The significant impacts that are managed and monitored based on environmental documents are as follows:

- Air Quality
- Noise
- Soil (Soil Fertility and Erosion)
- Water quality
- Potential for Land Fires
- Flora and fauna
- Aquatic Biota
- Opening of Employment and Business Opportunities
- People's Attitudes and Perceptions
- Disease Prevalence.

Meanwhile, the plan of social monitoring and management included The Social impact assessment conducted in 2010 by Aksenta. The assessment has included access and the use of rights, economic aspects, community livelihoods, cultural and religious values, education and health. Program preparation and review of the implementation of the SIA program is routinely carried out once a year by involving all stakeholders, both internal and external, such as local communities around the company's area.

The SIA program preparation and review meeting for the 2023 period was held on March 14, 2023 at the Marau District Office, and was held for all PT SNP and PT BAL stakeholders which was attended by 64 participants. The topics discussed at the meeting are as follows:

- Study on the preparation of the Social Impact Assessment Program from 2023 to 2024 with all stakeholders in Marau District, referring to the Social Impact Assessment (SIA) and Social Environmental Impact Assessment (SEIA) documents issued by the Aksenta institution.
- Annual Evaluation of the Implementation of the Social Impact Management Program and Corporate Responsibility for the previous period.
- Discussion.

The results of document reviews and interviews with management and stakeholders (internal and external) found that the company has managed issues that could have a social impact which were carried out partially by the relevant departments, for example Social management of the community is managed by the PSD Department, Employment Management is managed by the Ministry HRM, Management of K3 and Environmental aspects are managed by the SQM Department, Farm Operational Management and Security are managed by the Field Operations Section. By partially managing it by the relevant departments, the management of social and environmental impacts has not been carried out in an integrated manner and is contained in the Social Impact Management Report, for example on several existing social issues, including:

- Issues related to employment regarding the use of main field work and supervision carried out by PKWT workers.
- Attention related to employment issues, especially in employee appraisal, career paths and employee classification.
- Concern related to the situation of using PKWT workers, especially related to jealousy related to work leave, THR, annual bonuses, including appointment as permanent employees.
- Concern related to the situation in partnership plantations (Plasma) related to the issue of adequacy of labor, maintenance and production yields.
- Issues related to dissatisfaction with CSR and job opportunities for the surrounding community.
- The social dynamics of the community because there are mining companies around the company's operational area.

Based on the explanation above, companies are encouraged to develop a comprehensive social monitoring and management plan by integrating between sections/departments that cover all impacts and represent a sample of affected parties. **(OFI)**

3.4.3

The company shows proof of reports on the implementation of the Management Plan and Environmental Monitoring Plan for semesters I and II of 2022, which contain information on the realization of the implementation of the Environmental Management Plan and Monitoring Plan, which is updated every 6 months, covering the areas of ambient air testing, air emissions, river water quality, waste water quality, and management of Toxic Material waste as well as community perception, public health, community economy and the level of absorption of labor and social assistance. Reports have been submitted to Government Agencies with evidence:

- Electronic Receipt ID : 1680091747-1136, period 01 January 2022 to 30 June 2023, print time 29 March 2023 Environmental Management Plan Report – PT Sandika Nata Palma Environmental Monitoring Plan Company ID 1136, Status Reported
- Electronic Receipt ID 1680105129-14974, period 01-January 2022 to 30 June 2022, print time 29 March 2023, Company ID 14974 (PT Budidaya Agrolestari), Environmental Management Plan Report – Environmental Monitoring Plan, Status Reported.

Based on document verification, it is known that the social impact management and monitoring plan has been implemented by the company. In the ASA-1.4 audit, the company showed the Social Impact Management (SIA) activity plan document for the period 2022-2023 which includes internal and external social impacts.

Regarding the social management and monitoring plan owned by the company, it has conducted a review which is conducted every two years. Based on the results of a review of the 2023 SIA Management and Monitoring Plan document, it was carried out in a participatory manner on March 14, 2023, involving relevant stakeholders. Based on the results of the document review, companies are encouraged to:

- Conduct a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, residents, youth leaders, contractors, including conflict victims and for internal stakeholders by

paying attention to the representation of wider workers such as local workers, migrants, women, workers including contract workers.

- Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise.

Based on that's explanations its became OFI.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

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

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

In addition to being publicly listed in Collective Labor Agreement, the certification unit has other procedures in the form of Policies, SOP, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Collective Labor Agreement and Company Procedure/Policy in 11 July 2022 which was attended by all workers on muster morning. For example, some procedures that are owned by the company include:

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

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

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

3.5.2

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

- Employment Acceptance Document for workers with the initials BHR (harvester) starting with the Employment Application Letter to apply for a job as a Harvester worker at PT Budidaya Agro Lestari. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 117/SPK.PKWT/Div.IV/II/2023 dated 12 December 2022 for Harvesting workers.
- Employment Acceptance Document for workers with the initials EFS (upkeep worker) starting with the Employment

Application Letter to apply for a job as an upkeep worker at PT Sandika Natapalma. After the letter is received and the worker is declared accepted by the company, it begins with the signing of the Work Agreement Letter No. 103/SPK.PKWT/Div.IV/II/2023 dated 12 December 2022 for upkeep workers.

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

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

Status: Comply

3.6

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

3.6.1.

The company shows the results of the identification of operational activity risks contained in the Estate and Mill Hazard Identification Risk Assessment and Control (HIRAC) document compiled by OHS Committee on December 21, 2021. The document explains, among others: stages of work for each type of activity, hazard, effect, risk, risk control, risk remaining after control and responsible PIC. All the activities were mentioned in HIRAC document. The unit of certification presented minutes of HIRC evaluations on 03 January 2023 which described there is no revisions regarding HIRAC Documents

The company shows a recording of HIRAC socializations in example on 16 March 2023. Based on interviews with workers in the Plantation and Mill, it is known that workers are aware of the potential hazards that exist and control risks in their work areas. Based on field observation, hazard identification risk assessment and control (HIRAC) documents has been implemented adequately and appropriate in Estate and Mill. For examples: operator uses ear muff, harvester uses helmet, etc.

3.6.2

In the H&S procedures and guidelines owned by the company, containing this follow information:

- TQEM Field Assistant Work Guidelines Number 721/TQEM-PKA/08 dated 12 June 2008 include this following information:
 - H&S implementation checks are carried out once a month.
 - Checking the condition of H&S equipment (fit/not suitable for use) and the use of H&S equipment (used/not used).
 - Availability checking of active fire protection equipment (Alarm, APAR, Hydrant, Sprinkler) and first aid kit.
- PT Sandika Natapalma's company occupational health and safety development committee program in 2022, explains:
 - Minimize the occurrence of work accidents
 - Minimize the occurrence of spills
 - Reduce the potential for snake attacks and land fires; and
 - Preparation of the program the 2023.

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

Status : Comply

3.7**All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.****3.7.1**

Certification unit has training identification and program for workers for period of 2022/2023 for operational training, OHS training, and policy socialization. The aspect in the training program is such as environment, labor best management practice aspect, and others. Some of training program, namely:

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

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

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

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

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

3.7.2

The certification unit has properly documented every training activity and socialization that has been carried out to workers and related stakeholders. The following is an example of training/socialization documentation that has been carried out during 2022/2023, namely:

- Socialization of Company Policy to all employees on March 18 and July 11, 2022.
- Socialization of Company Policy and OHS to all contractors who work with the company on 10 and 20 May 2022.
- Socialization of the 2023 Harvesting and Transport Premium System to all harvesting, loading and transport workers on January 25, 2023.
- Socialization of Company Policy to the surrounding community and to the school (teachers and students) which was conducted on December 17, 2022.
- Socialization of Company Policy, HCV Area, Complaint/Complaint Mechanism and Prohibition of Burning to the surrounding village community on 10 January 2022.
- HIRAC socialization to all workers at PT Sandika Natapalma and PT Budidaya Agro Lestari on March 11 and 16 2023.
- HPT (Plant Pest) Competency Training for HPT officers and teams on March 16, 2023.
- Refresh Team Spraying Training for all members of the BSS (Block Spraying System) Team on March 8, 2023.
- Socialization of BSS and BMS House Utilization (Block Spraying System and Block Manuring System) to the BSS and BMS Team on March 14, 2023.

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

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

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

3.7.3

Training Program 2023 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2023 conducted on 08 March 2023. The training subjected to SOP of Supply Chain and Traceability of Palm products. Training attended by relevant personnel including mill assistant, laboratory, Senior Assistant, weighbridge clerk, production clerk and etc.

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

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

Lembiru Factory applied SCCS Module MB, due to accepted FFB from certified and non-certified sources.

3.8.3

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

| Product | Estimate Production period | Actual Production (MT) of previous audit (March 2022 – February 2023) | Estimate Production of 12 month (MT) |
|---------|----------------------------|---|--------------------------------------|
| FFB | 63,676 | 62,964.70 | 66,000.00 |
| CSPO | 13,727 | 13,583.48 | 14,520.00 |
| CSPK | 3,144 | 3,114.42 | 3,300.00 |

Based on table above the actual production are below from the projections.

3.8.4

Lembiru Factory has registered in RSPO IT platform as described below :

| | |
|------------------------|---|
| License ID | CB9138371 |
| Member Name | Lembiru – PT SNP |
| Member ID | RSPO_PO1000001867 |
| RSPO Membership Number | 1-0008-04-000-00 (Sime Darby Plantation Berhad) |
| Issued On | 26/09/2019 |
| Issued By | PT Mutuagung Lestari |
| Start Date | 15 September 2022 |

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license it was known there is product sold as RSPO certified and non-certified/conventional as described in indicator 3.8.8 and 3.8.16. The company has been allocated to credit of certified stock for products sold as conventional.

3.8.5

Lembiru Factory has had procedure for SCCS with RSPO Supply Chain Certification Manual (SCCS-Std/RSPO/PSQM/03, Revision 3, 14 August 2020) The procedure rules all element related SCC aspects covering the Inform flow chart of mill business process starting from FFB acceptance to CPO dispatch, internal audit, document retention period, certified CPO selling, logo and trademark use, business communication, product complaint mechanism, and management review etc. Based on document verification it was known the procedure has been referring to latest standard of SCCS. Furthermore, the procedure has covered all aspects in SCCS MB model. The results of interviews with Head of Administration and weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure.

Based on documents verifications it was known there are several areas of Pelanjau Estate was not included in certifications area due to land ownership issue. The unit has been identified blocks that including or not including certifications area as follows:

| Certifications area blocks | | Non certifications area blocks | |
|----------------------------|--------|--------------------------------|--------|
| 97A406 | 98C404 | 17D402 | 01F408 |
| 97A405 | 98C403 | 17D401 | |
| 97B405 | 19D404 | 17E401 | |
| 98A404 | 19D403 | 98C401 | |
| 98A403 | 98C402 | 19E403 | |
| 98B404 | 98D407 | 19G410 | |
| 99A402 | 98D406 | 19G409 | |
| 99A401 | 98E407 | 18H410 | |
| 99B402 | 20D406 | 18H409 | |
| 99B401 | 20E405 | 20D405 | |
| 97C406 | 01F409 | 18I410 | |
| 97C405 | | 18I409 | |

Letter from Area Controller dated September 29, 2020, to PSQM Marau, Pelanjau Estate Manager, and Lembiru Factory manager regarding RSPO Certified FFB Product Registration and Marking at Pelanjau Estate explaining that in order to facilitate the traceability of FFB Certified and Non-Certified.

3.8.6

Internal Audit procedures are ruled in on RSPO Supply Chain Certification Manual (SCCS-td/RSPO/PSQM/03 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

Internal audit of RSPO supply chain conducted simultaneously with P&C audit on 10 – 11 March 2023. All of supply chain standard and rules on market communication and claim has been assessed, and the CARs have been complied.

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

3.8.7

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

| Month | FFB (MT) | | |
|--------------|------------------|-------------------|-------------------|
| | RSPO Certified | Non-Certified | Total |
| Mar-22 | 3,407.05 | 11,013.52 | 14,420.57 |
| Apr-22 | 3,926.96 | 10,770.79 | 14,697.74 |
| May-22 | 5,013.91 | 9,869.22 | 14,883.13 |
| Jun-22 | 6,205.09 | 11,694.44 | 17,899.52 |
| Jul-22 | 5,787.31 | 8,530.18 | 14,317.49 |
| Aug-22 | 6,280.84 | 9,308.24 | 15,589.07 |
| Sep-22 | 6,262.71 | 10,103.60 | 16,366.31 |
| Oct-22 | 6,019.46 | 6,801.76 | 12,821.21 |
| Nov-22 | 5,862.14 | 7,374.26 | 13,236.39 |
| Dec-22 | 4,991.56 | 7,081.33 | 12,072.88 |
| Jan-23 | 4,983.34 | 7,303.35 | 12,286.68 |
| Feb-23 | 4,224.37 | 5,902.41 | 10,126.77 |
| Total | 62,964.70 | 105,753.06 | 168,717.76 |

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table

| Product | Estimate Production period | Actual Production (MT) of previous audit (March 2022 – February 2023) | Estimate Production of 12 month (MT) |
|---------|----------------------------|---|--------------------------------------|
| FFB | 63,676 | 62,964.70 | 66,000.00 |
| CSPO | 13,727 | 13,583.48 | 14,520.00 |
| CSPK | 3,144 | 3,114.42 | 3,300.00 |

Related for handling non-conforming oil palm products, has been set in the Minamas Plantation Manual RSPO SCCS (No. SCCS-Std/RSPO/PSQM/02). The complaint from stakeholder should be delivered in written and shall be responded by MR in 14 working days. During the audit, there is no written complaint from stakeholders related to nonconforming products.

3.8.8

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since March 2022 – February 2023 it was known there is no CSPO Sold as RSPO certified products and there are CSPK sold as 2,281.64 MT.

Documents verification and interview the unit of certification can presented selling documents of certified products. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, in example for selling document for shipping announcement with transaction id TR-1cbad185-ed0a for CSPK model MB with the volume 990.09 MT on 17 January 2023 with the buyer are PT Teguh Sempurna – Pemantang Kernel Crushing Plant, the unit can present several document as follows:

- The name and address of the buyer (PT Teguh Sempurna – Pemantang Kernel Crushing Plant- Sampit);
- The name and address of the seller (PT Lembiru – PT SNP);
- Delivery Order Documents as well as unique number No: 00150/00131/07/22/L-SNP-KERNEL;
- Detail of Receiving Statement on KCP on 01 August 2023 – 08 August 2023 with volume 990.09 MT;

- RSPO certificate number (MUTU-RSPO/044).

3.8.9, 3.8.10, 3.8.11

Lembiru Factory doesn't outsource refining and crushing activity. The company uses third party contractors for CPO and PK transportation activities. For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are 2 contractors CPO and PK.

Based on document review and interview of management representative, the physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK. The site has recorded the names and contact details of contractor used for RSPO certified oil palm products transport, such as:

- CV Trans Pilar Tiga and CV Anugrah Putra Sejati.
- PT Pelayaran Sinar Pagoda (PK Transporters).

Since last assessment it was known there is no new contractors and all Certified product transportation under responsibility from buyers. The contractors and certified holder also have an agreement in example Letter of Agreement No. 001/Jasa Pengangkutan/SNP-LBF/II/2022 dated 03 January 2022 with CV Trans Pillar III for the CPO Transportation valid until 31 December 2023. On those agreements described about transparency of contractor operational mechanism, so the certification bodies can audit the contractors.

3.8.12

Based on documents verifications and interviews with management it was known if all FFB processed are sourced from RSPO certified and non-certified. Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 2 years its confirmed during documents verifications can be presented documents SCCS for period of 2021. Documentation for the Sustainable Crude Palm Oil (Sustainable CPO) consists of daily record of the FFB acceptance, the daily record of CPO production, which is classified as the CSPO, sale record, stock record that has been reconciled with the FFB acceptance, monthly production, and sale and annual recapitulation, as described below:

Crude Palm Oil

| Period | CPO production (MT) | | Total | Cert CPO Dispatch (MT) | | | Total |
|--------------|---------------------|------------------|------------------|------------------------|--------------|------------------|------------------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | |
| Mar-22 | 754.88 | 2,445.41 | 3,200.29 | | | 55.88 | 55.88 |
| Apr-22 | 878.85 | 2,428.40 | 3,307.26 | | | 1,072.79 | 1,072.79 |
| May-22 | 1,067.23 | 2,094.32 | 3,161.56 | | | 1,908.61 | 1,908.61 |
| Jun-22 | 1,270.38 | 2,518.33 | 3,788.71 | | | - | - |
| Jul-22 | 1,245.11 | 1,828.79 | 3,073.90 | | | - | - |
| Aug-22 | 1,349.04 | 2,018.60 | 3,367.64 | | | - | - |
| Sep-22 | 1,366.23 | 1,854.08 | 3,220.31 | | | 1,309.32 | 1,309.32 |
| Oct-22 | 1,280.02 | 1,432.55 | 2,712.56 | | | 3,551.61 | 3,551.61 |
| Nov-22 | 1,255.19 | 1,577.89 | 2,833.08 | | | - | - |
| Dec-22 | 1,094.25 | 1,569.15 | 2,663.40 | | | 852.90 | 852.90 |
| Jan-23 | 1,106.46 | 1,602.71 | 2,709.17 | | | 1,097.98 | 1,097.98 |
| Feb-23 | 915.83 | 1,293.72 | 2,209.55 | | | 1,208.79 | 1,208.79 |
| Total | 13,583.48 | 22,663.95 | 36,247.43 | | | 11,057.89 | 11,057.89 |

Palm Kernel

| Period | CSPK production (MT) | | Total | Cert CSPK Dispatch (MT) | | | Total |
|---|----------------------|-----------------|-----------------|-------------------------|--------------|----------|-----------------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | |
| opening stock | 700.58 | | 700.58 | | | | |
| Mar-22 | 171.50 | 555.58 | 727.08 | - | | | |
| Apr-22 | 194.59 | 537.69 | 732.28 | - | | | |
| May-22 | 226.71 | 444.90 | 671.61 | - | | | |
| Jun-22 | 310.78 | 616.07 | 926.85 | 844.55 | | | 844.55 |
| Jul-22 | 306.24 | 449.79 | 756.03 | 990.09 | | | 990.09 |
| Aug-22 | 316.16 | 473.08 | 789.24 | - | | | - |
| Sep-22 | 316.95 | 430.13 | 747.08 | 447.00 | | | 447.00 |
| Oct-22 | 306.05 | 342.52 | 648.58 | - | | | - |
| Nov-22 | 283.62 | 356.54 | 640.17 | - | | | - |
| Dec-22 | 213.85 | 306.66 | 520.51 | - | | | - |
| Jan-23 | 233.38 | 338.05 | 571.43 | - | | | - |
| Feb-23 | 234.58 | 331.37 | 565.96 | - | | | - |
| Total | 3,114.42 | 5,182.38 | 8,296.81 | 2,281.64 | | | 2,281.64 |
| Grand Total (12 Months Period + Opening Stock) | 3,815.00 | 5,182.38 | 8,997.38 | 2,281.64 | | | |

3.8.13 & 3.8.14

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

3.8.15

The Mill only applying RSPO SCC Module of Mass Balance.

3.8.16

Based on documents verifications it was known there were shipping announcements issued more than three months since the product was dispatched, for example, a shipping announcement with transaction id TR-1cbad185-ed0a on 17 January 2023 where the product shipped in August 2022 (shipping announcement was issued after 4 months since the product dispatch).

Regarding those situations, the management has identified the issues with the carried-out meeting between the SQM department and the Global Trade Marketing (GTM) department on end of January 2023 with the conclusions of the meetings are:

- SQM department monitoring CPO & PK sales at the Mill as well as declarations on the Palm Trace IT platform every 3 months.
- SQM department coordinates with GTM Department Jakarta regarding RSPO-certified products that are produced and sold on the Palm Trace IT platform every 3 months via email.

- GTM Department Jakarta will remove RSPO-certified volumes that are sold under other schemes, conventionally or if there is a shortage of production, and will inform if there are certified products allocated as credit sales.
- GTM Department Jakarta sends evidence of products that have been removed or allocated as credit sales on the Palm Trace IT platform to the Dept. SQM by Email.

Regarding this situation the company encouraged to ensure shipping announcement issued not more than three months since the product dispatch. **(OFI)**

Furthermore, the unit of certification can present document related claim product such as delivery order and weighbridge slip that informed CSPO products that sold. For the products that's sold as conventional the unit certification can present evidence if the product has been allocated to credit in the RSPO IT Platform (Palm Trace), in example

- 10 January 2023 Covering 692 MT
- 10 January 2023 Covering 5000 MT
- 21 February 4010 MT

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.

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

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

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

4.1.2

Based on interview with stakeholder such as communities surrounding the company (representative of Village of Suka Karya, Karya Baru, Pelanjau Baru, Scheme Smallholders cooperative and Dayak Customary Leader), labor union, and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

Status: Comply

4.2

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

4.2.1

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

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

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

All of the above procedures were made by the certification unit as a reference for carrying out communication activities, resolving complaints and conflicts that occurred during certification unit carrying out its operational activities. Although the procedure was made by the certification unit, parties who are relevant stakeholders such as the surrounding village communities have also been given socialization regarding this matter and since 2022 until February 2023 there have been no problems in the procedure. This is in accordance with the results of interviews with Suka Karya, Karya Baru and Pelanjau Jaya Village, which stated that the existing communication, complaint and conflict resolution procedures were deemed not burdensome to the village and its community. However, certification unit can show the documentation of socialization of Procedure to surrounding village in last year has been doing in 20 May 2022.

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

4.2.2

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

However, the results of interviews with representatives of surrounding communities (Suka Karya, Karya Baru and Pelanjau Jaya Village), the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators.

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

4.2.3

Based on the results of a review of the external complaint register book document for the 2022 period until February 2023, it is known that during this period there were complaints or grievance submitted by stakeholders to the company. This is in accordance with the results of interviews from the surrounding community (Suka Karya, Karya Baru and Pelanjau Jaya Village) which stated that during 2022/2023 these stakeholders never have submitted complaints or grievance to the company and if there is a complaint or grievance it will be well responded by the company so far.

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

- Workers' complaints on 11 March 2023 regarding the condition of the septic tank is in a state of disrepair and were immediately responded to by the company on the same date for the repair process to be carried out. On 17 March 2023 the company has made repairs to the reported damage and this complaint has been resolved properly.
- Workers' complaints on 11 March 2023 regarding the condition of the floor is in a state of disrepair and were immediately responded to by the company on the same date for the repair process to be carried out. On 20 March 2023 the company has made repairs to the reported damage and this complaint has been resolved properly.

Based on the results of interviews with estate workers, mill and representatives of the labor union, it is known that the workers have a good understanding of the complaint submission procedures established by the company and every complaint submitted has been recorded in the complaint book in each unit. Every complaint submitted in 2022/2023 is only in the form of complaints related to the facilities provided by the company.

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

4.2.4

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

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

Results of interviews with Suka Karya, Karya Baru and Pelanjau Jaya Village which stated that when their residents had disputes or land claims to the company in previous years, the community was given the freedom to ask for legal and technical assistance from independent parties such as lawyers and other parties to manage this matter. This proves that the certification unit in general has carried out its procedures to give the reporting party the freedom to obtain legal and technical assistance from a third party in the event of a dispute.

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

Status: Comply

4.3

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

4.3.1

Contributions to the development of the surrounding community include the existence of a CSR program. In the SOP Corporate Social Responsibility Number 360/TJSL-CSR/COM by Sime Darby Plantation dated 9 November 2015 states that the company has a commitment to identify, through consultation, potential social benefits and determine how to exploit this potential so that it becomes something that is profitable for the company as well as the local community.

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

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

Result of interview with local communities surrounding the company it was known the program developed based on identifications or social assessment routine in line with community development meeting (*Musrembang*) where the results used as consideration to develop CSR programs.

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

Based on documents verifications it was known the total concession area of PT SNP and PT BAL are 21,797.12 Ha, however the scope of certification area is 9,409.00 Ha in accordance with legal documents owned as follows:

- PT Sandika Natapalma (HGU Certificate Number: 4, dated February 29, 2000, valid until February 28, 2030, land area 8,406.21 Ha and HGB Certificate Number: 1, dated February 29, 2000, valid until February 28, 2030, land area 25 Ha) However the HGB / Building right located in the HGU / Land Title area and didn't reducing of the total land title / permit area.
- PT Budidaya Agrolestari (HGU Certificate Number: 3 dated February 29, 2000, valid until February 28, 2030, land area 1,002.79 Ha).

The uncertified area has been included in the TBP and is planned to start the certification process in 2024.

4.4.2

The FPIC process is described in the SOP for Conflict Resolution (RSPO/2.2/PK) and Procedures for Acquisition of Occupational Land (Policy No. 344/PSD-OKUP/10) and Work Instructions for Land Acquisition (Policy No.: 301/SNP-PSD-01) .

Based on the document review, it is known that initially the company land belonged to PT Golden Hope whose ownership transfer occurred in 2011 – 2012. Based on the results of interviews with Suka Karya Village Representatives, Pelanjau Jaya Village Representatives including the Traditional Leader, as well as previous land owners from the Pelanjau Village is known that the land compensation process was carried out in the early of the company establishment by PT Golden Hope. The land acquisition process has been in accordance with the mutual agreement and is known by the parties including the village government and other communities.

4.4.3

The company already has an operational map with a scale of 1: 75,000 which includes information about:

- Area of the company Location Permit
- The area of the company's HGU area
- he company's management area
- Factory location
- Block boundaries and infrastructure area
- Planting area
- Areas that are still under the control of other parties (Enclave/Occupation).

From the map, it can be seen the legal rights owned by the company. The *GRTT* process has occurred since the company was founded by PT Golden Hope. Meanwhile, Minamas Plantation acquired in 2011 – 2012 so that one form of community participation in the approval of the company legal rights is indicated by the actual boundaries in the field. In addition, based on the results of interviews with management representatives, it was found out that maps can be accessed by the public by following the applicable procedures.

4.4.4

Based on the interviews with community representatives from Suka Karya Village and Pelanjau Village including representatives of traditional leaders, it is known that the information at the beginning of land acquisition is related to the benefits that will be obtained along with the plantation development by the company, including the opening of road access, recruitment of workers, and the development of plasma plantations. . The resources person said that for now, there are some people who work in the company, can access the company road freely, and the development of plasma plantations has been realized.

4.4.5

Based on the results of interviews with community representatives from Suka Karya Village and Pelanjau Village, including representatives of traditional leaders, it is known that at the beginning of land acquisition the community represented themselves. The village government is more concerned with facilitating and bridging communication between the company and the community and ensuring the process goes according to what is mutually agreed upon.

4.4.6

Based on the document review, it is known that initially the company land belonged to PT Golden Hope whose ownership transfer occurred in 2011 – 2012. Based on the results of interviews with Suka Karya Village Representatives, Pelanjau Jaya Village Representatives including the Traditional Leader, as well as previous land owners from the Pelanjau Village is known that the land compensation process was carried out in the early of the company establishment by PT Golden Hope. The land acquisition process has been in accordance with the mutual agreement and is known by the parties including the village government and other communities.

For now, the annual review process is not carried out because as information from representatives of Suka Karya Village and Pelanjau Village including the Traditional Leader it is known that the negotiated agreement has been fulfilled, for example, the payment of compensation according to the agreement and the realization of plasma plantation development. In addition, the land acquisition process was carried out by PT Golden Hope which in its development in 2011 – 2012 was acquired by Minamas Plantation.

Status: Comply

4.5

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

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

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

Status: Comply

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

4.6.1 & 4.6.2

Until now, there is no expansion of the company operational area. The land acquisition is through the acquisition of PT Golden Hope so that the compensation process that occurs is between the previous land owner and PT Golden Hope. However, The company has procedure of Conflict Resolution SOP (RSPO/2.2/PK) and Occupational Land Acquisition Procedure (Policy No. 344/PSD-OKUP/10) and Land Acquisition Work Instructions (Policy No. 301/SNP-PSD-01) to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Suka Karya Village and Pelanjau Village known that they know about the procedure through the socialization given and they agree with the procedure.

4.6.3

Based on interviews with representatives of Suka Karya Village and Pelanjau Village, it is known that there are no restrictions based on gender in being able to own land rights, including the freedom to relinquish or not relinquish the rights owned to the company. Another proof that there is no difference in rights is the ownership of plasma by men or women.

4.6.4

Until now, there is no expansion of the company operational area. The land acquisition is through the acquisition of PT Golden Hope so that the compensation process that occurs is between the previous land owner and PT Golden Hope.

Based on the interviews with Suka Karya Village Representatives, Pelanjau Jaya Village Representatives including the Traditional Leader, as well as previous land owners from Pelanjau Jaya Village, it is known that the land compensation process was carried out during the early stage of the company establishment by PT Golden Hope. The land acquisition process has been in accordance with the mutual agreement and is known by the parties including the village government and other communities.

Status: Comply

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

4.7.1 & 4.7.2

Until now, there is no expansion of the company operational area. The land acquisition is through the acquisition of PT Golden Hope so that the compensation process that occurs is between the previous land owner and PT Golden Hope. However The company has procedure of Conflict Resolution SOP (RSPO/2.2/PK) and Occupational Land Acquisition Procedure (Policy No. 344/PSD-OKUP/10) and Land Acquisition Work Instructions (Policy No. 301/SNP-PSD-01) to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Suka Karya Village and Pelanjau Village known that they know about the procedure through the socialization given and they agree with the procedure.

4.7.3

Based on the interviews with representatives of Suka Karya Village and Pelanjau Village including the Traditional Leader of Pelanjau Village, it is known that the benefits obtained from the development of plantations are as follows:

- Open access road.
- Recruitment of workers.
- Realization of plasma plantation development.

Status: Comply

4.8

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

4.8.1; 4.8.2; 4.8.3; 4.8.4

Until now, there is no expansion of the company operational area. The land acquisition is through the acquisition of PT Golden Hope so that the compensation process that occurs is between the previous land owner and PT Golden Hope. Based on interviews with representatives of the Ketapang Regency Land Agency and representatives of Suka Karya Village, Pelanjau Village, and the Traditional Leader of Pelanjau Village, it is known that for now there are no land dispute.

However, within the company HGU area there is still control of other parties in the form of arable land. Regarding this matter, the company has carried out an inventory and is included in the occupation/enclave category in the statement area with an area of 2,323.82 Ha. From the results of interviews with representatives of the Village community, it is known that the company has never forced the community to relinquish ownership of the land, even in 2019 a public opinion meeting was held at the Ketapang Regency DPRD office on 25 February 2019 with the agenda of resolving PT Minamas HGU problems with the community. The result of the decision is that Minamas Group must remove the area from the HGU and to convert it to SHM, the completion time given is no later than 3 months.

In connection with the results of the meeting, PSD Marau Area has sent a letter to PS-Land Development and License Jakarta regarding the reduction of the area. It can be shown the Inter Office Mail (IOM) from GM PSD-LDL to the CEO of Region KTB, Head of MRC and HPO dated May 14, 2019, no.: 053/PSD.LDL/05.19, the IOM has instructed that an inventory of land owned by the community be carried out since long time in HGU. At the time of the audit, it was discovered that at this time the company was still carrying out an inventory of parties who had rights in the HGU. Based on the management's explanation, the inventory process in 2020-2022 was constrained due to the Covid-19 pandemic, so meeting and gathering activities were still very limited, including activities to go out and enter the estate. Follow-up of the inventory and progress related to this will be confirmed again at the time of the next assessment because at the time of public consultation with representatives of Suka Karya Village and Pelanjau Village the information did not appear.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1

Based on the cooperation agreement for the development of plasma plantations made between PT SNP - PT BAL 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 West Kalimantan. Pricing is carried out every two weeks by the Team for Determining the Purchase Price for Palm Oil FFB, West Kalimantan Province. That is included in pricing by West Kalimantan Province.

The company can show the Minutes of Meeting Results of the FFB Purchase Price Determination Team in West Kalimantan Province throughout 2022. Pricing is based on the price of CPO and kernels and is also adjusted to the age of the plant. Based on interviews with cooperatives, it was explained that prices were obtained directly from the Plantation Service and had been informed to members.

5.1.2

The same as the previous audit. Based on the plasma plantation development cooperation agreement entered into between PT SNP - PT BAL and KUD, the determination of the purchase price for FFB from the plasma plantations follows the determination of the FFB price by the Provincial Government of West Kalimantan. Pricing is carried out every two weeks by the Team for Determining the Purchase Price of Palm Oil FFB in West Kalimantan Province. It is included in the price by Ketapang Regency.

Companies can show the Minutes of the Meetings of the FFB Purchase Price Determination Team in West Kalimantan Province throughout 2022. Pricing is based on CPO and kernel prices and also adjusted to the age of the plant. Based on the interview

with the cooperative, it was explained that the prices were obtained directly from the Plantations Office and members had been informed.

5.1.3

The management unit can show the Cooperation Agreement document between the Prosperous Farming Partner Cooperative Unit and PT Budidaya Agro Lestari Number 005/Kemitraan/VI/2014 located in Sukakarya Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia.

And the Cooperation Agreement document between the Sejahtera Palma Sejati Plantation Cooperative and PT Sandika Natapalma Number 02/Kemitraan/SNP-SPS/04/2018, concerning Cooperation in Development and Management of Oil Palm Plantations, located in Sukakarya Village, Marau District, Ketapang Regency, West Kalimantan Province, Indonesia.

The term of the agreement is 25 years with the form of cooperation covering the development of oil palm plantations, maintenance, harvesting of FFB, selling of FFB, administration, management and technical training of oil palm plantations. The term of the agreement is until FFB stops producing. From this document it is known that the basis for determining the price of FFB refers to the price set by the Plantations Office.

The company also showed a document of the agreement for the Sale and Purchase of Fresh Fruit Bunches between the Sejahtera Palma Sejati Plantation Cooperative and PT Sandika Natapalma Number 02/Buying and Selling of FFB/SNP-SPS/04/2018.

The document contains points of applicable regulations, land legality, legality of fruit sources, rights and obligations of 1st and 2nd parties, sanctions, termination of the agreement, validity period, price and weight of FFB, handover and weighing of FFB, sorting FFB, payment procedures, time and location of receipt of FFB, method of delivery of FFB, and others.

Based on the data displayed, the contract made is in accordance with applicable law and has a validity period. Based on the results of interviews with the SPS and MUTS Cooperatives, it is known that the buying and selling of FFB has used the agreed price.

5.1.4

Based on the results of interviews during the ASA-1.4 audit activity with the MUTS Cooperative (Prosperous Farming Partners) and the SPS Cooperative (Sejahtera Palma Sejati), information was obtained that the certification unit does not limit and allows Cooperative Plasma to receive assistance from anyone to understand every content in the contract agreement they have. Representatives from each Plasma Cooperative are involved in the decision-making process and understand the contract. Each agreement is made in draft form in advance to be understood by interested parties and it is possible to negotiate and change contract clauses if there are things that are unclear or have not been agreed upon.

5.1.5

The company shows a contract agreement with plasma farmers which explains the object of the agreement, the validity period, provisions for plasma development, terms of cooperation, financing, pricing, rights & obligations, sanctions to dispute resolution. The agreement is signed by representatives of the cooperative and the company and is known to the local government.

Cooperation agreement for the development and management of oil palm plantations with the partnership pattern no. 001/Kemitraan Khusus(Special Partnership)/SNP-SPS/VI/2014; No.001/Kopbun-SPS-Khusus(special)/VI/2014 between the Sejahtera Palma Sejati Plantation Cooperative and PT Sandika Natapalma. This agreement has a term of 25 years. This MoU has been recognized by the Department of Cooperatives for Small and Medium Industries of Ketapang Regency, and The Department Plantation of Ketapang Regency, and the Regent of Ketapang.

Cooperation agreement for the development and management of oil palm plantations with the partnership pattern no. 005/Kemitraan Khusus (Special Partnership)/BAL-MUTS/VI/2014; No.003/Kopbun-MUTS-Khusus(special)/VI/2014 between the Mitra Usaha Tani Sejahtera Plantation Cooperative and PT Budidaya Agro Lestari. This agreement has a term of 25 years.

This MoU has been recognized by the Department of Cooperatives for Small and Medium Industries of Ketapang Regency, and The Department Plantation of Ketapang Regency, and the Regent of Ketapang.

The company shows CLA with plasma farmers which explain the object of the agreement, validity period, plasma construction provisions, terms of cooperation, financing, pricing, rights & obligations, sanctions to settle disputes. The agreement was signed by representatives of cooperatives and companies and was known by the authority.

5.1.6

Based on interviews with representatives of Mitra Usaha Tani Sejahtera and Sejahtera Palma Sejati, it is known that the cooperation between the company and the plasma plantations (MUTS and SPS) is going well, there are no problems with payments. Payments are always made following the price from the West Kalimantan Provincial Agriculture Office, which changes every two weeks.

The company is transparent in plasma management, including plantation management costs and every month there is an accountability report for plasma plantations for evaluation and calculation of remaining operating results

The company shows proof of payment of surplus from management of the SPS Cooperative plasma on January 11, 2023, and March 10, 2023. As well as proof of payment of surplus from plasma management to the MUTS Cooperative on February 9, 2023.

The proof of payment contains information on the price of FFB, the amount of FFB and the amount paid.

5.1.7

The company shows a weighing verification document, namely Certificate of Testing Results, Number: 164/SKHP/MET-THE/XII/2022, issued by the Type A Legal Metrology Technical Service Unit, Office of Cooperatives, small and medium enterprises, trade and industry of Ketapang Regency, on December 12, 2022, and will be re-calibrated on December 9, 2023.

5.1.8

There was no independent smallholder that has been identified around the company area and having work agreement with the company. In addition, there was no Internal Control System (ICS) for smallholders to holds the certificates, and to holds and sells the certified material. Thus, made this indicator was not applicable during ASA-1.1, ASA-1.2, and ASA-1.3, ASA-1.4, audit assessment.

5.1.9

The listed SOP explains the steps for handling complaints, the whistle-blowing system and submitting management responses. Response by the relevant department or department head no later than 2 weeks from the date the complaint was received by the operational unit.

The document is in the form of a Complaints and Suggestions Book as well as a Book of Incoming and Outgoing Letters. The document contains information on the letter number, date, sender, subject, and company response. Based on the document review, it is known that incoming letters recorded in the company register are in the form of requests for assistance and invitation letters. Companies have responded by providing assistance and attending invitations, for example:

- Septic tank leaking complaint, September 26, 2022, has been responded to with repairs on September 28, 2022.
- Complaints of leaking roof, sinking floor, leaky septic tank, December 7, 2022, have been responded to with repairs on December 9, 2022.
- Complaints of leaky roof and perforated ceiling, January 21, 2023, has been repaired on January 24, 2023.
- Complaint of leaky roof, March 3, 2023, has been repaired on March 6, 2023.
- Letter number 500/517/EKBANGSOS/2022, dated August 5, 2022, from the Village Government of Pelanjau Jaya, requesting transportation assistance, the company's response was approval for transportation assistance.
- Letter from the Head of Karya Baru Village dated January 25 2023, regarding a request for transportation assistance, the company's response was given the loan of bus vehicle facilities.

- Based on the results of direct interviews with Village Head Officials, Village Representative Body and community leaders in Pelanjau Village, it is known that the company is communicatively quick to respond to information and community requests, both financial assistance, facility support and activity support. Even though not all of them could be fulfilled by the company, the company responded very well to any information submitted by village officials and the community.

Still other complaints were recorded at each estate throughout the year. The company has provided further action for each complaint from all parties and has been resolved by the Complaint Handling officers at each plantation.

Based on the explanation above, it is known that the company already has a Complaint Handling SOP and implements it properly for each complaint.

Status: Comply

5.2

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

5.2.1

The company did not have any FFB suppliers from outside parties. All of the FFB supply was from inside parties, such as estates and plasma plantations. So this indicator was not applicable during this ASA-1.1, ASA-1.2 and ASA 1-3, ASA 1-4 Audit assessment.

5.2.2

Certificate holder was not developed and implemented livelihood improvement programmers including the RSPO Standard for Independent Smallholder. This because there was no Independent Smallholder in PT Sandika Natapalma and PT Budidaya Agrolestari. Which in this case, made this indicator was not applicable for the assessment.

5.2.3

Certificate Holder has not been doing support related to the legality of FFB production which in this case was not needed for the FFB supplier in cooperating with PT Sandika Natapalma and PT Budidaya Agro Lestari. Thus, known that this indicator was not applicable.

5.2.4

Based on the information from management unit, the type of cooperation with plasma plantation known as a full managed type. This means, that the indicator was not mandatory for companies to implement. The management of Mitra Usaha Tani Sejahtera is carried out fully by the management of PT Budidaya Agro Lestari and the management of Sejahtera Palma Sejati PT Sandika Natapalma. So that, there was no special handling training carried out for Smallholders.

5.2.5

Periodic reports on the progress of the Farmer Assistance Program can be seen in the Annual Reports of PT Sandika Natapalma and PT Budidaya Agro Lestari, the Annual Member Meeting of the Prosperous Farmers Cooperative Partnership and the Annual Member Meeting of the Sejahtera Palma Sejati Cooperative. Or the Sime Darby Group Sustainability report which is published on the website and updated once a year.

Based on interviews with representatives of Mitra Usaha Tani Sejahtera and Sejahtera Palma Sejati, it is known that the cooperation between the company and the plasma plantations (MUTS and SPS) is going well, there are no problems with payments. Payments are always made following the price from the West Kalimantan Provincial Agriculture Office, which changes every two weeks.

The company is transparent in plasma management, including plantation management costs and every month there is an accountability report for plasma plantations for evaluation and calculation of remaining operating results.

The company shows proof of payment of surplus from management of the SPS Cooperative plasma on January 11, 2023 and March 10, 2023. as well as proof of payment of surplus from plasma management to the MUTS Cooperative on February 9, 2023.

Based on explanations from community representatives and the Head of Sukakarya Village, it is known that the plasma results are very beneficial for village development, and there are no obstacles in paying the Plasma Results.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1 Any form of discrimination is prohibited.

6.1.1

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

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

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

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

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

6.1.2

In accordance with the explanation in indicator 6.1.1 regarding company policies and their implementation, during the audit process there were no discriminatory acts or issues that occurred in the certification unit during the past year. This is evidenced by the results of interviews with labor union representatives and the gender committee which stated that so far, the company has always been fair, there has been no discrimination against workers, starting from the local community, women and migrant workers (even though migrant workers are not owned). So far, the certification unit has also never charged a fee during the recruitment period. This is indicated by the announcement of job vacancies submitted to the surrounding community (Suka

Karya, Karya Baru and Pelanjau Jaya Village based on interview), which includes the writing "Free Employee Acceptance". This was also informed by representatives of the surrounding community who stated that so far, the recruitment carried out by the company had never asked for a fee (it was free).

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

6.1.3

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

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

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

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

6.1.4

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

6.1.5

Certification unit have gender committee and are still active until today in the certification unit which is chaired by the chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 11 July 2022 which was attended by all workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as

promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

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

6.1.6

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

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

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

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

PT Sandika Natapalma and PT Budidaya Agro Lestari already have a Collective Labor Agreement (CLA) for the 2022-2024 period between the company and the Federation of Marau District Trade Unions (FSBKM) PT Sandika Natapalma and PT Budidaya Agro Lestari. The CLA for the 2022-2024 period has been ratified by the Head of the Ketapang Regency Manpower and Transmigration Office in accordance with Decree No. 068/TKT-B.560/2022 on 05 July 2022. In the decision, the validity period of this CLA is from 28 January 2022 to 28 January 2024. In the CLA, it is explained regarding the acknowledgment of the parties, wages, working time, acceptance workers, overtime, social security/assistance and other provisions which refer to the prevailing laws and regulations in Indonesia. Every provision regulated in the CLA has been well understood by every union official and workers in the field. This has been proven by the results of interviews with workers in the plantations (harvesters, maintenance and spraying) and factories (process and security operators) who stated that in general every stipulation in the CLA was well known by each worker.

The Collective Labor Agreement has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 11 July 2022 which was attended by all workers on muster morning. The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and labor union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. In addition, the pay slip also contains some information that is well understood by workers, such as basic wages, fixed benefits, overtime, premiums, wage deductions (fines, taxes, and others). Workers' wages in 2023 have been accordance with the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the December 2022 and February 2023 wage document for harvester, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2023. For example, security (BDM), boiler operator (EDM), and harvester (BHR) have a different based on wage scale structure 2023.

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

6.2.2

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

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

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

- The implementation of the minimum wage in 2023 is in accordance with the Kalimantan Barat Provincial Minimum Wage Decree that has been the established by the Governor of Kalimantan Barat in 25 November 2022.
- The implementation of the minimum wage in 2023 is in accordance with the Ketapang Regency Minimum Wage Decree that has been the established by the Governor of Kalimantan Barat in 05 December 2022.
- Inter Office Mail No. 001/HRM-i5.1/SUSU/II/2023 dated 02 January 2023 issued by the Head of Human Resources Management (HRM) regarding the 2022 SKU Employee Pay Structure and Scale for Aceh Timur Regency. This document refers to the Decree of the Governor of Kalimantan Barat No. 1380/NAKERTRAN/2022 and the determination of the implementation of wages in 2023 are described as follows:
 - ❖ As of 01 January 2023, the lowest SKU wage setting is same as minimum wage and this lowest SKU is a permanent worker who has just been hired as a permanent worker with a working period of less than one year.
 - ❖ The structure and wage scale for SKU workers in 2023 are described in 8 Grades and groups A-H with the lowest scale, namely SKU Grade H, while the highest wages are for SKU Grade A8 workers.
- The Collective Labor Agreement, concerning Wages explains that permanent daily workers and monthly workers are given wages and natural rice supply allowances every month with a calculation of 15 kg for male/female workers, 9 kg for

wives/husbands who do not work and for each child (maximum 3 person) is 7.5 kg.

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

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

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

6.2.3

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

- December 2022 and February 2023 salary slips for, security (BDM), boiler operator (EDM), and harvester (BHR) have a different based on wage scale structure 2022 and all wages above the minimum wage.
- Overtime payment in December 2022 and February 2023 that has been accordance with applicable laws for security (BDM) and boiler operator (EDM).
- List of women workers that has been given maternity leave and pregnant workers in January until December 2022.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Etc.

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

6.2.4

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

- Permanent and semi-permanent.
- Places of worship such as mosques, and prayer rooms.
- Transport for school children, emergency transportation (ambulance) and so on.
- Sports fields.
- Provision of clean water.
- Provision of electricity.

- Availability of First Aid Post units in each unit.
- Availability of Daycare in each unit.
- The availability of educational facilities such as Elementary Schools (SD) and Junior High Schools (SMP) with a distance of about 30 minutes.

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

6.2.5

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

6.2.6

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

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

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

6.2.7

At the time the audit was carried out, the certification unit still had workers with PKWT status of 303 workers at PT Sandika Natapalma and 126 workers at PT Budidaya Agro Lestari. Of the number of PKWT workers, there are still workers with this status working in permanent activities, one of whom is a harvest worker (This is based on the results of interviews with company management and the type of work is in accordance with what is described in the Law No. 13 of 2003 related to permanent jobs). Of the total number of PKWT workers, there are 79 harvest workers at PT Sandika Natapalma (38 workers for Awatan Estate and 41 workers for Lembiru Estate) and 38 harvest workers at PT Budidaya Agro Lestari (Pelanjau Estate).

From 2022 to 2023, the company has a program to appoint PKWT in harvest work to become PKWTT workers. This is done in stages including:

- For PT Sandika Natapalma (Awatan Estate) the company in 2022 plans to hire workers to become PKWTT as many as 37 harvest workers who are workers with previous PKWT status. As a result, during 2022, the company has appointed 17 workers with PKWT status to become PKWTT and as many as 10 workers have not been appointed because the results

of their performance evaluation are still below standard. The rest of the workers are planned to be re-appointed in 2023 with a total planned appointment of 48 workers and until March 2023 it has been realized that 10 workers have been appointed as PKWTT (the remaining 38 workers are still planned to be gradually appointed as PKWTT).

- For PT Sandika Natapalma (Lembiru Estate), the company in 2022 plans to hire workers to become PKWTT as many as 46 harvest workers who are workers with previous PKWT status. As a result, during 2022, the company has appointed 41 workers with PKWT status to become PKWTT and as many as 5 workers have not been appointed because the results of their performance evaluation are still below standard. The remaining workers are planned to be re-appointed in 2023 with a total planned appointment of 59 workers and until March 2023 it has been realized that 18 workers have been appointed to become PKWTT (the remaining 41 workers are still planned to be gradually appointed as PKWTT).
- For PT Budidaya Agro Lestari as a result, during 2022, the company has appointed 23 workers with PKWT status to become PKWTT and as many as 38 workers have not been appointed because the results of their performance evaluation are still below standard. The rest of the workers are planned to be re-appointed in 2023 with a total planned appointment of 38 workers and in March 2023 it has been shown that 20 workers have been proposed to become PKWTT (the remaining 18 workers are still planned to be gradually appointed as PKWTT).

Based on the results of interviews with Management, it is known that when employed as harvest workers, a 3-month routine assessment will be carried out simultaneously with the plan to carry out the application process for appointment as PKWTT workers (submission until approval for appointment from Head Office in Jakarta will take about 1-3 months). While waiting for this process, the company also conducts a performance appraisal which will later become a support for these workers to be appointed as PKWTT. The company continues to ensure that PKWT workers who work at Harvest will still be prioritized to become PKWTT workers.

Apart from that, the company has planned to change the system in recruiting permanent workers (harvesting and others) so as not to violate the rules related to PKWT in the future. As evidence, the management has planned further discussion/meeting activities regarding the plan to add options to the SAP system so that workers who work at work can still immediately work with the status of workers who are still on probation for 3 months (probation) before becoming workers with PKWTT status. This has been planned in the PKWTT Harvest Labor Utilization Grand Plan which was ratified on 31 March 2023 by the unit heads starting from the Area Controller, Estate Manager and Human Resources Management.

Companies have the opportunity to ensure that the use of PKWT is not reused in jobs that are permanent in accordance with applicable regulations. **(OFI)**

Status: Comply

6.3

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

6.3.1

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

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

- Proof of Reporting No. 34 in 2013 dated 15 July 2013 from the Manpower and Transmigration of Ketapang Regency for Worker Union in the name of "Federasi Serikat Buruh Kecamatan Marau (FSBKM) PT Sandika Natapalma dan PT Budidaya

Agro Lestari”.

- Proof of Reporting No. 44 in 2012 dated 12 April 2012 from the Manpower and Transmigration of Ketapang Regency for Worker Union in the name of “Serikat Buruh Tingkat Perusahaan (SBTP) PT Sandika Natapalma (Lembiru Estate)”.
- Proof of Reporting No. 181 in 2016 dated 17 November 2016 from the Manpower and Transmigration of Ketapang Regency for Worker Union in the name of “Serikat Buruh Tingkat Perusahaan (SBTP) PT Sandika Natapalma (Awatan Estate)”.
- Proof of Reporting No. 183 in 2016 dated 17 November 2016 from the Manpower and Transmigration of Ketapang Regency for Worker Union in the name of “Serikat Buruh Tingkat Perusahaan (SBTP) PT Sandika Natapalma (Lembiru Factory)”.
- Proof of Reporting No. 181 in 2016 dated 17 November 2016 from the Manpower and Transmigration of Ketapang Regency for Worker Union in the name of “Serikat Buruh Tingkat Perusahaan (SBTP) PT Budidaya Agro Lestari (Pelanjau Estate)”.

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

Based on the explanation above, it can be concluded that the unit of certification has published a statement recognizing freedom of association and the right to collectively bargain in the national language which has been properly understood, understood and implemented.

6.3.2

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

- An internal union meeting on March 16, 2023, between union officials and members to discuss a re-understanding regarding the rights and obligations of workers listed in the CLA. Where the result is that most of the new workers understand their rights and obligations listed in the CLA.
- An internal union meeting on 10 July 2022 between internal union officials and members to discuss the schedule for distributing CLA pocket books and socialization of the new CLA for all workers. Where the result is that the distribution and socialization will be planned at the morning rally in each unit.
- A bipartite meeting on 19 December 2022 between the union and company management which discussed the discipline of attendance at morning assembly and adherence to the use of PPE while working. Where the result is that workers who don't take part in the morning assembly will continuously be given verbal warnings and adherence to using PPE will always be monitored regularly.

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

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

6.3.3

Based on the interviews with the labor union representatives, there was no interference in the selection or labor union operational activities. All processes of selecting, decisions making and planning activities, members' aspirations to their representatives run democratically. The worker who is currently placed as the Chairman of the Labor Union in each unit is a worker at mill and

estate, then there will be no conflict of interest that occurs with the company because there were no workers who have the authority as decision-makers (staff class and above).

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

Status: Comply

6.4 Children are not employed or exploited.

6.4.1

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

Based on the results of the review of the cooperation agreement document with the contractor for examples is CV Anugrah Putra Sejati, CV Trans Pilar Tiga & CV Anaroga, it is known that in the agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

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

6.4.2

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

Based on field visits and interviews with workers (labor union representative, harvester, pesticide operator, upkeep and mill operators) in plantation and mill, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 22 years when entering work.

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

6.4.3

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

6.4.4

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

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

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

Status: Comply

6.5

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

6.5.1, 6.5.2 & 6.5.3

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

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

- Assessment for New Mothers in the certification unit conducted by medical personnel (midwives and nurses)
- Minutes of the Action Plan Meeting on the Needs of New Mothers After Childbirth at certification unit, which among other things explain the following:
 - ❖ Give permission to mothers who breastfeed while working with an adjusted time.
 - ❖ Make a place for breastfeeding in the Daycare ("Ruangan ASI") for female employees and make attendance for every mother who breastfeeds as monitoring by management.
 - ❖ Analyze the needs of mothers and babies such as daily needs (milk, diapers, baby clothes and other equipment) and their availability in the company's operational environment or in their surroundings (there is workers cooperative with easy and close access).

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

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

6.5.4

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

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

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

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

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

- There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract.
- The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings.
- There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation and the company also does not prohibit this.

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

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

6.6.2

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

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

Status: Comply

6.7

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

6.7.1.

The company shows the approval of the OHS Committee structure and the appointment of General OHS Expert as the person in charge of OHS, including:

- Decree of the Regent of Ketapang number 560/142/NAKER/2021 dated September 8, 2021, regarding the ratification of PT SNP's OHS Committee structure.
- The Decree on the Appointment of General OHS Expert secretary of PT SNP OHS Committee on behalf of Jamiludin number 5/1512/AS.01.03/II/2022 is valid until 15 February 2023.
- Decree of the Regent of Ketapang number No 560//403/NAKER/TAHUN /2021 dated September 27, 2021, regarding the ratification of PT BAL's OHS Committee structure.
- The Decree on the Appointment of General OHS Expert secretary of PT BAL OHS Committee on behalf of Jamiludin number 5/4007/AS.02.04/IV/2020 is valid until 15 April 2023.

OHS Committee organizational meetings, both PT SNP and PT BAL, have been held regularly, which can be proven by recording meetings held once every 1 (one) month, for example OHS meeting on January 28 2023 with discussion topics including: Identification of dangerous sources of work accidents in the field, the possibility of accidents occurring, presentation of OHS inspection results and recommendations.

6.7.2.

The certification unit has Emergency Preparedness and Response and Recovery Procedures No Policy 301/SNP-KRD-13/11, revision 0, approved by the regional head. This procedure covers the prevention, handling and recovery of emergencies in the company's operating units. Emergencies are limited by the occurrence of fires, explosions, hazardous material spills/leaks and earthquakes.

Based on the results of field visits at Estate, Mill, Housing and Offices it is known that the company already has emergency response equipment such as Fire Extinguisher, Hydrant, First Aid in buildings and in the field (foreman) and firefighting infrastructure.

Based on field visit to the chemical warehouse, Workshop, hazardous waste storage, it was found that there was a first aid kit in the field. Based on interviews with workshop workers and warehouse staff, it was found that they were aware of the use of first aid kits. Furthermore, to field employees it is also equipped with a first aid bag brought by the foreman. Based on interview with the first aid officer it's known that they can explain how to use the first aid equipment.

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the

number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly, and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety.

6.7.3

The company has provided PPE in accordance with the results of identification and risk control (HIRAC) set by the company, for example based on the results of field visits at the Boiler station it is known that workers have been equipped with PPE such as masks, gloves, safety shoes and aprons. In addition, companies can show minutes of handing over PPE to workers, for example, handover of PPE and harvesting work tools at Awatan Estate in the form of Booth shoes on 23 September 2023

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

6.7.4

The company already has a list of employees which also includes *BPJS Ketenagakerjaan* and *Kesehatan* for all workers (permanent and contract workers). This number does not include the number of workers with staff status and above. Based on a review of the company's employee list documents for February 2023 and proof of payment for *BPJS Ketenagakerjaan* and *Kesehatan* for the same period, it is known that the company has registered and paid all of its employees in the *BPJS Ketenagakerjaan* and *Kesehatan* programs, which consist of Work Accident Insurance (*JKK*), Death Insurance (*JKM*), Old Age Security Insurance (*JHT*) and Pension Guarantee/Insurance (*JP*) via Bank Transfer, with proof of payment as follows:

- Proof of payment for *BPJS Ketenagakerjaan* for PT Sandika Natapalma and PT Budidaya Agro Lestari on the February 2023 period which was paid for a total of all workers on 09 March 2023 via bank transfer.
- Proof of payment for *BPJS Kesehatan* for PT Sandika Natapalma and PT Budidaya Agro Lestari on the February 2023 period which was paid for a total of 876 workers on 07 February 2023 via bank transfer.

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

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

6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly, and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety. Based on verification of calculation of Severity Rate and Frequency Rate for the period January and February 2023 in AWE, PLE and PJE with the number of work accidents resulting in 0 lost days so that the SF value is 0 and FR 0.

Status: Comply

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

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

7.1.1

The company has shown evidence that pests, diseases, weeds and invasive introduced species are effectively managed using the appropriate Integrated Pest Management (IPM) method. The plan of integrated pest management was arranged in several procedures, such as procedure of detection and early warning system, procedure of integrated pest management (procedure of weed management, as well as procedure of pesticide handling. The procedures set the early warning system by monthly detection of potential pest and diseases (leaf eater caterpillar, rats), emphasizing the mechanical and biological control such are by planting of beneficial plants (*Turnera subulata* and *Antigonon leptopus*), as well as installing and monitoring barn owl boxes to suppress rat infestation. The procedure also set the economical threshold for each pest and disease, that the chemical control will be conducted only if the infestation has been exceeding the economical threshold. In the weed management procedure, the company's policy is to conduct selective weeding, to maintain biological diversity in order to suppress pest and disease infestation.

The company has shown documentation of monthly potential pest and disease detection of each unit that conducted by trained worker. Based on census summary and maps of infestation of January – December 2022, known that there was pest infestation exceed the economical threshold are *Oryctes Sp* especially in young oil palm tree or replanting area. The company has carried out pest control using a pesticide with the active ingredient Cypermethrin and in addition, control has been carried out using pheromone traps.

7.1.2

Based on the results of document studies and field visits, it is known that the species used by the company for pest control include *Turnera Subulata*, *Antigonon Leptopus*, *Cassia Cobanensis* and *Tyto Alba*, all of which are not classified as invasive species according to the Minister of Environment and Forestry Decree number 94 of 2016.

7.1.3

Based on document review and interviews, it is known that there is no use of fire for pest control, pest control is only carried out manually, chemically and biologically.

Status: Comply

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

7.2.1

The Certification has a list of pesticides that can be used in 2023, consisting of 13 types of pesticides registered in the pesticide commission. These pesticides consist of herbicides, insecticides, and rodenticides. These pesticides consist of groups II and IV. The recommendations for these pesticides have been adjusted according to the type, for example:

- Control of oil palm pests
- Control of oil palm diseases
- Weed control.

Based on document review and observation of pesticide storage, Certificate Holder does not use WHO 1A, 1B pesticide or paraquat. Based on documents verifications, field visit to pesticide storage and interview with management and pesticide applicator obtained information if the CH did not used the pesticide that prohibited by the government as mentioned in Annex II Regulation of Ministry of Agriculture No 39 year of 2015 about Pesticide Registration, for example aldrin, formaldehyde, monokrotofos.

The company shows a list of pesticides used including:

| Registration No | Numbers | Products Name | Active Ingredients |
|-----------------|---------|---------------|--------------------|
|-----------------|---------|---------------|--------------------|

| | | | |
|----|----------------|-----------------------|---------------------------------------|
| 1 | 1030120062433 | Kenlon 480 EC/Dalopir | <i>Triklopir Butoksi Etil</i> |
| 2 | 0103120103716 | KENCEPAT 75SP | <i>Triklopir Butoksi Etil</i> |
| 3 | 1030120062432 | Kenly 20 WG | <i>Metil Mestsulfuron</i> |
| 4 | 01030120175849 | Lifeline 280 SL | <i>Amonium Glyphosate</i> |
| 5 | 1030120062435 | MARSHAL 5G | <i>Glyphosate</i> |
| 6 | 01010120001545 | Capture 50 EC | <i>Cypermethrin</i> |
| 7 | 1030120124279 | Becano 500 SC | <i>Indaziflam</i> |
| 8 | 0103012008387 | Prima Up 480 AS | <i>Isopropilamina Glyphosate</i> |
| 9 | 01030120031897 | Metaprima | <i>Metil Mestsulfuron</i> |
| 10 | 1030120103759 | Kenrane | <i>Fluroksipir Metil Heptil Ester</i> |
| 11 | 01010120072671 | Manthene | <i>Asefat</i> |
| 12 | 01030119921113 | Basta | <i>Amonium glufosinat</i> |
| 13 | 01030120001545 | Supremo 480 AS | <i>Glyphosate</i> |

7.2.2

The company has procedures related to chemicals such as spray work and pest and disease control. The procedure is contained in the Agricultural Reference Manual (ARM) with document number 110/EST-ARM/13. Section 15 deals with plant protection from pests and diseases consisting of horn beetle control, bagworm, *Setora Sp / Thosea Sp*, rat pest control and Ganoderma control for root rot and stem rot, Section 16 deals with general weed control.

The Company already has a record/realization of the active ingredients used and the targeted area, amount of active ingredients applied per Ha and number of applications listed in the Record of Pesticide Use Documents on the Applied Area, in example:

| Pesticide | Sat | 2020 | 2021 | 2022 |
|---------------------------|-----|----------|---------|------|
| <i>Glyphosat</i> | Ltr | 4.036,24 | 3.330,5 | 95 |
| <i>Indaziflam</i> | Ltr | - | 78,42 | |
| <i>Triklopir</i> | Ltr | 333,22 | 275,27 | 240 |
| <i>Metil Mestsulfuron</i> | Kg | 187,19 | 82,69 | 289 |
| <i>Amonium Glifusonat</i> | Ltr | 820,39 | 678 | 972 |

In addition, UoC can show LD-50 information for each pesticide, for example the LD-50 for *Mestsulfuron Methyl* is >2 g/kg.

7.2.3;

The unit of certification implements an integrated pest control system by collaborating biological and chemical control. The use of chemical techniques is not carried out preventively but based on the results of the early warning system, namely detection and census. Biological pest control is carried out by applying the development of natural enemies of owls to control the population of rat pests. The development of useful plants such as *Turnera subulata* and *Antigonon leptopus* is also used as a biological control technique as a habitat for fire caterpillar predators.

7.2.4

The company has shown documentation of monthly potential pest and disease detection of each unit that conducted by trained worker. Based on census summary and maps of infestation of January – December 2022, known that there was pest infestation exceed the economical threshold are *Oryctes Sp* especially in young oil palm tree or replanting area. The company has carried out pest control using a pesticide with the active ingredient *Cypermethrin* and in addition, control has been carried out using pheromone traps.

7.2.5

UoC has Sustainable Plantation Management Guidelines Number 724/TQEM-SPMS/09 dated 27 August 2010 which explains Compliance with laws, government regulations and the RSPO. The policy states that pesticides listed in the World Health Organization (WHO) Class 1A or 1B and Paraquat are not to be used.

Based on the results of field visits in pesticide storage warehouses and review of pesticides list documents, it is known that there is no use of pesticides that are included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, as well as *paraquat*.

7.2.6

The company shows recordings of periodic pesticide handling training, for example the recording of the integrated pest control training on 14 March 2023 which was conducted by the Divisional Assistant and attended by 10 maintenance and chemist workers. The material includes handling if there is poisoning and work obligations that are safe for both them and the environment. For example, the obligation to wear PPE and an understanding of areas that should not be sprayed such as riparian. It has been confirmed during interview with workers where they can explain regarding how to work safely.

The company has provided special mixing tank to bring the pesticide. Besides that, based on document review and pesticide application record, the company also provide clean water, soap and first aid kits to support the sanitation and OHS aspects needed by the spray team. Based on interviews with spraying workers at block R45 Division II known that the workers had been routinely given training on the use of pesticides by the company.

The company has provided special mixing tank to bring the pesticide. Besides that, based on document review and pesticide application record, the company also provide clean water, soap and first aid kits to support the sanitation and OHS aspects needed by the spray team, furthermore, are all precautions attached to the products properly applied by the unit of certifications. Therefore, based on field observation to mixing area in LPE, that known there are storage for keeping all PPE's and spraying tools after use.

7.2.7

Pesticide Warehouse has been met with the Government Regulation. Based on the results of the field visit at the Pesticide Warehouse, it is known that the pesticide storage area has been equipped with ventilation, adequate lighting, OHS hazard symbols, MSDS and emergency response facilities such as fire extinguishers, first aid kits and showers, in addition, storage has used the appropriate container and based on its type. Regarding OFI's previous assessment, the auditor had verified through the field visit to the pesticide warehouse at AWE, known that pesticides had been placed in a separate warehouse with other materials such as food material.

7.2.8

The company already has SOP for the Management of Toxic and Non-Hazardous Hazardous Material Waste (No SPO 01-17-PLB3 & Non B3-SNP BAL) which explains that Storage of hazardous toxic waste refers to the requirements of the applicable laws, including packaging requirements, procedures methods of storage, requirements for storage buildings and requirements for handover of toxic hazardous waste materials to third parties.

However, regarding the application of these procedures, it was found that the pesticides stored were not in accordance with recognized best practices. Based on the results of the field visit, it was found that there was an inconsistency in the management of Hazardous Toxic Material waste in accordance with procedures, for example, packaging of pesticide waste (2 packages) stored in domestic trash. this is an opportunity for improvement in 7.3.2.

7.2.9

The company can show the Policy on the Prohibition of Spraying Pesticides Through the Air which was signed by the Sanggau Area Controller in September 2019. This is according to the results of field visits and interviews with workers, it is known that there is no spraying of pesticides through the air.

7.2.10

In previous assessment there are opportunity for improvements where the companies are encouraged to carry out special health checks for workers with high risk, especially pesticide operators, while still paying attention to health protocols. The OFI has been follow up by the unit of certifications. The company shows records of special health checks for high-risk workers as follows:

- Spirometry Examination on 12 – 14 December 2022, with all normal conclusions.
- Cholinesterase examination on 12 – 14 December 2022, with all normal conclusions

7.2.11

Based on the results of field visits and interviews with spray workers, it was found that there were no workers who were pregnant and breastfeeding and had medical limitations who worked with pesticides.

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 company shows the waste management and identification documents for the 2023 period. Based on the document verification, it shows that the company has implemented waste management in accordance with the sources of waste identification and management plans, including:

A. Plantation :

1. Clinical operations: types of waste generated include infectious waste, expired drugs,
2. Plantation operations: waste generated from used pesticide containers (hazardous material and hazardous waste), used oil, used filters. Palm fronds

B. Palm Oil Mill,:

1. Processing of FFB, the types of waste produced include shells and fibers, used chemical packaging, used oil, used filters, liquid waste

Forms of management include:

1. Toxic hazardous waste and medical waste are handed over to a licensed third party
2. Solid waste (shell and fiber) is used for boiler fuel
3. Liquid waste is used for land applications.

The Certificate Holder has a record of identification of waste sources listed in the list of environmental aspects 2022/2023 and evaluation documents that have been approved by the Mill Manager and the Estate Manager.

The company shows information on waste management and utilization as follows:

1. Hazardous and Toxic Waste

- a. Provision of a temporary storage area for toxic hazardous materials equipped with a Temporary Storage Permit for Hazardous and Toxic Waste in accordance with the Decree of the Ketapang Regent Number 441/DPMPTSP-D.B/2018 dated 28 December 2018 regarding Permit for Temporary Storage of Hazardous and Toxic Waste to PT Sandika Natapalma. This permit is valid for a period of 5 years from the date of stipulation.
- b. Cooperation Agreement for the Transport and Management of Hazardous and Toxic Waste PT Primanru Jaya and PT Sandika Natapalma, No: 003/LGL/MOU/PMJ-SNP/VIII/2022, dated 15 August 2022, valid until 15 August 2024, PT Primanru Jaya has complete permits as follows:
 - Permit for Hazardous Waste Management for B3 Waste Collection activities in accordance with Decree of the Minister of Environment and Forestry of the Republic of Indonesia number S-698/PSLB3/VPLB.3/11/2021 dated

30 November 2021 and is valid for 5 (five) years. The types of waste that are permitted to be collected include used lubricating oil, used batteries, used oil filters/used rags and used B3 packaging.

- Recommendation for the transport of hazardous waste Number S.1254/VPLB3/PPLB3/PLB.3/12/2018 dated 27 December 2018 and is valid for 5 (five) years. Several B3 wastes that are permitted to be transported include Used Lubricating Oil, Used Batteries, Used Oil Filters/Used Rags, Medical Waste, Used B3 Packaging and other B3 waste.
- Decree of the Director General of Land Transportation Number: 81200019402150002, concerning Permit for Special Goods Transportation to Transport Dangerous Goods (B3), Ministry of Transportation, dated 15 February 2023, valid until 15 February 2029.
- c. Evidence of submission of toxic hazardous waste with examples of evidence:
 - Manifest of Toxic Hazardous Waste Number KLHK-1672016611, November 3, 2022, type of used packaging waste Toxic hazardous materials, waste code B104d, and volume 0.71 tons.
 - B3 Waste Manifest Number KLHK-1672016937, November 3, 2022, type of Ali Used waste, waste code B102d, volume 0.025 tons.

2. Liquid Waste (POME) and Solid Waste (shell, fiber, empty shells):

The company shows the Solid and Liquid Waste Production and Utilization documents, for the period January 2022 to February 2023, with the following details:

- a. Processed FFB: 165,362 tons
- b. Fiber: production: 24,804 tonnes, 24,804 tonnes utilized
- c. Shells: production of 8,268 tonnes, 8,268 tonnes utilized
- d. Empty Bunch: production of 33,984 tonnes, 27,068 tonnes utilized
- e. Liquid waste (POME): production 175,283 m3, utilized 163,312 m3.

7.3.2

Based on the results of verification of solid, liquid and hazardous waste management documents, as well as field visits at the final landfill block K47 Lem Biru Estate, the land application area in block K41 Lem Biru Estate, can be explained as follows:

- a. Toxic Hazardous Waste is managed by temporarily storing it in a temporary storage area for toxic hazardous materials and handing over to the toxic waste collector with details in 7.3.1.
- b. Liquid waste is used for land applications in the K47 Lem Biru Estate block
- c. Shell and fiber solid waste is used for boiler fuel, detailed usage in 7.3.1
- d. Domestic waste: trash cans are provided in each worker housing complex and then collected for disposal in final landfills, one of which is in the final landfill for block K47

Based on the results of the field visit, it was found that there were inconsistencies in the management of hazardous waste in accordance with procedures, for example use that was not in accordance with its intended use (as a support / support for vehicles in the Pelanjau Estate workshop), pesticide waste packaging (2 packages) stored in the trash, land fill had not been managed according to the plan. Optimal where the landfill location is also used as a place to take laterite material and the area has a low level of air absorption (rocky area). In this regard, companies are encouraged to improve their waste management performance in accordance with existing procedures (OFI)

7.3.3

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

Status: Comply

7.4

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

7.4.1

The company already has a procedure related to fertilization activities contained in the Agricultural Reference Manual (ARM)

document (No. Doc. 110 / EST-ARM / 13) Section 8 concerning the Fertilization of Oil Palm Crops which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants, fertilizer placement and fertilizer application of 'focal feeding' on marginal soils. The implementation of the SOP is monitored periodically with an operational audit or Plantation Advisory. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager.

The company shows implementation records, for example, based on the results of field visits, it was found that the company had applied pruned palm fronds as an alternative nutrient source.

7.4.2

The management unit routinely has conducted soil and leaf analysis periodically. The following analysis which has been conducted as follows:

- **(Soil Analysis**, which is done regularly every 5 years measuring the following parameters: texture, acidity (pH), contents of N Total, P-Total, K, Ca, Mg, B, Cu, Zn.
- **Leaf Analysis**, which is done annually as a guide to determine the fertilizing recommendation, by monitoring the following parameters: Indicator Major elements namely N, P, K, Mg and Ca and Indicator Minor elements namely B, Cu and Zn.
- **Visual Analysis**, which is done as part of the points in determining the fertilizing recommendation, identifying nutrient deficiency symptoms, and analyzing the disease attacks that are potential in becoming an endemic of certain disease.

Based on the Minamas Agricultural Reference Manual for Palm Oil Planting Section 8 Fertilization Point 3.1.1, it is stated that the dose of fertilizer for mature plants above 24 months will be given by an agronomist based on the interpretation of the results of leaf analysis by entering several data such as production, rainfall, soil type and make observations during field visits.

The company shows the results of leaf analysis conducted by Minamas Research Center on 2022, The parameters analyzed include ASH; P; K; Mg; Ca; N; B; Fe; Cu and Zn. Based on the recommendation document the company has considered the land suitability that contained in Semi Detail Land Suitability Survey and the results of leaf analysis.

7.4.3

The company shows records of nutrient recycling, including:

- EFB applications for the period January – December 2022 covering 17,816 MT with Dose 40 MT / Ha.
- POME applications for block planted areas as a substitute for chemical fertilizers.
- Based on the results of the field visit, it is known that the company also uses pruned midrib as an alternative nutrient source.

7.4.4

Companies can show the realization of fertilization in January 2023, which is carried out in accordance with fertilizer recommendations, for example the application of fertilizer in block G31 PJE for an area of 25.54 ha with total application in the first rotation in January 2023 of 7,902 kg.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company has a Semi Detailed Soil Survey and Land Suitability document for PT Sandika Natapalma and PT Budidaya Agro Lestari for the period 2017 – 2022 compiled by the GNSS, GIS, and Soil Survey Minamas Research Center team. These documents include:

- Map of distribution of land slope class, Map of planting year, Map of replanting plan, Map of soil type, Map of soil management group, and land suitability class.
- Based on the land suitability class, PT SNP and PT BAL are included in the S2 and S3 classes.
- Agronomic recommendations: Improvement of soil fertility, efforts to be made, and Fertilization management.

7.5.2

Based on the results of the study of the area statement documents and field visits, it was found that the company did not carry out new plantings and only carried out replanting activities. The results of the field visit, for example, in the replanting area for planting year 2021 Pelanjau Estate Division 1 Block D21 it was found that the company did not carry out extensive planting activities on land with steep slopes.

7.5.3

Based on the results of the study of the area statement documents and field visits, it was found that the company did not carry out new plantings and only carried out replanting activities.

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 has a Semi Detailed Soil Survey and Land Suitability document for PT Sandika Natapalma and PT Budidaya Agro Lestari for the period 2017 – 2022 compiled by the GNSS, GIS, and Soil Survey Minamas Research Center team. These documents include:

- Map of distribution of land slope class, Map of planting year, Map of replanting plan, Map of soil type, Map of soil management group, and land suitability class.
- Based on the land suitability class, PT SNP and PT BAL are included in the S2 and S3 classes.
- Agronomic recommendations: Improvement of soil fertility, efforts to be made, and Fertilization management.

7.6.2

Based on the results of the document review and field visits, it was found that the company did not develop new plantings.

7.6.3

Based on the results of the document review and field visits, it was found that the company did not develop new plantings.

Status: Comply

7.7

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

7.7.1; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7

Based on the results of the study of the Semi-Detailed Soil Survey document and Land Suitability for Oil Palm Plants for the 2017 – 2022 period issued by the Minamas Research Center in 2017, it is known that there is no peat soil in the PT SNP and PT BAL areas. This is in accordance with the results of the field visit which found no peat soil type.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The company has a river distribution map with a scale of 1 : 600,000 with information obtained in the map legend, namely the location of the river basin and river banks. The rivers in the operational area of the plantation are the Awatan River and the Gemagak River, all of which have been classified as High Conservation Value Areas (HCV) based on the results of a study conducted in 2010.

In addition, the Company has identification of water flows within its operational areas in the HCV document and there is also a water management plan included in the HCV management plan, environmental management plan documents (RKL/RPL documents) and the Indonesian Upstream Plantation riparian protection policy (Policy No.: 724). /TQEM-SPMS/09) dated 1 April 2010. The plan includes, among other things, delimitation of riparian areas, protection of riparian areas by not spraying

chemicals and enriching trees. Actions taken include conducting river water quality tests on a regular basis, monitoring the volume of water use, applying wastewater treatment plants to permitted land.

The certificate holder also has a Watershed Procedure Document entitled "SOP for Watersheds" (PM 0300/1 April 2016) by Sime Darby Plantation. This document describes all the necessary procedures to protect the riparian areas from all kinds of polluting activities.

Based on the results of field visits to the Sekakai riverbank, block 036/037 Division IV Lembiru Estate and block J 26/J27 Awatan Estate Division III, and The Kendawangan River border is located in Block C10, Division 2, Pelanjau Estate, it can be seen that the company has managed the riverbank by installing a signboard as an HCV area and painting on the palm tree as a spray boundary mark.

Based on the results of field visits to division III housing facilities, the company demonstrated the provision of clean water facilities in the form of clean water reservoirs which were then distributed to workers' homes via pipes.

Based on the results of interviews with harvest workers in Block K31 and spray activities in Block M14, Cloudan Estate, workers explained that there is enough clean water that is suitable for use and is available at all times. If there are problems with the water pump, the company meets water needs by sending tank trucks. water for distribution of clean water to housing

7.8.2

The company can show several documents related to the management and maintenance of water sources, it is known that several activities have been carried out by the management unit to manage water and maintain water sources, including:

- Information dissemination to employees regarding the management of conservation areas and HCV including river banks on March 3, 2022.
- Conduct periodic monitoring of water quality, including:
 1. Monitoring the quality of river water in the Upper and Lower Kendawangan rivers, testing was carried out on November 23, 2022, by a testing laboratory, KAN Accreditation LP-195-IDN, with a total of 36 parameters tested, with all parameters tested there were no parameters that exceeds the quality standard stipulated in Government Regulation No. 22, 2021, Appendix VI.
 2. The company conducts water quality testing in monitoring wells located in Block L46 (settlement), Block L44 (land control), Block L43 and Block L42, carried out by the KAN accredited Environmental Testing Laboratory (LP-195-IDN) using KepmenLH No. 28 of 2003. Testing was carried out on November 23, 2022, with a total of 28 parameters with the overall result that there were no parameters that exceeded the established quality standards.
 3. The company tested the quality of clean water for water sources for residential purposes at 2 locations, namely the Lembiru Estate and Awatan Estate reservoirs, on November 21, 2023, by the KAN Accredited LP-195-IDN environmental testing laboratory, with a total of 37 parameters tested.
- Determination of buffer zones for riparian areas, by installing river border nameplates, installing area boundaries and spray boundaries.
- Installation and maintenance of warnings/signboards and boundary stakes in river riparian areas which are carried out once every 1 year.
- Security and protection of the area by means of security patrols which are carried out periodically and recorded in patrol activity records.

7.8.3

The company already has a Permit to Utilize Liquid Waste for Land Application (LA) based on Permits to Utilize Wastewater from the Palm Oil Industry in Palm Oil Plantations through Decree of the Regent of Ketapang No. 477/DPMPTSP-D/2020 December 18, 2020.

Based on the results of the verification of the wastewater quality test monitoring document for the period January - December 2022, it is known that the company routinely conducts wastewater quality tests every month, carried out by a Testing Laboratory that has received accreditation from the KAN National Accreditation Committee LP-195-IDN. The results of the test show that there are no parameters that exceed the quality standards stipulated in the Decree of the Minister of Environment Number 29 of 2003, with example:

1. Period October 2022, Test results report Number: LPUP13322, with test results BOD5 150 mg/L (quality standard < 5,000mg/L), COD 429 mg/L (quality standard 0), pH 8 (quality standard 6 – 9),
2. Period November 2022, Test results report Number: LPUP13322, with test results BOD5 386 mg/L (quality standard < 5,000mg/L), COD 965 mg/L (quality standard 0), pH 8 (quality standard 6 – 9)
3. December 2022 period, Test results report Number: 20758/SL/XII/22, with test results BOD5 205 mg/L (quality standard < 5,000mg/L), COD 788 mg/L (quality standard 0), pH 7.85 (quality standard 6 – 9).

The field visit was carried out at the application land block K41 Division I Estate Lembiru. Based on the results of field visits in the application land area, no liquid waste was found that overflowed out of the pond, the waste was properly accommodated in the application pond.

7.8.4

The company has a water use/utilization permit based on the Decree of the Minister of Public Works and Public Housing Number 1715/KPTS/M/2022, December 6, 2022, it is explained in the water quota company that may be used with a maximum debit that can be used from the Awatan River of 14 liters/ seconds or the equivalent of 36,000 m3/month.

Meanwhile, for the period from January to February 2023, 22,393.450 tons of processed FFB were recorded, and a total of 28,988.046 m3 of water was used, or the equivalent of 1.29 m3/kg FFB. The data shows that the company uses surface water that is in accordance with the quota specified in the permit and budget determined by the company itself.

Status: Comply

7.9

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

7.9.1

The management unit already has a GHG Emissions Identification and Management Plan document for the period 2022/2023. The identified GHG sources include fertilization activities that are planned to be managed by means of fertilization according to fertilizer recommendations. Fossil fuels are managed by substituting the use of renewable fuels.

The company shows the Solid Waste Production and Utilization documents, for the period January 2022 to February 2023, with the following details:

- a. Processed FFB: 165,362 tons
- b. Fiber: production: 24,804 tonnes, 24,804 tonnes utilized
- c. Shells: production of 8,268 tonnes, 8,268 tonnes utilized
- d. Empty Bunch: production of 33,984 tonnes, 27,068 tonnes utilized.
- e. Liquid waste (POME): production 175,283 m3, utilized 163,312 m3.

Status: Comply

7.10

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

7.10.1

The company has an Inventory and Estimation of Greenhouse Gas Emissions Procedure No. 700/PSQM-GRK-01 revision 00 dated 11 April 2012, approved by the Head Region and SGM. The procedure describes several regulations, including:

1. Greenhouse Gas Inventory
2. Inventory of POM operational emission sources
3. Calculation of Greenhouse Gas Emission Estimation.

Based on the 2022 GHG emission source identification document, significant GHG emission sources have been identified and a mitigation plan has been developed by the company that includes mills and plantations. Significant GHG emissions include changes in land use, POME, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. Mitigation plans include using the right dose of fertilizer and application according to recommendations, measures to reduce reuse and recycling, limiting electricity use, maintenance of transportation and machinery, periodic air quality tests.

The reduction of fossil fuels at POM Lembiru has been implemented by using fiber/shell for the boiler. POME has been monitored every month and the monitoring period January - December 2022 and March 2023. Shows that all parameters of wastewater testing have met quality standards.

The GHG calculation and monitoring is carried out by the EHS department. GHG emissions were calculated using the RSPO 4.0 palm oil GHG calculator.

Summary of Net GHG Emissions

| Emissions per product | tCO2e/tProduct |
|------------------------------|-----------------------|
| CPO | 1.82 |
| PK | 1.82 |

| Production | t/yr |
|-------------------|-------------|
| FFB processed | 164,697.03 |
| CPO produced | 35678,456 |
| PK produced | 8224,14 |

| Extraction | % |
|-------------------|----------|
| OER | 21.66 |
| KER | 4.69 |

| Land use | Ha |
|----------------------------------|-----------------|
| Planted area on Mineral | 6,185.49 |
| Planted on peat | 0 |
| Conservation Area (Forested) | 617.89 |
| Conservation Area (Non-Forested) | 0 |
| FFB Production per hectare | 15.88 |

Summary of field emission and Sinks

| Description | Own crop | | 3rd | Total |
|-------------------------------|-----------------|------------------------|--------------|--------------|
| Emissions Sources | tCO2e | tCO2e/ tFFB | tCO2e | |
| Land conversion | 71587.87 | 9.88 | 0.00 | 126083.17 |
| CO2 emissions from fertilizer | 4487.50 | 0.62 | 0.00 | 7605.54 |
| NO2 emissions from peat | 0 | 0.00 | 0.00 | 0.00 |
| N002 from Fertilizer | 3491.55 | 0.48 | 0.00 | 6094.90 |
| Fuel consumption | 882.56 | 0.12 | 0.00 | 1273.62 |
| Peat oxidation | 0 | 0.00 | 0.00 | 0.00 |
| Sinks | | | | |
| Crop sequestration | -63780.32 | -8.80 | 0.00 | -93006.34 |

| | | | | |
|------------------------------------|-----------------|-------------|----------------|-----------------|
| Sequestration in Conservation area | -5666.05 | -0.78 | 0.00 | -5666.05 |
| Total | 11003.11 | 1.52 | 4514.45 | 46900.29 |

Summary Oil Mill Emissions and Credits

| Remarks | tCO2e | tCO2e/t FFB |
|----------------------------|-----------------|--------------------|
| Emissions sources | | |
| POME | 32283.41 | 0.20 |
| Fuel consumption | 493.74 | 0.00 |
| Grid electricity | 0.00 | 0.00 |
| Credits | | |
| Export of grid electricity | 0.00 | 0.00 |
| Sales of PKS | 0.00 | 0.00 |
| Sales of EFB | 0.00 | 0.00 |
| Total | 32777.15 | 0.20 |

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

7.10.2

Until the ASA-1.1, ASA-1.2, ASA-1.3 and ASA 1.4 audits were carried out, there were no new planting activities after 15 November 2018, the company did not carry out any activities to clear new land or develop operational areas. PT. Budidaya Agro Lestari – Pelanjau Plantation does not expand the area of new plantations. There have only been replanting activities carried out since 2017. It has not expanded into new plantation areas since November 2005. There have only been replanting activities carried out since 2016 at the Awatan Estate.

7.10.3

Same as the previous Audit (1.3). The company has identified sources of pollution and POM Lembiru emissions and updated them for the 2023 period, such as 1. CO2 (boilers, generators, transportation), 2. CH4 (POME), 3. Toxic hazardous waste (WTP, chemical storage), 4. noise (machine).

Pollution sources and plantation emissions are listed in the identification documents and management plans for pollution sources for the 2023 period, such as emissions (CO2, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Identification of sources of pollution and emissions of POM Lembiru for the 2023 period, includes all components written for the 2022 period. Pollution sources and plantation emissions are listed in the identification document and management plan for pollution sources for the 2023 period, such as emissions (CO2, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

The reduction or reduction plan has been implemented and monitored as described in the report on the Environmental Management and Monitoring Plan for semester I and semester II of 2022. Based on the Environmental Management and Monitoring Plan report, the company conducts routine environmental quality tests every three to six months for parameters following :

- Testing the quality of wastewater.
- Ambient air quality testing.
- Air quality testing (generators, boilers, transportation).
- Testing the quality of bad smell.
- Noise testing (engine).
- Building shock vibration testing.
- River water quality testing (biological/plankton/benthos, chemical compounds).

Of all the quality tests that have been carried out as described above by the company with the help of a third party (in this case an accredited laboratory), it is known that the test results are still in accordance with the applicable standards.

POM Lembiru has implemented a reduction in fossil fuels by using fiber/shell for the boiler. Fiber/shell is produced from the production of Free Fruit Bunches and stored in certain areas to be reused as boiler backup fuel. This activity has been outlined in the document Environmental Management Plan – Environmental Monitoring Plan.

Based on the explanation above, it is known that the company has identified significant pollutants and implemented reduction measures and monitored the quality of certain parameters as stated in the Environmental Management Plan – Environmental Monitoring Plan document.

Status: Comply

7.11

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

7.11.1

Based on the results of field observations on the new planting area of the Lembiru and Awatan Estate, information was obtained that there were no signs of land clearing by burning. All land clearing activities used mechanical. Based on interviews with management and the Environment Agency Ketapang District, it was also stated that the company is committed to not burning for land clearing.

7.11.2

Unit of Certification have fire facilities and infrastructure shown in the List of “*Sarpras Damkar Lembiru Estate & Awatan Estate*” documents, which among other things explain that the provision of fire infrastructure refers to the Regulation of the Minister of Agriculture Number 5 of 2018. The results of field observations revealed that there were emergency response facilities in the form of helmets, firefighter uniforms, shovels, fire boots, etc in good condition and functioning properly. Based on documents verifications and interview with managements the company carried out Monitoring land fires through daily fire patrols, in example, the results of monitoring fires for the period February 2023 found that there were no hotspots in the company's area. Furthermore As an administrative implementation in the management of fire prevention and control, the Company has prepared a fire prevention and control report and reported it to the government periodically, but the report only explains training activities and a list of fire control infrastructure. In this regard, companies are encouraged to develop systematic fire control reports containing all fire control activities that have been carried out, including consistent fire danger level (FDR) measurements 9OFI)

7.11.3

The company showed the Minutes of Socialization of HCV Areas and Their Management and Socialization of the Prohibited Burning, on January 10, 2023, in Branyan Village, regarding the socialization of HCV and the prohibition of burning for field clearing activities.

The company showed documents of fire training on March 14, 2023, between PT BAL and PT SNP involving the Manggala Agni Fire Control Brigade, the District Government, and the Village Communities of Belaban, Sukakarya, Karya Baru, Pelanjau and Rian Batu Gading. Based on the information above, it can be seen that the company has carried out joint fire control efforts with the local community and government.

As an administrative implementation in the management of fire prevention and control, the Company has prepared reports on fire prevention and control and reported them to the government periodically, but the report only describes training activities and a list of fire control infrastructure. In this regard, companies are encouraged to develop fire control reports systematically which contain all fire control activities that have been carried out, including consistent measurement of the level of fire hazard (FDR). (OFI)

Status: Comply

7.12

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

7.12.1

Up to the audits there were no new planting activities after 15 November 2018, the company did not carry out any activities to clear new land or develop operating areas. PT. Budidaya Agro Lestari – Pelanjau Plantation does not expand the area of new plantations. There have only been replanting activities carried out since 2017. Meanwhile, PT SNP has not expanded any new plantation areas since November 2005. There have only been replanting activities carried out since 2016 at the Awatan Estate. Environmental impact studies from replanting activities have been included in the 2022 Semester I and II Environmental Implementation Reports (RKL/RPL).

As mentioned later on indicator 7.12.8, company already made an effort to disclose the liability by doing LUCA. However, the company has not been able to show evidence that the RaCP compensation plan has been approved by the RSPO because LUCA status still Pending LUCA review report from RSPO Reviewer.

Based on this statement, this has become the **non-conformity of indicator 7.12.8 (NCR-2020.04)**. Certification holder was recommended to always follow up the approval progress of the LUCA by RSPO Reviewer. However, up until this Audit ASA-1.1, ASA-1.2 & ASA-1.3, ASA-1.4 this non-conformity still allowed to remain OPEN until the next assessment, as detailed explanation can be seen at indicator 7.12.8.

7.12.2

There was no change in the identification of HCV for PT SNP listed in the HCV Identification document along with HCV maps conducted in 2010 by the PT Aksenta Consultant with coverage of field studies including areas within the HGU (8,406.21 Ha), Areas within the Location Permit (± 17,500 Ha) and areas outside the HGU. The areas determined as HCV at PT SNP which is:

| Location Name | HCV attribute | HCV Location Details | Total area (Ha) |
|-----------------------------|---------------|---------------------------------|-----------------|
| Lembiru Estate | | | |
| Bukit Seleming | 4.1, 4.2, 4.4 | Block D3D, Division Seleming | 22.54 |
| Riparian of river (Enclave) | 4.2, 4.4, 5 | Block F2C, Division Seleming | 13.18 |
| Riparian of Sekakai River | 4.2 | Lembiru Estate | 108 |
| Riparian of river (Enclave) | 4.4, 4.4, 5 | Block E7D, Division Batu Menang | 13.03 |
| Riparian of river (Enclave) | 4.2, 4.4, 5 | Block F9C, Division Bayu | 7.19 |

| | | | |
|-----------------------------|-------------|-----------------------------------|---------------|
| Riparian of river (Enclave) | 4.2, 4.4, 5 | Block G7D, Divison Bayu | 7.11 |
| Total Lembiru | | | 171.05 |
| Awatan Estate | | | |
| Riparian of river | 4.2, 4.4,5 | Block J1A, Division Beranyan | 41.89 |
| Riparian of river | 4.2, 4.4.5 | Block F1B, Division Permata | 20.85 |
| <i>Bukit Awatan</i> | 1.3, 4.2 | Block J2D, Division Beranyan | 380.57 |
| Riparian river (Enclave) | 1.3, 4.2 | Block G5C, Division Sungai Dua | 1.51 |
| Total Awatan | | | 444.82 |

Pelanjau Estate (PT BAL) can show the identification of HCV listed in the HCV Identification document along with HCV maps conducted in 2010 by the PT Aksenta Consultant with coverage of field studies including areas within the HGU (1,002.79 Ha), Areas within the Location Permit (\pm 8,500 Ha) and areas outside the HGU. The areas determined as HCV at Pelanjau Estate which is:

| Location Name | HCV attribute | HCV Location Details | Total area (Ha) |
|------------------------------|---------------|-----------------------------|-----------------|
| Pelanjau Estate | | | |
| Riparian of river | 4.2, 4.4 | Block C9/C10, Division 1 | 2.02 |
| <i>Bukit Kemalaman</i> | 1.3 | Block A15, Division 1 | 2.25 |
| Total Pelanjau Estate | | | 4.27 |

| Location Name | Total HCV area (Ha) |
|---|---------------------|
| Awatan Estate (PT SNP) | 444.82 |
| Lembiru Estate (PT SNP) | 171.05 |
| Total PT SNP | 615.87 |
| Pelanjau Estate (PT BAL) | 2.02 |
| Total PT BAL | 2.02 |
| Total HCV Area (PT SNP + PT BAL) | 617.89 |

The HCV assessment has involved consulting with relevant stakeholders. Available list of public consultations on 25 August – 3 September 2009 with 18 participants.

Based on explanation on 7.12.1, Certification Holder did not conduct any new land clearing above November 2018. Therefore, made the Certification Holder did not have any obligations to conduct HCS assessment since this assessment only required for any land clearing after 15 November 2018.

7.12.3

Based on the document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover country, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia. Thus, made this indicator was not applicable.

7.12.4

The company has developed a 2022/2023 HCV management plan matrix consisting of rare, threatened or endangered species, river buffer zones, reservoir buffer zones, and local identities. The company has also issued a policy for any illegal or inappropriate hunting, fishing or gathering activities, and developed a policy on responsible measures to resolve human-wildlife conflicts by 12 August 2019. This policy was developed with the participation of stakeholders. Management plan 2022/2023 which includes appropriate management and monitoring to maintain the attributes of HCVs and RTE species. The management plan contains the type of activity, time, PIC and location.

The company establishes an HCV management plan to maintain HCV areas in the operational areas listed in the 2022/2023 HCV Management Plan document. Implementation of HCV management and monitoring carried out by management units such as maintaining HCV attributes (HCV boundaries, signboards), HCV outreach (community and workers), guarding HCV areas, routine patrols to maintain HCV security, species monitoring, enrichment on river banks.

The results of document verification and field visits show that the company has managed HCV areas such as monitoring flora and fauna, enriching plants on the border, installing signboards and boundary signs, patrolling HCV areas and so on. As part of this management, the company has prepared an HCV management report for the 2022 period, but this report only explains the company's organizational structure, the attached HCV map and the table of flora and fauna monitoring results (without any informative explanation).

Related to the explanation above, companies are encouraged to prepare reports on the management of protected areas and HCV areas in a systematic manner, describing the realization of the activities carried out including the types of activities, activity locations, activity measurement units and implementation time and evaluation of implementation, as a basis for preparing management plans for the next period. **(OFI)**.

7.12.5

In previous assessment there is OFI where based on the HCV management plan document, it is known that there are several HCV areas in the occupied territories. In this regard, the company has carried out the latest outreach activities on January 10, 2023, to the surrounding community, one of which is Dusun Brayon, which among other things discusses plans for a joint agreement between the community and the company to jointly protect and protect conservation areas in and around the company. Especially those owned by the community. Based on the results of field visits to HCV areas that are located or adjacent to community areas, for example riverbanks and Bukit Batu, as well as grave sites in blocks L32/L206, it is known that the condition of these areas is still well maintained, and the grave sites are labelled with the name of the location and Grave site security fence.

Based on the results of interviews with company representatives, it was explained that in the management of HCV there was an agreement, one of which was marking the location and installing fences at the grave sites, this had been carried out by the company in accordance with the agreement with the community

7.12.6

The company has a flora and fauna monitoring program which is scheduled once every 1 (one) month to update flora and fauna data found in the company area. The monitoring results are summarized in the PT Sandika Natapalma environmental management and monitoring plan Report document for the first and second semesters of 2022, the report obtained the results of identification of flora and fauna in the company area, including:

- Flora: Consists of 14 plant species, including *Ulin (Eusideroxylon zwageri)*, *Tengkawang (Shorea stenoptera)*, *Kempas (Koompassia malaccensis)*, *Jelutung (Dyera costulata)*, and *Nepenthes (Nepenthes sp.)*.
- Fauna: Consisting of 8 species of birds, 10 species of mammals, including the *Elang hitam (Ictinaetus malyensis)*, *Sepah tulin (Pericrotus igneus)*, and *trengiling (Manis javanica)*. *Kelempiau (Hylobates albibarbis)*, monitor *biawak (Varanus salvator)*.

Based on interviews with harvest workers in block K31, spraying in block M14, and fertilizer in block M19 Awatan estate, it is known that they know and understand about protected RTE species in the company's HCV area.

The results of document verification and field visits show that the company has managed HCV areas, such as monitoring flora and fauna. However, the monitoring results of the activities carried out by the company are still limited to tables of flora and fauna monitoring results (without any informative explanation).

Regarding the explanation above, companies are encouraged to ensure that the results of monitoring animals and plants are identified as having a protected status in accordance with the references to national regulations that apply to IUCN and CITES which can be one of the considerations in a protected animal and plant management program, including the preparation of a program to educate staff regarding the status of RTE species. **(OFI)**.

7.12.7

The Certification Unit shows documentation of the implementation of HCV management and monitoring in 2021 which contains several activities in accordance with the plans they have. Some of the activities that have been carried out include:

- Installation of HCV signboards and its monitoring
- Signboard Repair
- Monitoring conservation areas with area patrols and inspections
- Yearly Identification of flora and fauna found in company's HCV area
- Monitoring of protected flora and fauna
- Outreach to employees and the community to socialize about HCV area and its Buffer zone.

Based on the results of field visits to HCV areas in several LBE and AWE areas (PT SNP) and PJE (PT BAL) found that : Sekakai river border, block 036/037 Division IV Lembiru Estate and block J 26/J27 Awatan Estate Division III, HCV area is still in good condition with no signs of damage. Signs of prohibited areas for fertilizing activities were also found plastered on trees near the riverbank. Based on interviews with HCV area officials, it is known that there is a timber plantation enrichment program.

Based on field observations, it is known that HCV areas are in protected condition, riparian areas and springs are protected by allowing these areas to grow with natural shrubs.

7.12.8

PT BAL has reported LUCA on August 28, 2015, until the audit activities take place, there is no concept note approved by RSPO.

Based on the Email from the Head of Sustainability of SDP on May 9, 2019, to the RSPO secretariat, explained the results of the meeting between the SDP and the RSPO secretariat which explained that SDP was given 1 year for all nonconformities in the indicator 7.3.1. so that this non-conformity is given until ASA-1.1

During ASA – 1.1 the company shown LUCA progress, by SDP LUCA Report Review Status document a explain:

- Final conservation liability 62.65 Ha.

- LUCG checklist/ clarification required date 4 January 2019.
- Status reverts to RSPO date 8 April 2019.
- Report review received from RSPO date 31 October 2019.
- Status reverts to RSPO date 21 February 2020.
- Until the ASA 1.1 audit Pending LUCA review report from RSPO reviewer.

Management unit has been shown an email from RSPO on 18 February 2022 which state that “The review process of the LUCA status of PT Budidaya Agro Lestari is still in progress with email details as follows down below”:

Dear Pak Alagendran,

First of all, thank you for being patient with us.

After reviewing your request and doing some internal checking within our team, herewith our response to you.

We take consideration to provide a Conditional Approval as referring to the previous Advisory Note that we had provided to you before. This considering that the Advisory Note was given for the first case that came to us, and when the continuation of the previous approval for the similar case, we only give you through the conditional approval.

Now, this Conditional Approval would only be given for those Management Units that have been certified before to allow the Company to complete the RaCP process and continue the Annual Surveillance Assessment (ASA) and/or Recertification. And this will only be valid until the next 6 months from the date of this email. From time to time, we will review all the progress and status of the Certification and RaCP process for the particular certified management units, and we may revoke this conditional approval if any issues happen that may heavily threaten the integrity of RSPO standard requirements.

While for the uncertified management units, The Initial Certification audit may be conducted, but the Certificates can only be issued when the completion of the RaCP Process (i.e approval of Compensation and Remediation Plans) is approved by the Compensation Panel.

The following, extracted from our Sales Force database (as per last week), is the list of all Management Units under your Sime Darby Operation in Indonesia with detailed status of Certification and RaCP process.

Based on the explanation above this non-conformity is still allowed to remain **OPEN** until the next assessment.

Update information on audit 1.4 in 2023,

The management unit showed an email from RSPO dated January 23, 2023, stating that the LUCA review process for PT Budidaya Agro Lestari is still in progress with an explanation of PT Budidaya Agro Lestari- Proceed with follow-up audit however, the NC will remain open until the next ASA and the management unit should provide an update for action/ pending clarifications to the RSPO Secretariat in the next 6 months”. Based on that’s explanations the non-conformity still open (NCR No 2020.04).

| | | |
|--------|---|--|
| 7.12.8 | Status: Non-Conformity No. 2020.04 with Major Category | |
|--------|---|--|

3.2 Conformity Checklist of Certificate and Trademark Use

| 1. | Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client | X or√ |
|----------------|--|--------------|
| ASA-1.4 | PT SNP do not use RSPO Trademark and CB Logo, However PT SNP has had a trademark license under Sime Darby Plantation Berhad Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 2. | Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use | X or√ |
| ASA-1.4 | PT SNP do not use RSPO Trademark and CB Logo, However PT SNP has had a trademark license under Sime Darby Plantation Berhad Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Trademark is not used on product | X or√ |
| ASA-1.4 | PT SNP do not use RSPO Trademark and CB Logo, However PT SNP has had a trademark license under Sime Darby Plantation Berhad Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Trademark, including withdrawing inappropriate logo. | X or√ |
| ASA-1.4 | PT SNP do not use RSPO Trademark and CB Logo, However PT SNP has had a trademark license under Sime Darby Plantation Berhad Group number RSPO – 1106024. | √ |
| | Status: Comply | |

3.3 Summary of RSPO Partial Certification.

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

Sime Darby Plantation Berhad Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Berhad has informed the Time Bound Plan progress through representative’s office in Indonesia. MUTU has considered that Sime Darby Plantation Berhad is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Berhad Indonesian representative on January 2022 by the Head of Sustainability & Quality Management.

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

MUTU Auditor has verified company partial certification and concludes that:

- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There are no labor disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

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

| Un-Certified Units or Holdings | | |
|--------------------------------|---|---|
| Section | Requirement | Concerns to Discuss, if any |
| | <ul style="list-style-type: none"> Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <p>RSPO.</p> <p>Auditor Verification: Sime Darby Plantation Berhad sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Bhd is having been sent the 19 reports of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>Company Group/Holding Statement: No new plantings. As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</p> <p>Auditor Verification: Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP it will be object of sanction.</p> |
| 2.1.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>Company Group/Holding Statement: The group has land conflict procedure in place. No Land conflict registered with RSPO Complaints System. No outstanding complaints with the RSPO.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement and there is no conflict in uncertified area.</p> |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p> |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p> |

| Un-Certified Units or Holdings | | |
|--------------------------------|-------------|--|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 5,815 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 890 Ha |

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

3.4.1. Identification of Findings, Corrective Actions and Opportunity for Improvement and Noteworthy Positive Components at On-site Audit ASA 1.3

| NCR No. | : 2022.01 | Issued by | : Bayu Yogatama dan Rindu Galih Rezza Rachmansyah | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------------------|--|-------------------------|-----|-----|-----|-----|---|---------------------|--------------------|-------------------------|-------------------------|---|--------------------------|------------------------|------------------------|-------------------------|---|--|----------|-------------------------|-----------------------|---|--|-------------------------|------------------------|--|---|--|-------------|-----------------------|--|---|--|------------------------|--|--|
| Date Issued | : 24 July 2020 | Time Limit | : 29 June 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NC Grade | : Minor raised to Major | Date of Closing | : 28 June 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Standard Ref. & Requirement | 2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Evidence observed (filled by auditor):</p> <p>Remote Audit Based on the document review, it is known that several activities were submitted to third parties / contractors, for example for spraying, loose fruit picker, and FFB transport. The relationship between the company and the contractor is stipulated in the Cooperation Agreement that has been agreed by both parties. In the agreement letter shown, for example SPK No26 / PJE / SPK-ATC.MRU / VI / 2020-Spraying there is no specific regarding the compliance of applicable legal obligations. In addition, there is no evidence of compliance with regulations by the third party (contractor) concerned, for example in terms of health and employment insurance, as well as the implementation of OHS aspects.</p> <p>Onsite Audit Based on the results of document review, it is known that there are several jobs in the management unit that are handed over to third parties / contractors. For example replanting work, transporting CPO and PK. There are several third parties registered in each unit as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>LBF</th> <th>LBE</th> <th>AWE</th> <th>PJE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CV. Transpilar Tiga</td> <td>CV. Enggang Borneo</td> <td>PT. Meta Estetika Graha</td> <td>PT. Meta Estetika Graha</td> </tr> <tr> <td>2</td> <td>CV. Anugrah Putra Sejati</td> <td>CV. Disha Rafa Mandiri</td> <td>CV. Tangga Batu Permai</td> <td>PT. Roswell Karya Abadi</td> </tr> <tr> <td>3</td> <td></td> <td>CV. Rifa</td> <td>PT. Roswell Karya Abadi</td> <td>PT. Karya Murni Prima</td> </tr> <tr> <td>4</td> <td></td> <td>CV. Ridzki Putra Bungsu</td> <td>CV. Tunas Inti Pratama</td> <td></td> </tr> <tr> <td>5</td> <td></td> <td>CV. Anaroga</td> <td>PT. Karya Murni Prima</td> <td></td> </tr> <tr> <td>6</td> <td></td> <td>CV. Tangga batu Permai</td> <td></td> <td></td> </tr> </tbody> </table> <p>For example, SPK No. 009/Replanting/SNP-AWE-LBE/VI/2018 dated 29 June 2018 between PT Sandika Nata Palma and PT Roswell for replanting activities in the AWE, PJE, and LBE areas with a validity period of up to 31 December 2021. Those who received revisions and contract extensions through LOA No. O/Ref: 005/MMTC-AWD/VII/2020/Plant until December 2023. In the contract it has included several obligations related to compliance with regulations starting from BPJS participation, use of PPE, SIO ownership, SIM and so on according to applicable law in Indonesia. Indonesia.</p> <p>Management unit shows PT RKA's Replanting Work Evaluation & Report Card document period of July 2021. Contents of the evaluation of activities carried out are more focused on technical replanting work carried out by PT RKA but have not included evaluation or monitoring related to compliance with regulations (laws) carried out by contractors such as BPJS Payments to RKA Workers, Monthly Wage payments, provision of PPE, ownership of SIO (work permit) for each Operator.</p> <p>Non-Conformance Description (filled by auditor):</p> | | | | No. | LBF | LBE | AWE | PJE | 1 | CV. Transpilar Tiga | CV. Enggang Borneo | PT. Meta Estetika Graha | PT. Meta Estetika Graha | 2 | CV. Anugrah Putra Sejati | CV. Disha Rafa Mandiri | CV. Tangga Batu Permai | PT. Roswell Karya Abadi | 3 | | CV. Rifa | PT. Roswell Karya Abadi | PT. Karya Murni Prima | 4 | | CV. Ridzki Putra Bungsu | CV. Tunas Inti Pratama | | 5 | | CV. Anaroga | PT. Karya Murni Prima | | 6 | | CV. Tangga batu Permai | | |
| No. | LBF | LBE | AWE | PJE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | CV. Transpilar Tiga | CV. Enggang Borneo | PT. Meta Estetika Graha | PT. Meta Estetika Graha | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | CV. Anugrah Putra Sejati | CV. Disha Rafa Mandiri | CV. Tangga Batu Permai | PT. Roswell Karya Abadi | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | CV. Rifa | PT. Roswell Karya Abadi | PT. Karya Murni Prima | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | CV. Ridzki Putra Bungsu | CV. Tunas Inti Pratama | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | | CV. Anaroga | PT. Karya Murni Prima | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | | CV. Tangga batu Permai | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

The company has not been able to show sufficient evidence that the fulfilment of the clause as written in contract has been proven to be fulfilled by the concerned third party.

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

- The company has not carried out an evaluation of legal compliance until 2021, the evaluation is only carried out on work results, this is because the company assumes that the RKA contractor will comply with regulations (law) because RKA has signed an integrity plaque which in the integrity facts states that RKA will make payments for BPJS, K3 and operator licenses, apart from that until 2021 the company will only carry out socialization and confirmation of contractors including RKA to carry out legal compliance.
- Most of the contractors who work with the company are local contractors who lack knowledge regarding the regulations that apply in Indonesia.

Correction *(filled by organization audited):*

- The company has revised the contractor evaluation. Starting in 2022, the evaluation carried out will be related to technical work in the field and evaluation of the contractor's fulfillment of legal compliance, where in this case, apart from implementing work techniques according to targets and the quality of work results, contractors are obliged to pay BPJS for their employees. Must have a license, contractors are required to provide PPE for their employees.
- The company will provide guidance and supervision to all local contractors regarding compliance with applicable regulations.
- The company will provide assistance to local contractors to comply with company regulations such as not employing minors, BPJS employment and health obligations, PPE, operator's license (SIO) and payment of adequate wages in accordance with applicable regulations.
- The company will create a monitoring system for local contractors to comply with applicable regulations.

Corrective Action *(filled by organization audited):*

- The company management will carry out routine monitoring of the implementation of contractor evaluations both on work quality and implementation of human rights, K3 and other rights related to employee protection every three months.
- The company has carried out outreach regarding compliance with regulations such as the use of PPE, human rights and regulatory compliance to all contractors working for the company.
- The company has created a periodic monitoring mechanism for contractors regarding compliance with regulations once a month.
- The company has appointed a PIC to supervise the performance of all contractors in order to comply with applicable regulations.

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

Verification 11 April 2022

The management unit shows evidence of improvements, including:

- Vendor Integrity Pledge a.n PT RKA
- Socialization on the use of PPE, Human Rights & Work Compliance to Heads, Foremen, Operators and Replanting Helpers (contractors) in Block E21 Pelanjau Estate on March 9 2021 was attended by 5 participants.
- Replanting Work Evaluation & Report card dated 1 January 2022 – 31 March 2022 at Awatan Estate.

Please answer some of the auditor's comments as follows:

- Please fix the root of the problem, what is the cause that hasn't been done? Lack of understanding, system that doesn't yet exist or something similar.
- What about other contractors, do other contractors in the certification unit receive the same treatment as PT RKA, if yes, please show the documentation.
- Please attach the documents checked in the Replanting Work Evaluation & report Card form for work completed on March 30 from the list of names of contractor workers, proof of BPJS payment, SIO, SIM, etc. so that it is declared fulfilled by management.

Based on the root cause analysis, corrections and corrective actions submitted, nonconformity 2022.01 is declared not yet met. Please answer and attach additional evidence according to the auditor's comments and questions.

Verification, 20 March 2023.

- Inter - Office Mail document from the Chairman of SOU 13 Marau Zone on January 2 2023 relating to the Appointment of a PIC for Monitoring Legal Complaints against Contractors with the appointed party being the KTU/Kasie in each unit.
- Proof of Payment of Social Security and Health Organizing Bandan Contributions for the January & February 2023 Period for CV Trans Pilar Tiga (no information on how many workers, whether the workers are employed by SNP-BAL or not)
- Proof of payment of contributions from the CV Enggang Borneo Employment Social Security Administration for the period February 2023 with a total payment of IDR 3,887,880. (no information on how many workers, whether the workers were employed by SNP-BAL or not)

Please answer some of the auditor's comments from the previous verification in April 2022:

- Please fix the root of the problem, what is the cause that hasn't been done? Lack of understanding, system that doesn't yet exist or something similar.
- What about other contractors, do other contractors in the certification unit receive the same treatment as PT RKA, if yes, please show the documentation.
- How many active contractors are there currently at PT SNP-BAL?
- Please attach the documents checked in the Work Evaluation & report Card form for all currently active contractors, consisting of a list of names of contractor workers, proof of BPJS payment, SIO, SIM, etc. so that they are declared fulfilled by management.

Based on the root cause analysis, corrections and corrective actions submitted, nonconformity 2022.01 is declared not yet met. Please answer and attach additional evidence according to the auditor's comments and questions.

Virification, 31 March 2023

During audit activities, the company has provided additional evidence of improvement as follows:

- List of stakeholders of PT Sandika Natapalma and PT Budidaya Agro Lestari which was ratified on March 30 2023 which contains an update on the number of third parties who have collaborated with the company over the past year. Based on this document, currently the certification unit only has 4 third parties who collaborate in the company's operational activities, namely PT Roswell Karya Abadi (Replanting Contractor), CV Anaroga (Brondolan Quotation Contractor), CV Trans Pilar Tiga (CPO Transporter) and CV Anugrah True Son (PK Transporter). For third parties who were present at the time of the previous audit activity other than those mentioned, they will no longer collaborate with the company since the end of 2022.
- The Vendor Business Code of Ethics issued by Sime Darby Plantation in the "General Principles of Vendor Business Code of Ethics" section explains that you are required to comply with all applicable policies, procedures, laws and regulations in any country (including Indonesia). To ensure that vendors understand this, the vendor has signed the Vendor Integrity Pledge (Vendor Integrity Plaque) in which the vendor promises, acknowledges and agrees to the matters stated in the Vendor's Business Code of Ethics.
- Proof of completeness of regulatory compliance for PT Roswell Karya Abadi, namely:
 - ❖ Replanting Work Evaluation & Report Card document in 2022, the result of which is that the contractor received a performance evaluation score for work quality of "Good" and the time frame for completing the work and others received a score of "Fulfilled". Apart from that, there is also a Summary of Evaluation on Contractors Adherence to Safety Procedure which includes 6 assessments of regulatory compliance and the company has fulfilled 5 assessments (BPJS Health, BPJS Employment, No Child Labor, Wages and PPE) and there is still 1 assessment that has not been fulfilled, namely related to the SIO (Operating Permit).
 - ❖ The list of workers for the February 2023 period consists of 19 workers and none of them are under 18 years of age.
 - ❖ Proof of BPJS Health and BPJS Employment payments for 19 people in the February 2023 period on February 10, 2023.
 - ❖ Proof of wages for one worker in the February 2023 period whose wages exceed the minimum wage set by the government in 2023 for Ketapang Regency.

- ❖ Monitoring form for compliance with OHS implementation and use of PPE while working, with the result that all workers have complied with using PPE.
- ❖ Letter No. 023/SERT-MDS/III/2023 dated 21 March 2023 from PT Multi Prima Daya Perkasa regarding Certificate of Training, Development and Certification of Lift and Transport Aircraft Operators for PT Roswell Karya Abadi which explains that the company has registered its workers to take part in certification training for Operators There are 4 Excavator workers, 1 Bulldozer Operator, 1 Vibro Compactor Operator and 1 Motor Grader Operator.
- Proof of complete compliance with regulations for CV Anaroga, namely:
 - ❖ Loose Fruit Evaluation & Report Card Quote Document in 2022, the result of which is that the contractor received a performance evaluation score for work quality of "Good" and the time frame for completing the work and others received a score of "Satisfactory". Apart from that, there is also a Summary of Evaluation on Contractors Adherence to Safety Procedure which includes 4 assessments of compliance with regulations and the contractor has fulfilled all assessments (BPJS, No Child Labor, Wages and PPE).
 - ❖ The list of workers for February 2023 is for 15 workers and none of them are under 18 years of age.
 - ❖ Proof of BPJS Employment payment for 15 people in the February 2023 period on March 6 2023, but for BPJS Health it cannot be shown that the fulfillment has been met.
 - ❖ Proof of wages for 15 workers in the February 2023 period whose wages exceeded the minimum wage set by the government in 2023 for Ketapang Regency.
 - ❖ Monitoring form for compliance with OHS implementation and use of PPE while working, with the result that all workers have complied with using PPE.
- Proof of completeness of compliance with regulations for CV Anugrah Putra Sejati, namely:
 - ❖ Transporter Evaluation & Report Card document in 2022, the result of which is that the contractor received a performance evaluation score for work quality of "Good" and the time frame for completing work and others received a score of "Fulfilled". Apart from that, there is also a Summary of Evaluation on Contractors Adherence to Safety Procedure which includes 5 assessments of compliance with regulations and the contractor has fulfilled 3 assessments (No Child Labor, Wages and PPE) and there are still 2 assessments that have not been fulfilled, namely (BPJS Health and Employment).
 - ❖ The list of workers for February 2023 is for 5 workers and none of them are under 18 years old.
 - ❖ Statement Letter dated March 28 2023 from the contractor stating that currently the workers do not have BPJS Health or Employment and it is still being processed (proof of processing has not been shown).
 - ❖ Proof of wages for 5 workers in the February 2023 period whose wages exceeded the minimum wage set by the government in 2023 for Ketapang Regency.
 - ❖ Monitoring form for compliance with OHS implementation and use of PPE while working, with the result that all workers have complied with using PPE.
- Complete proof of compliance with regulations for CV Trans Pilar Tiga, namely:
 - ❖ Transporter Evaluation & Report Card document in 2022, the result of which is that the contractor received a performance evaluation score for work quality of "Good" and the time frame for completing work and others received a score of "Fulfilled". Apart from that, there is also a Summary of Evaluation on Contractors Adherence to Safety Procedure which includes 5 assessments of compliance with regulations and the contractor has fulfilled 3 assessments (No Child Labor, Wages and PPE) and there are still 2 assessments that have not been fulfilled, namely (BPJS Health and Employment).
 - ❖ The list of workers for February 2023 is for 10 workers and none of them are under 18 years of age.
 - ❖ Statement Letter dated March 28 2023 from the contractor stating that currently the workers do not have BPJS Health or Employment and it is still being processed (proof of processing has not been shown).
 - ❖ Proof of wages for one worker in the February 2023 period whose wages exceeded the minimum wage set by the government in 2023 for Ketapang Regency.
 - ❖ Monitoring form for compliance with OHS implementation and use of PPE while working, with the result that all workers have complied with using PPE.
- Furthermore, there is also evidence of improvement in the form of:
 - ❖ Flow chart of compliance with contractor regulations
 - ❖ Examples include outreach to contractors, but the outreach carried out is still limited to outreach on PPE, human rights and work conditions

- ❖ Timeline Plan for Socialization of Fulfillment to Local Contractors which is scheduled for December 2022, April 2023 and May 2023.

From the proof of improvement sent, the discrepancy in this indicator has not been declared fulfilled because:

- There is no evidence yet that all contractors have complied with the relevant regulations, for example proof of payment for BPJS Employment and Health. This is also proven based on the results of interviews with third parties, namely CV Trans Pilar Tiga and Anugrah Putra Sejati, stating that the ownership of BPJS workers has not been registered by the party transporter.
- Identify contractor fulfillment/compliance with agreed regulations and integrity pacts
- Facilitation efforts/steps from the company to local business units to comply with applicable regulations.

Based on the explanation and proof of improvement above, this nonconformity is declared not yet fulfilled and the grade of this nonconformity which was previously Minor becomes Major.

Verification, 05 April 2023

The company has made changes to the root of the problem, corrective and corrective actions to resolve non-conformities that existed when the assessment activities were carried out. Apart from that, the company also shows several other supporting documents, namely:

- Letter No. 017/SNP-BAL/INT/II/2022 dated 03 March 2023 from PT Sandika Natapalma to CV Anugrah Putra Sejati regarding Warning Letter 1, the letter explains that the contractor has been given 2 weeks (starting from the time the warning letter was given) to carry out BPJS Health and Employment administration.
- Business Entity Registration Form to register to become a Member of BPJS Employment which has been filled in as of 03 April 2023 by the Director of CV Anugrah Putra Sejati and proof of payment of BPJS Employment contributions for the period April 2023 on 03 April 2023 via bank transfer.
- Proof of payment of BPJS Employment contributions for the period April 2023 for CV Trans Pilar Tiga on April 3 2023 and showing 4 (four) BPJS Employment Participant Cards for the workers (Sofyan Widodo, Ranto, Dedi Maryadi and Agus Riadin).

Based on the evidence of improvement above, there are still several shortcomings that must be pointed out by the company, namely:

- Evidence of the company's facilitation efforts for all contractors to comply with applicable regulations.
- Identify fulfillment/compliance for all contractors collaborating with the company.
- The 1st warning letter given to CV Annugrah Putra Sejati was not in accordance with the Regulatory Compliance Mechanism Flow Chart which was shown to the auditor during the audit activity and the warning letter was also not shown during the audit (the provisions in the warning letter also did not exist follow up). Please explain the reason.
- We cannot give the warning letter to the auditor because the letter is still with the contractor and has not been returned to the LBF
- Other fulfillments such as:
 - ❖ CV Anaroga to fulfill BPJS Health for 15 of its workers.
 - ❖ CV Trans Pilar Tiga to fulfill BPJS Employment for 6 of its workers (which was shown only for 4 people) and proof of fulfilling BPJS Health for 10 of its workers.
 - ❖ CV Anugrah Putra Sejati to fulfill BPJS Employment for 5 of its workers (only proof of payment has been shown, but there is no proof of how many people were paid/registered yet) and proof of fulfilling BPJS Health for 5 of its workers.

Based on the explanation above, this discrepancy is still declared Not Fulfilled.

Verification, 04 May 2023

The company has shown some additional evidence of improvement such as:

- Revised Flowchart Document for Fulfillment of Contractor Regulations which explains that the Head of Section is tasked with verifying regulatory documents, the Manager approves the existing compliance documents if they have been fulfilled, and if all of them have been fulfilled then the contractor can continue working. When the evaluation

is carried out, the compliance/compliance will be reassessed, if it is not met/complied with then a Warning Letter will be given to comply immediately, if after that improvements are not made then the contract will be terminated.

- The BPJS Health compliance document for CV Anaroga is ownership of a Healthy Indonesia Card (KIS) for 14 workers (The number of CV Anaroga workers registered with the company is 15 people, but only 14 people are shown, there is still a difference of 1 worker) .
- BPJS Health virtual account document for CV Anugrah Putra Sejati with Business Entity Code No. 02620495 and filled in the registration form for 5 workers at BPJS Health, but the worker registration document was incomplete and it could not be proven that the document was a valid document (no signature from the party applying, no date of submission, no proof of handover registration and other documents).
- Registration documents for as many as 6 CV Trans Pilar Tiga workers at BPJS Employment and proof of BPJS Employment payment for as many as 10 workers for the May 2023 period on April 17 2023. For BPJS Health only a certificate of transfer of PBI participants (Contribution Assistance Recipients) to PPU is shown. (Wage Receiving Workers) for only 3 workers, whereas in the excel recapitulation 4 people were successfully registered and the remaining 6 people failed.
- We cannot give the warning letter given to CV Anugrah Putra Sejati to the auditor because the letter is still with the contractor and has not been returned to LBF. Therefore, the company can only show it when the audit activity is completed.

Based on the evidence of improvement above, there are still several shortcomings that must be pointed out by the company, namely:

- Evidence of the company's facilitation efforts for all contractors to comply with applicable regulations.
- Identify fulfillment/compliance for all contractors collaborating with the company.
- Other fulfillments such as:
 - ❖ CV Anaroga to fulfill BPJS Health for 1 worker according to the proof of improvement described above (of the total of 15 new workers, only 14 workers can be shown).
 - ❖ CV Trans Pilar Tiga to fulfill BPJS Health for 10 workers, please show the documents in a comprehensive and well-arranged manner. (The files between one another are not clear).
 - ❖ CV Anugrah Putra Sejati to fulfill BPJS Employment for 5 of its workers (only proof of payment has been shown, but there is no proof of how many people were paid/registered yet) and proof of fulfilling BPJS Health for 5 of its workers.
- Please provide a clear and well-arranged file title for each corrective document sent so that auditors do not make mistakes or make mistakes when carrying out verification. (Please pay attention)

Based on the explanation above, this discrepancy is still declared Not Fulfilled.

Verification, 28 June 2023

The company has shown some additional evidence of improvement such as:

- The company's efforts to facilitate all collaborating contractors are in the form of guidance and this was socialized on 06 and 20 May 2023 regarding the provisions that must be fulfilled by contractors and the provision of assistance from the company to complete them. The socialization was attended by collaborating contractors such as CV Trans Pilar Tiga, CV Anaroga and CV Anugrah Putra Sejati.
- Document identifying relevant regulations for contractors collaborating with companies, in which there are 7 regulations that must be fulfilled, including regulations related to employment, K3 and others.
- Fulfillment of BPJS Health for workers from CV Anaroga, all of whom (15 workers) have registered, with details of 14 people registered as PU participants (Wage Recipients) and 1 person registered as a PBI participant (Contribution Assistance Recipient).
- Fulfillment of BPJS Health for workers from CV Trans Pilar Tiga where there are 6 workers who have been registered and shown proof of payment for the period May 2023 on May 10 2023. As many as 4 other workers have been registered in the PBI (Contribution Assistance Recipient) membership from the party Regional Government and can show their Membership Card.
- Fulfillment for 5 CV Anugrah Putra Sejati workers for BPJS Employment has been shown for proof of payment on April 3 2023 and the payment details for 5 workers are clear. For BPJS Health, 3 workers have been successfully registered and proof has been shown of having registered with BPJS Health in May 2023 and payment bills will

be collected on the 10th of the following month (June 2023). Meanwhile, the other 2 workers have been registered as PBI participants (Contribution Assistance Recipients) and can show their membership cards.

- Regarding notification letters and warning letters for contractors other than CV Anugrah Putra Sejati, the company has not had time to do so. However, the company has provided socialization as guidance for other contractors so that they do not receive a notification/warning letter as happened to CV Anugrah Putra Sejati (proof of socialization of guidance has been explained in the first point).

Based on the explanation and evidence of improvement shown above, this nonconformity is declared to have been fulfilled and will be again observed in the next assessment regarding the consistency of implementing relevant regulatory compliance in accordance with the established mechanism.

Verified by

Bayu Yogatama dan Rindu Galih Rezza Rachmansyah

| | | | |
|--|--|------------------------|-------------------|
| NCR No. | : 2022.02 | Issued by | : Septian Maulana |
| Date Issued | : 25 March 2022 | Time Limit | : 23 June 2022 |
| NC Grade | : Major | Date of Closing | : 29 April 2022 |
| Standard Ref. & Requirement | : 3.6.2 The effectiveness of the H&S plan to address health and safety risks to people is monitored | | |
| <p>Evidence observed (filled by auditor): In the H&S procedures and guidelines owned by the company, containing this follow information:</p> <ul style="list-style-type: none"> • TQEM Field Assistant Work Guidelines Number 721/TQEM-PKA/08 dated 12 June 2008 include this following information: <ul style="list-style-type: none"> - H&S implementation checks are carried out once a month - Checking the condition of H&S equipment (fit/not suitable for use) and the use of H&S equipment (used/not used) - Availability checking of active fire protection equipment (Alarm, APAR, Hydrant, Sprinkler) and first aid kit • PT Sandika Natapalma's company occupational health and safety development committee program in 2022, explains: <ul style="list-style-type: none"> - Minimize the occurrence of work accidents - Minimize the occurrence of spills - Reduce the potential for snake attacks and land fires; and - Preparation of the program the 2023. <p>From the results of field visits and interviews with workers, the following facts were found:</p> <ul style="list-style-type: none"> • Incomplete/expired first aid kits and unprepared emergency response facilities <ul style="list-style-type: none"> - Hazardous Temporary Storage at LBF → Found the contents of the first aid kit that had expired (Povidon Iodine, alcohol, aquades, etc). - Daycare at LBE → found the contents of the first aid box that had expired (alcohol). - Fertilizer warehouse at LBE → Fire Extinguisher with the condition that the pressure needle is in red;The monitoring card shows the last inspection was in October 2021. - Pesticide warehouse at LBE → Body Shower and Eye Wash are not ready to use with low water pressure (takes a while for the water to come out and the water pressure remains low). • Incomplete Operator License: <ul style="list-style-type: none"> - From the list of employees and interview results, it is known that the Engine Room station consists of 3 shifts and is guarded by 1 operator per shift. A license has been shown for 1 operator while the other 2 operators are still in the training plan (recorded communication via whatsapp application with OHS Service Company regarding the training implementation on March 24, 2022 and price quote from OHS Service Company number 296/IFI-K3/2022/PNK on 25 March 2022 as approved by Area Controller). - Based on the results of the field visit, it was found that the Engine Room Station operator did not come to work and his duties were replaced by the foreman, but the foreman did not yet have an SIO/Genset Operator License, so the equipment was operated by an unlicensed operator. <p>Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that it has fully implemented the established OHS/H&S plan and has consistently monitored and evaluated the effectiveness of the plan.</p> <p>Root Cause Analysis (filled by organization audited):</p> <ul style="list-style-type: none"> • The contents of the first aid kit at LBF were found which had expired due to negligence • The engine station operator at LBF who was licensed that day was unable to enter because of an accident, so at that time a foreman on behalf of Kusnadi was appointed to replace him with the consideration that the foreman had experience in engine room operations and had already received an Operator License for Generator Operators, but currently the Operator License is no longer available. active again as of May 2021 and in the process of managing an extension • Lack of control carried out by warehouse officers related to the readiness of facilities and infrastructure | | | |

Correction (filled by organization audited):

- LBE & LBF Team Complete the first aid kit monitoring documents
- The LBE team has replaced the expired first aid kit (Alcohol)
- The LBE team has replaced it with a new fire extinguisher
- LBE Team Re-organize OHS Committee meetings and complete the minutes of the meetings.
- LBE & LBF Team Issued a warning letter to the first aid officer for his negligence.
- LBF has submitted an extension and a new Operator License submission for the generator engine room operator.
- The LBE team repaired the water installation for Body Shower and eye wash and it is ready for use. As a control, weekly monitoring is made which is filled in by the warehouse officer (User Check List).

Corrective Action (filled by organization audited):

- The LBE Team Re-trained the PIC for monitoring the first aid kit and firefighters (Safety Officer) by OHS General Experts.
- The LBE Team makes a schedule for checking the first aid kit and fire extinguisher which is carried out by the Safety Officer every month, accompanied by an inspection report (report to OHS General Experts).
- The Safety Officer will monitor the existing Operator License status at LBF either for an extension of the active period or new submissions for each station that does not yet have an Operator License.
- OHS General Experts re-do refresh training to Pesticide Warehouse Officers related to safety facilities in the Pesticide Warehouse area, how to use them and document control or monitoring that is carried out on a weekly basis. Monthly monitoring will be carried out by the Safety Officer.
- Corrective actions related to the persistence of inconsistencies in the implementation of OHS in each unit will be evaluated by the OHS Committee team. The evaluation is stated in the OHS program. The RSQM team will conduct an assessment and monitoring of the OHS program. The RSQM team will also assist in the evaluation so that the implementation of the OHS program can run well and achieve the goals desired by management.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on April 16, 2022

The unit of certification has identified root cause analysis and corrective actions, in addition to showing evidence of improvement including:

- Proof of purchase and renewal of first aid kit items.
- Extinguisher replacement.
- Identify the training needs of prospective licensed operators.

Unit of Certification not yet inform about:

- The readiness of Body Shower and Eye Wash.
- Establish P2K3 program or the OHS program.

Auditor's Conclusion:

Based on the results of the verification of the identification of the root problem analysis and corrective actions as well as the evidence of improvement shown, **the non-conformance is declared unfulfilled.**

Verification on April 29, 2022

The company shows additional evidence of improvements in the form of:

- ESH checklist which includes checking BSS, BMS, and the readiness of infrastructure.
- Eye wash maintenance and checking training on January 6, 2022 for warehouse staff.

Auditor's Conclusion:

Based on the root cause analysis, corrections, and corrective actions for **non-conformities are declared fulfilled.**

Verified by : **Septian Maulana**

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|---|--|------------------------|---------------------------------|
| NCR No. | : 2022.03 | Issued by | : Haikal Ramadhan Kharismansyah |
| Date Issued | : 25 March 2022 | Time Limit | : 23 June 2022 |
| NC Grade | : Major | Date of Closing | : 29 April 2022 |
| Standard Ref. & Requirement | <p>3.8.9 (C) <u>Outsourcing Activities</u> i. The mill shall not outsource its milling activities. In cases where the mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of the RSPO Supply Chain Certification. ii. The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that the certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor d) The mill shall furthermore ensure (e.g through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited Cbs to their respective operations, systems, and all information, when this announced in advance.</p> | | |
| <p>Evidence observed (filled by auditor):</p> <ul style="list-style-type: none"> - Based on the list of LBF contractors, it is known that there is a cooperation agreement to transport CPO and PK to bulking with CV Trans Pilar Tiga and CV Anugrah Putra Sejati. - It has been shown that Agreement Letter No.001/Transportation Services/SNP-LBF//2022 dated 03 January 2022 with CV Trans Pillar Tiga and SPK No.002/Jasa Transport/SNP-LBF//2022 valid until 2022. - The Agreement Letter has not provided information regarding CB access to contractors or operators conducting outsourcing in the event that an audit is required. | | | |
| <p>Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that the work agreement with contractor has ensured that CB has access to the contractor or operator who performs the outsourcing in the event that required in audit.</p> | | | |
| <p>Root Cause Analysis (filled by organization audited): Inconsistency in the SPK so that in writing it has not been included in the agreement clause.</p> | | | |
| <p>Correction (filled by organization audited): Revise the SPK by adding a clause stating that the CB has access to audit contractors.</p> | | | |
| <p>Corrective Action (filled by organization audited): The company will verify the SPK before it is issued or updated, while the verification stage is carried out by the Manager, Area controller, CEO and Director.</p> | | | |
| <p>Assessor Evaluation and Conclusion (filled by auditor):</p> | | | |
| <p>Verification April 18, 2022</p> | | | |

The company provides evidence of improvements in the form of:

1. Transport Service Agreement No. 001/Jasa Transportation/SNP-LBF/I/2022 dated 03 January 2022 with CV Trans Pilar Tiga and No. 001/Jasa Transport/SNP-LBF/I/2022 with CV Anugrah Putra Sejati for transportation of PK and CPO.
2. In article 7 of the SPK, a clause has been written stating that the CB has access to audit contractors if necessary.

Auditor Conclusion:

Additional information is still needed in the root cause analysis section and corrective actions so that non-conformities are declared unfulfilled.

Verification April 29, 2022

The company has provided additional information in the corrective action section so that the non-conformity is declared to have been comply

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| Verified by | : | Haikal Ramadhan Kharismansyah |
|--------------------|----------|--------------------------------------|

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|--|--|------------------------|---------------------------------|
| NCR No. | : 2022.04 | Issued by | : Haikal Ramadhan Kharismansyah |
| Date Issued | : 25 March 2022 | Time Limit | : 23 June 2022 |
| NC Grade | : Major | Date of Closing | : 13 June 2022 |
| Standard Ref. & Requirement | <p>3.8.12 (C) <u>Record Keeping</u></p> <ul style="list-style-type: none"> i. The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii. Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii. For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv. For Mass Balance Module, the mill: <ul style="list-style-type: none"> a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/ or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock). | | |

Evidence observed (filed by auditor):

Lembiru Factory Mass Balance data for the period July 2019 – February 2022 for CSPK obtained the following information:

| Period | PK production (MT) | | | Total | Cert PK Dispatch (MT) | | | PK Dispatch (Non-Cert) | Total | Stok PK | |
|---------------|--------------------|----------|----------|---------|-----------------------|--------------|----------|------------------------|-------|-----------|----------|
| | Cert | Non-Cert | | | RSPO | Other scheme | Non-Cert | | | Certified | Non-Cert |
| opening stock | 807.03 | | | | | | | | | | |
| Jul-19 | 496.35 | 528.09 | 1,024.44 | | | | | | | 1,303.38 | 528.09 |
| Aug-19 | 472.99 | 527.19 | 1,000.18 | | | | | | | 1,776.37 | 1055.27 |
| Sep-19 | 453.67 | 508.31 | 961.98 | | | | | | | 2,230.04 | 1563.58 |
| Oct-19 | 472.89 | 490.68 | 963.57 | | | | | | | 2,702.93 | 2054.26 |
| Nov-19 | 417.39 | 415.36 | 832.75 | | | | 1200 | | | 3,120.32 | 1269.62 |
| Dec-19 | 354.63 | 378.00 | 732.63 | 1200.11 | | | | 1200.11 | | 2,274.84 | 1647.62 |
| Jan-20 | 305.22 | 356.33 | 661.55 | | | | 1,000.01 | | | 2,580.06 | 1003.94 |
| Feb-20 | 227.00 | 295.10 | 522.10 | | | | | | | 2,807.06 | 1299.04 |
| Mar-20 | 214.30 | 333.33 | 547.63 | 992.23 | | | | 992.23 | | 2,029.13 | 1632.38 |
| Apr-20 | 263.33 | 350.79 | 614.12 | 800.02 | | | | 800.02 | | 1,492.44 | 1983.17 |
| May-20 | 224.40 | 343.85 | 568.25 | 1044.11 | | | | 1044.11 | | 672.73 | 2327.02 |
| Jun-20 | 215.32 | 320.00 | 535.32 | | | | | | | 888.05 | 2647.02 |
| Jul-20 | 146.37 | 216.97 | 363.34 | 656.98 | | | | 656.98 | | 377.44 | 2863.99 |
| Aug-20 | 199.84 | 301.25 | 501.09 | | | | | | | 577.28 | 3165.24 |
| Sep-20 | 283.59 | 409.49 | 693.08 | 343.02 | | | 32 | 343.02 | | 517.85 | 3542.73 |
| Oct-20 | 441.89 | 543.15 | 985.04 | | | | | | | 959.74 | 4085.87 |
| Nov-20 | 469.87 | 581.80 | 1,051.67 | 1014.99 | | | | 1014.99 | | 414.62 | 4667.67 |
| Dec-20 | 503.11 | 648.28 | 1,151.39 | | | | | | | 917.73 | 5315.96 |
| Jan-21 | 384.86 | 527.83 | 912.69 | | | | 1,000.00 | | | 1,302.59 | 4843.79 |
| Feb-21 | 274.33 | 455.98 | 730.31 | | | | 1,013.00 | | | 1,576.92 | 4286.77 |
| Mar-21 | 349.04 | 629.94 | 978.98 | | | | 929.8 | | | 1,925.96 | 3986.91 |
| Apr-21 | 332.92 | 566.81 | 899.73 | | | | | | | 2,258.88 | 4553.72 |
| May-21 | 287.79 | 470.58 | 758.37 | | | | | | | 2,546.67 | 5024.30 |
| Jun-21 | 281.89 | 457.64 | 739.53 | | | | 1,000.04 | | | 2,828.56 | 4481.90 |

| | | | | | | | | | |
|---------------------------|----------------|-----------------|--------|-----------------|--|----------------|----------|-----------------|---------|
| Jul-21 | 239.47 | 336.06 | 575.53 | | | | | 3,068.03 | 4817.96 |
| Aug-21 | 225.82 | 336.81 | 562.63 | | | 600 | | 3,293.85 | 4554.77 |
| Sep-21 | 198.15 | 244.03 | 442.18 | 5367.66 | | 1,000.03 | 5367.66 | -1,875.66 | 3798.77 |
| Oct-21 | 179.37 | 239.31 | 418.68 | | | 300 | | -1,696.29 | 3738.08 |
| Nov-21 | 203.13 | 282.53 | 485.66 | | | | | -1,493.16 | 4020.61 |
| Dec-21 | 167.18 | 321.53 | 488.71 | 1690.250 | | | 1690.250 | -3,016.23 | 4342.14 |
| Jan-22 | 141.93 | 406.40 | 548.33 | | | 1,139.17 | | -2,874.30 | 3609.37 |
| Feb-22 | 126.64 | 389.74 | 516.38 | | | | | -2,747.66 | 3999.11 |
| Closing stock Feb 2022 | | | | | | | | Stok PK | |
| Total | 9554.68 | 13213.16 | | 13109.37 | | 9214.05 | | 1,251.41 | |

From the table above, it can be concluded that there has been a minus stock in PK since September 2021 and up to the next 3 months even though the negative stock has not yet become balanced (positive) CSPK sales have been carried out again in December 2021.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that MB sales shipments are from positive stock.

Root Cause Analysis (filled by organization audited):

An error occurred in the presentation of opening stock data for certified and non-certified stocks, resulting in a minus stock figure in September to December 2021, which should have been in balance. In addition, this is also due to the lack of data verification carried out by the PT.SNP team so that there is no certainty of the validity of the data.

Correction (filled by organization audited):

The PT.SNP team has corrected the presentation of PK stock calculations for the period July 2019 – February 2022 with the final stock of PK certified being 217.89 MT.

Corrective Action (filled by organization audited):

The company will verify joint data every three months, the team that will verify is the Head of SOU, RSQM, Mill Manager & All Estate Manager, while the verification includes verification of FFB processing reports and verification of palm product data at LBF, DO verification of palm sales products from LBF, verification of sales data from the Logistics team, as well as verifying sales documents and stock information in the palm trace from the marketing team.

Assessor Evaluation and Conclusion (filled by auditor):

Verification April 18, 2022

The company shows proof of improvement in the form of changes to CSPK data made in the basic info form for the period March 2019 - February 2022 with information that there are no sales of PK from negative stock. In order to provide additional evidence as follows:

1. Verify the company's version of 3-month data (Mass Balance Record) for the period July 2019 – Feb 2022 following the license period
2. Clear information regarding the number of certified products produced during July 2019 – February 2022 including opening stock for certified and non-certified products so that information on the number of production and sales can be seen whether sold as certified or uncertified products and actual stock.

Auditor Conclusion :

The non-conformance is declared unfulfilled.

Verification April 29, 2022

The company re-shows the 3-month CSPK calculation as follows:

| Period | PK production (MT) | | Total | Cert PK Dispatch (MT) | | | Total | Stok PK | |
|-------------------------------|--------------------|------------------|------------------|-----------------------|--------------|-----------------|------------------|------------------|-----------------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | | Certified | Non Cert |
| opening stock | | | | | | | | 1,569.16 | 771.38 |
| Mar-19 | 415.82 | 290.91 | 706.74 | 0 | 0 | 1,799.99 | 1,799.99 | 1,984.98 | (737.70) |
| Apr-19 | 427.27 | 374.23 | 801.50 | 0 | 0 | - | - | 2,412.25 | (363.47) |
| May-19 | 389.49 | 403.52 | 793.02 | 0 | 0 | 800.02 | 800.02 | 2,801.74 | (759.96) |
| Total | 1,232.58 | 1,068.67 | 2,301.25 | | | 2,600.00 | 2,600.00 | 2,801.74 | (759.96) |
| Jun-19 | 330.67 | 284.60 | 615.27 | 0 | 0 | 1,500.11 | 1,500.11 | 3,132.41 | (1,975.47) |
| Jul-19 | 516.36 | 508.09 | 1,024.45 | 0 | 0 | - | - | 3,648.77 | (1,467.38) |
| Aug-19 | 493.00 | 507.19 | 1,000.18 | 0 | 0 | - | - | 4,141.76 | (960.20) |
| Total | 1,340.02 | 1,299.87 | 2,639.90 | | | 1,500.11 | 1,500.11 | 4,141.76 | (960.20) |
| Sep-19 | 473.68 | 488.31 | 961.99 | 0 | 0 | - | - | 4,615.44 | (471.89) |
| Oct-19 | 492.90 | 470.68 | 963.58 | 0 | 0 | - | - | 5,108.34 | (1.21) |
| Nov-19 | 437.39 | 395.36 | 832.75 | 0 | 0 | 1,200.00 | 1,200.00 | 5,545.73 | (805.85) |
| Total | 1,403.97 | 1,354.34 | 2,758.31 | | | 1,200.00 | 1,200.00 | 5,545.73 | (805.85) |
| Dec-19 | 374.63 | 358.00 | 732.64 | 1200.11 | 0 | - | 1,200.11 | 4,720.26 | (447.85) |
| Jan-20 | 325.23 | 336.33 | 661.56 | 0 | 0 | 1,000.01 | 1,000.01 | 5,045.48 | (1,111.53) |
| Feb-20 | 247.00 | 275.10 | 522.10 | 0 | 0 | - | - | 5,292.48 | (836.43) |
| Total | 946.86 | 969.44 | 1,916.30 | | | 1,000.01 | 2,200.12 | 5,292.48 | (836.43) |
| Mar-20 | 234.31 | 313.33 | 547.64 | 992.23 | 0 | - | 992.23 | 4,534.56 | (523.10) |
| Apr-20 | 283.93 | 330.79 | 614.13 | 800.02 | 0 | - | 800.02 | 4,017.87 | (192.30) |
| May-20 | 244.41 | 323.85 | 568.26 | 1044.11 | 0 | - | 1,044.11 | 3,218.17 | 131.54 |
| Total | 762.05 | 967.97 | 1,730.02 | | | - | 2,836.36 | 3,218.17 | 131.54 |
| Jun-20 | 235.33 | 300.00 | 535.33 | 0 | 0 | - | - | 3,453.50 | 431.55 |
| Jul-20 | 166.37 | 196.97 | 363.34 | 656.98 | 0 | - | 656.98 | 2,962.89 | 628.52 |
| Aug-20 | 219.84 | 281.25 | 501.09 | 0 | 0 | - | - | 3,182.73 | 909.77 |
| Total | 621.54 | 778.22 | 1,399.76 | | | - | 656.98 | 3,182.73 | 909.77 |
| Sep-20 | 303.59 | 389.49 | 693.08 | 343.02 | 0 | 32.00 | 375.02 | 3,143.30 | 1,267.25 |
| Oct-20 | 461.89 | 523.15 | 985.04 | 0 | 0 | - | - | 3,605.20 | 1,790.40 |
| Nov-20 | 489.88 | 561.80 | 1,051.68 | 1014.99 | 0 | - | 1,014.99 | 3,080.08 | 2,352.20 |
| Total | 1,255.36 | 1,474.43 | 2,729.80 | | | 32.00 | 1,390.01 | 3,080.08 | 2,352.20 |
| Dec-20 | 523.12 | 628.28 | 1,151.40 | 0 | 0 | - | - | 3,603.20 | 2,980.48 |
| Jan-21 | 404.86 | 507.83 | 912.70 | 0 | 0 | 1,000.00 | 1,000.00 | 4,008.07 | 2,488.32 |
| Feb-21 | 294.34 | 435.98 | 730.32 | 0 | 0 | 1,013.00 | 1,013.00 | 4,302.40 | 1,911.30 |
| Total | 1,222.32 | 1,572.10 | 2,794.42 | | | 2,013.00 | 2,013.00 | 4,302.40 | 1,911.30 |
| Mar-21 | 369.05 | 609.94 | 978.99 | 0 | 0 | 929.80 | 929.80 | 4,671.45 | 1,591.44 |
| Apr-21 | 352.93 | 546.81 | 899.73 | 0 | 0 | - | - | 5,024.37 | 2,138.25 |
| May-21 | 307.80 | 450.58 | 758.38 | 0 | 0 | - | - | 5,332.17 | 2,588.82 |
| Total | 1,029.77 | 1,607.33 | 2,637.10 | | | 929.80 | 929.80 | 5,332.17 | 2,588.82 |
| Jun-21 | 301.89 | 437.64 | 739.53 | 0 | 0 | 1,000.04 | 1,000.04 | 5,634.06 | 2,026.42 |
| Jul-21 | 259.48 | 316.06 | 575.54 | 0 | 0 | - | - | 5,893.54 | 2,342.48 |
| Aug-21 | 245.83 | 316.81 | 562.64 | 0 | 0 | 600.00 | 600.00 | 6,139.37 | 2,059.30 |
| Total | 807.20 | 1,070.52 | 1,877.71 | | | 1,600.04 | 1,600.04 | 6,139.37 | 2,059.30 |
| Sep-21 | 218.15 | 224.03 | 442.18 | 5367.66 | 0 | 1,000.03 | 6,367.69 | 989.86 | 1,283.29 |
| Oct-21 | 199.37 | 219.31 | 418.68 | 0 | 0 | 300.00 | 300.00 | 1,189.23 | 1,202.60 |
| Nov-21 | 223.14 | 262.53 | 485.67 | 0 | 0 | - | - | 1,412.37 | 1,465.13 |
| Total | 640.66 | 705.87 | 1,346.53 | | | 1,300.03 | 6,667.69 | 1,412.37 | 1,465.13 |
| Dec-21 | 187.19 | 301.53 | 488.72 | 1690.25 | 0 | - | 1,690.25 | (90.69) | 1,766.66 |
| Jan-22 | 161.94 | 386.40 | 548.34 | 0 | 0 | 1,139.17 | 1,139.17 | 71.25 | 1,013.89 |
| Feb-22 | 146.65 | 369.74 | 516.38 | 0 | 0 | - | - | 217.89 | 1,383.63 |
| Total | 495.77 | 1,057.67 | 1,553.44 | | | 1,139.17 | 2,829.42 | 217.89 | 1,383.63 |
| Closing stock Feb 2022 | | | | | | | | 217.89 | 1,383.63 |
| Total | 11,758.11 | 13,926.43 | 25,684.53 | 13,109.37 | | - | 13,314.17 | 26,423.54 | 217.89 |

Referring to the results of these calculations, there is the following information:

- CSPK (Certified Sustainable Palm Kernel) production from March 2019 – Feb 2022 is 11,758.11 MT
- Sales of CSPK as a certified product is 13,109.37 MT
- Sales of CSPK as uncertified product is 13,314.17 MT

- So that the total sales of CSPK both as certified and uncertified products is 26,423.54 MT (As the last communication mentioned actually written in the Non Certified CSPK dispatch column is a combination of CSPK and PK sold as uncertified products).

Thus, in order to show again:

1. Separation of calculations where CSPK is sold as non-certified product and which CSPK is sold as certified product.
2. The updated calculation of the mill version of MB records as when onsite is carried out.

Auditor Conclusion :

The non-conformance is declared unfulfilled.

Verification June 13, 2022

The company shows Final Mass Balance data on June 4, 2022, from which the following information was obtained:

- CSPK production for the period March 2019 – Feb 2022 = 11,758.11 MT
- Production of Non Cert PK for the period March 2019 – Feb 2022 = 13,926.43 MT
- Sales of CSPK as RSPO product = 13,109.37 MT.

From the data above it is known that:

1. CSPK production < compared to sales of claims as certified PK (Production 11,758.11 sales 13,109.37 MT) → difference 1,351.26 MT.
2. There is an opening stock of 1,569.16 MT from the previous period. If the opening stock is added to the minus stock then the CSPK stock is still positive (1,569.16 MT – (1,351.26 MT) = 217.89 MT.

Auditor Conclusion

Based on the root cause analysis, corrections, and corrective actions for non-conformances are declared to have been fulfilled.

Verified by : Haikal Ramadhan Kharismansyah

| | | | |
|--|--|------------------------|---|
| NCR No. | : 2022.05 | Issued by | : Helma Namira / Haikal Ramadhan |
| Date Issued | : 25 March 2022 | Time Limit | : Next Surveillance |
| NC Grade | : Minor | Date of Closing | : 24 March 2023 |
| Standard Ref. & Requirement | : 7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated. | | |
| Evidence observed (filled by auditor): | | | |
| 1. Hazardous Waste Recording and Classification | | | |
| <ul style="list-style-type: none"> • Regulation of the Minister of Environment and Forestry No. 6 of 2021 concerning Procedures and Requirements for Management of Hazardous and Toxic Waste, Article 79 paragraph 1, and Permit Documents for Temporary disposal of Hazardous Waste (TPS LB3) of PT Sandika Natapalma No. 441/DPMPSTSP-D.B/2018, and Permit Documents for Temporary disposal of Hazardous Waste (TPS LB3) of PT Budidaya Agro Lestari No. 440/DPMPSTSP-D.B/2018, In the fourth dictum, it is known that the maximum storage period for hazardous and toxic waste is as follows: <ul style="list-style-type: none"> - 90 (ninety) days since since hazardous waste generated → for hazardous waste produced more than 50 kg (fifty kilograms) per day or more; - 180 (one hundred eighty) days since since hazardous waste generated→ for hazardous waste produced less than 50 kg (fifty kilograms) per day for hazardous waste category 1; - 365 (three hundred sixty five) days since since hazardous waste generated→ for hazardous waste produced less than 50 kg (fifty kilograms) per day for hazardous waste category 2 from spesific source and general-specific source; - 365 (three hundred sixty five) days since since hazardous waste generated → for hazardous waste produced less than 50 kg (fifty kilograms) per day for hazardous waste category 2 from special-spesific source. • Based on hazardous waste report of PT Sandika Natapalma and PT Budidaya Agrolestari, it is known that the recording of the waste category in the Hazardous Waste Logbook is not consistent with the results of the identification of the hazardous waste category for example : <ul style="list-style-type: none"> - In hazardous waste report quarter IV of PT Budidaya Agro Lestari for hazardous waste's type for the type of used Hazardous Waste packaging waste with waste Code B104d, it is identified as hazard category 2, but in the logbook, it is included as hazard category 1. - In the Hazardous Waste logbook at Hazardous Waste Warehouse of PT Sandika Natapalma and PT Budidaya Agro Lestari for the period January 2021 to March 2022, it is known that the shelf life of Hazardous Waste Category 1 is written 360 days. - There is no hazardous waste logbook from each estate (AWE & LBE). The recording is only contained in the hazardous waste handover report when it is sent from the Hazardous Waste Warehouse Satellite to a licensed Hazardous Waste Warehouse. - In addition, there is also no procedure/mechanism that regulates the storage period and delivery time of hazardous waste from the entire company area (Hazardous Waste Warehouse Satellite) until it is sent to a licensed Hazardous Waste Warehouse, so the original shelf life cannot be ascertained from the first time the waste is generated. | | | |
| 2. Storage and use of hazardous waste for other purposes | | | |
| <ul style="list-style-type: none"> • Found several Used Oil Drums at the Awatan Estate Genset House which were stored in inappropriate places. The condition of the Used Oil Drum found was not in accordance with the company's procedures as stated in the SOP for the Management of Hazardous Waste and Nonhazardous Waste belonging to Minamas Plantation dated June 8, 2009, which is in point 5.1.2. related to procedures for storing hazardous waste. The condition of the Used Oil Drum is rusty, not placed in a block system, not coated/placed on a pallet. • It was found that Pertamina's drums were used as water storage at Pelanjau Estate • In the LBE warehouse, traces of pesticide packaging were found which were stored close to the bathroom | | | |
| 3. Domestic waste management | | | |

- In the SOP for the Management of Hazardous Waste and Non-hazardous Waste dated June 8, 2009, it is known that the procedure for managing domestic waste in the form of organic and non-organic waste has been separated is **sent to a designated landfill**.
- The results of field visits to LBE and AWE revealed that landfill waste management is in an open disposal system and is not stockpiled. In addition, there is no clear information on how to manage domestic waste from the first time it is produced to management in landfills (if full, location plans, etc).

4. Land Application Condition

- The results of field observations in Division 1, Block K42 Lembiru Estate, found that the application land flatbed was in a state of disrepair, experiencing siltation due to sedimentation, and was overgrown with weeds as a whole.
- There has been no justification or other information regarding the management of the Land Application so far.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that waste disposal has been carried out according to procedures and is fully understood by workers and managers.

Root Cause Analysis (filled by organization audited):

1. Recording and Classification System
Hazardous waste officer PT BAL and PT. SNP has not received socialization on waste codes according to the regulations - especially regarding the waste code recording system (Appendix IX table 1 Non-specific source waste).
2. Management is not aware that at the Satellite storage the same recording must be implemented as at the permitted hazardous waste storage.
3. The mechanism that regulates the shelf life and delivery time at the preparation stage is still in draft form and the preparation has not been completed.
4. Storage and use of hazardous waste
 - The estate maintenance generator officer did not yet know that the used oil drum used for the oil trap container had to use a pallet, because the drum was in the generator house area which had been sealed off with a safety wall with the discharge concentrated in the oil trap channel.
 - Regarding the use of used ex chemical drums in residential housing estate, the socialization regarding the prohibition on the use of ex chemical drums has already been carried out, however its only for the workers.
 - After confirmation, the used pesticide packaging stored in the rinse house was used pesticide packaging which was planned to be sent the next day. This is because the chemical warehouse capacity is very limited.
5. Domestic Waste Management.
The current waste disposal site in Lembiru Estate and Awatan is a temporary landfill relocation due to the old landfill having been converted into a replanting area, the current condition of the landfill will be changes to the new wans. This was done because it turns out that the landfills area is currently shallow and rocky so it is impossible to make a big hole to accommodate domestic waste.
6. Land Application Officers do not understand how the application should be done and do not understand the responsibilities of flet bet maintenance. Flat Bets experience shallowing because flat bets are not washed

Correction (filled by organization audited):

1. Hazardous Waste recording and classification system
Management conducts hazardous waste training for all warehouse officers, emplacement foremen, generators, hazardous waste storage officers and mechanics. Socialize the attachment to PP 22 of 2021 (attachment IX waste table and hazardous waste code), prepare and socialize the Guidelines for Handling Hazardous Waste from the Place of Production (Environmental Guidelines-Hazardous Waste-003) and the recording system in satellite STORAGE before sending it to Hazardous Storage Waste.
2. Storage and use of Hazardous Waste
Immediately send the used drums to the maintenance generator at Storage Hazardous Waste, the used drums at the Pelanjau Estate housing complex and the used poison packaging in the bathroom of the Lembiru Estate Pesticides warehouse are sent to storage hazardous waste. As well as preparing a mechanism for Implementing Instructions for Handling Hazardous Waste from the place where it is produced.

3. Creation of a new waste pit along with information on waste management.
4. Provide training to land application officers by means of training simulations and practice training in the field.
 - Carry out flat bed maintenance according to the maintenance program and make a flat bed washing plan (Exca PC50 Heavy Equipment Rental Agreements
 - Maintenance progress has been carried out in block K41 which will be carried out block by block, while the observation visit block in block K42 is scheduled to be carried out in May 2022.

Corrective Action (filled by organization audited):

Prepare special staff on duty in marau areas as follows:

1. carry out regular control and supervision once a month regarding the implementation of LB3 handling from the time it is produced at each work station,
2. Carry out regular control and supervision of the management of domestic waste (residential waste) from the time it is generated to disposal at the TPAS
3. Carry out regular control and supervision of the implementation of liquid waste applications. And provide training for Land application officers.
4. Conduct evaluations every 6 months on the implementation of control and supervision of waste management to be conveyed to each Unit Manager through ESH Assessment.
5. Disseminate SOPs for hazardous and Non-Hazardous Waste management to employees and staff and re-create landfill holes.

Assessor Evaluation and Conclusion (filled by auditor):

Verification April 12, 2022

The company has shown evidence of improvement as follows:

1. The company has prepared operational guidelines for handling hazardous waste from the place of production (Environmental operational guidelines-LB3-003 dated 1 April 2022) and a recording system at the satellite TPS before being sent to the hazardous waste storage.
2. The company has shown the hazardous waste Management Training Implementation Document on April 4 2022 which was attended by 18 workers (warehouse officers, HAZARDOUS WASTE TPS officers, emplacement foremen, mechanics). However, the attendance list of the training participants has not been completed.
3. The Company has appointed SQM Marau Staff through a Letter of Appointment for Special Staff Carrying out Control and Supervision Number C-SKP/016/SPO/IV/22 on April 4 2022.
4. Minutes of collection of used drums on March 24 2022 to be placed at hazardous waste storage
5. The company shows supporting evidence regarding the implementation of flat bed dredging at Lembiru Estate in the form of an Application Letter for Heavy Equipment Rental for Flat Beds, flat bed washing plans and the number of flat beds to be washed, as well as documentation/photos of the dredging process with heavy equipment in Block K42.

Based on verification of the root cause analysis, corrections and corrective actions submitted, the corrective actions taken have not been able to close the root of the existing problems. The company has not provided sufficient evidence and sufficient information to cover the root of the problem, especially regarding evidence of the attendance list for hazardous waste management training participants, the training schedule for Land Application officers, and the schedule for carrying out site surveys and landfill feasibility. Thus the 2022.05 nonconformity is declared not yet fulfilled.

Verification on March 16 2023:

The company has shown evidence of improvement in the form of:

1. Attendance list for hazardous waste Management Training for AWE, LBE and PJE unit employees on June 15 2022, which was attended by 21 participants.
2. PT SNP and PT BAL landfill Survey Schedule for 2022, which shows the timeline for making new landfill holes in April 2022.
3. PT SNP Employee Training Matrix for LA officer training which was attended by 5 people, which discussed the use of PPE, work instructions at LA locations, and LA Hirarc.
4. Socialization of hazardous and non-hazardous waste management to AWE employees, on June 15 2022, which was attended by 141 participants.

5. Socialization of hazardous and non-hazardous waste management to LBE employees, on June 11 2022 which was attended by 177 participants.
6. Documentation of the closure of the old land fill and the new landfill on April 19 2022.

Based on verification of the root because analysis, and corrections have been accepted by the auditor team. However, for the corrective action section, supporting evidence is still needed as explained in the column. Thus the 2022.05 nonconformity is declared not yet fulfilled.

Verification March 24, 2023 :

The company has shown evidence of improvement as follows:

1. Monitoring the management and handling of hazardous waste for the period of 2022.
2. Monitoring Domestic Waste Management (residential waste) for the 2022 period.
3. Monitoring Application Land Management for the 2022 Period.
4. Evaluation of the Implementation of Waste Management Control and Monitoring for the 2022 Period.

Based on verification of the root cause analysis, corrections and corrective actions have been accepted by the auditor team. The company has been able to show additional evidence of improvement in the corrective action section, so that this nonconformity is declared to have been fulfilled.

Verified by : **Helma Namira/ Haikal Ramadhan Kharismansyah**

| | | | |
|---|---|------------------------|----------------------|
| NCR No. | : 2020.05 | Issued by | : Radytio Puspanjana |
| Date Issued | : 24 July 2020 | Time Limit | : Next ASA |
| NC Grade | : Critical / Major | Date of Closing | : |
| Standard Ref. & Requirement | 7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the remediation and compensation procedure (RaCP) applies. | | |
| Evidence observed (filled by auditor): The company shown LUCA progress, by SDP LUCA Report Review Status document a explain: <ul style="list-style-type: none"> • Final conservation liability 62,65 Ha. • LUCC checklist/ clarification required date 4 January 2019. • Status revert to RSPO date 8 April 2019. • Report review received from RSPO date 31 October 2019. • Status reverts to RSPO date 21 February 2020. • Until the ASA 1.1 audit Pending LUCA review report from RSPO reviewer. | | | |
| Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the RaCP compensation plan has been approved by the RSPO because LUCA still Pending LUCA review report from RSPO reviewer. | | | |
| Root Cause Analysis (filled by organization audited): | | | |
| Correction (filled by organization audited): | | | |
| Corrective Action (filled by organization audited): | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification 28 September 2020 The unit of certification can present an email from RSPO dated 25 September 2020, who described "Following your email dated 21 September and after reviewing the current LUCA progress, we agreed to allow the NC to remain open until the next Surveillance audit". Based on the explanation above the time limit of this non-conformity are changed being next surveillance audit. | | | |
| Verification 25 Maret 2022 Management unit has been shown an email from RSPO on 18 February 2022 which state that, The review process of the LUCA status of PT Budidaya Agro Lestari is still in progress with email details as follows down below: | | | |
| <i>Dear Pak Alagendran,</i> | | | |
| <i>First of all, thank you for being patient with us.</i> <i>After reviewing your request and doing some internal checking within our team, herewith our response to you.</i> | | | |
| <i>We take consideration to provide a Conditional Approval as referring to the previous Advisory Note that we had provided to you before. This considering that the Advisory Note was given for the first case that came to us, and when the continuation of the previous approval for the similar case, we only give you through the conditional approval.</i> | | | |
| <i>Now, this Conditional Approval would only be given for those Management Units that have been certified before to allow the Company to complete the RaCP process and continue the Annual Surveillance Assessment (ASA) and/or</i> | | | |

Recertification. And this will only be valid until the next 6 months from the date of this email. From time to time, we will review all the progress and status of the Certification and RaCP process for the particular certified management units, and we may revoke this conditional approval if any issues happen that may heavily threaten the integrity of RSPO standard requirements.

While for the uncertified management units, The Initial Certification audit may be conducted, but the Certificates can only be issued when the completion of the RaCP Process (i.e approval of Compensation and Remediation Plans) is approved by the Compensation Panel.

The following, extracted from our Sales Force database (as per last week), is the list of all Management Units under your Sime Darby Operation in Indonesia with detailed status of Certification and RaCP process.

Based on the explanation above this non-conformity is still allowed to remain **OPEN** until the next assessment.

Verify March 26, 2023

The management unit showed an email from the RSPO dated January 23 2023 which stated that the LUCA review process of PT Budidaya Agrolestari was still in progress with the explanation "After evaluation of the case, I (RSPO) would like to inform the following approval on a case to case situation for PT Cultivation of Agro Lestari - Proceed with continuation of audits however, the NC will remain open until the next ASA and management unit must provide the update to the pending action / clarification to RSPO Secretariat within the next 6 months"

Based on the explanation above, this nonconformity is OPEN until the next assessment.

| | | |
|--------------------|----------|---------------------------------------|
| Verified by | : | Bayu Yogatama / Moh Arif Yusni |
|--------------------|----------|---------------------------------------|

3.4.2. Identification of Findings, Corrective Actions and Opportunity for Improvement and Noteworthy Positive Components at Audit ASA 1.4

| | | | |
|--|--|--------------------------|--|
| NCR No. : | | Issued by : | |
| Date Issued : | | Time Limit : | |
| NC Grade : | | Date of Closing : | |
| Standard Ref. & Requirement : | | | |
| Evidence observed (filled by auditor): During this assessments there is no new non conformity, however there is Non Conformity that not yet closed in previous assessment (NCR 2022.01 clausal 2.2.2 and NCR 2020.04 clausal 7.12.8) | | | |
| Non-Conformance Description (filled by auditor): | | | |
| Root Cause Analysis (filled by organization audited): | | | |
| Correction (filled by organization audited): | | | |
| Corrective Action (filled by organization audited): | | | |
| Assessor Evaluation and Conclusion (filled by auditor): | | | |
| Verified by : | | | |

3.4.3. Opportunity for Improvement

| No | Ref. Std. | Description |
|----|-----------|---|
| 1 | 1.1.2 | <p>Information is presented in appropriate languages and is accessible to relevant stakeholders</p> <p>The results of document verification revealed that the mandatory report had been reported to the government, but the results of the document review found that there were several reports that were reported simultaneously for several periods, for example</p> <ul style="list-style-type: none"> - Quarterly Report on Liquid Waste of PT Sandika Natapalma for Quarter 3 and Quarter 4 of 2022 was reported on March 10, 2023 - Fire Control Reports of PT Sandika Natapalma and PT Cultivation Agro Lestari for Semester 1 and 2 of 2022 were reported on March 10, 2023 - Quarterly Report on Hazardous Waste Management PT Cultivation Agro Lestari for the 3rd and 4th Quarter of 2022 was reported on March 29, 2023 <p>Related to this, companies are encouraged to submit mandatory reports to the government in accordance with a predetermined time period</p> |
| 2 | 3.2.1 | <p>The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impact and opportunities of the unit of certification.</p> <p>As a result of the verification, it was discovered that there were several procedures for which the rules/regulations/standard references used were no longer valid. In this regard, companies are encouraged to update their references in accordance with the provisions that are still in force</p> |
| 3 | 3.4.2 | <p>For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring have been developed with participation of affected stakeholders.</p> <p>The results of document reviews and interviews with management and stakeholders (internal and external) found that the company has managed issues that could have a social impact which were carried out partially by the relevant departments, for example Social management of the community is managed by the PSD Department, Employment Management is managed by the Ministry HRM, Management of K3 and Environmental aspects are managed by the SQM Department, Farm Operational Management and Security are managed by the Field Operations Section. By partially managing it by the relevant departments, the management of social and environmental impacts has not been carried out in an integrated manner and is contained in the Social Impact Management Report, for example on several existing social issues, including:</p> <ul style="list-style-type: none"> • Issues related to employment regarding the use of main field work and supervision carried out by PKWT workers • Attention related to employment issues, especially in employee appraisal, career paths and employee classification • Concern related to the situation of using PKWT workers, especially related to jealousy related to work leave, THR, annual bonuses, including appointment as permanent employees • Concern related to the situation in partnership plantations (Plasma) related to the issue of adequacy of labor, maintenance and production yields • Issues related to dissatisfaction with CSR and job opportunities for the surrounding community • The social dynamics of the community because there are mining companies around the company's operational area <p>Based on the explanation above, companies are encouraged to develop a comprehensive social monitoring and management plan by integrating between sections/departments that cover all impacts and represent a sample of affected parties.</p> |

| | | |
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| 4 | 3.4.3 | <p>The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.</p> <p>Regarding the social management and monitoring plan owned by the company, it has conducted a review which is conducted every two years. Based on the results of a review of the 2023 SIA Management and Monitoring Plan document, it was carried out in a participatory manner on March 14, 2023, involving relevant stakeholders. Based on the results of the document review, companies are encouraged to</p> <ul style="list-style-type: none"> • Conduct a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, residents, youth leaders, contractors, including conflict victims and for internal stakeholders by paying attention to the representation of wider workers such as local workers, migrants, women, workers including contract workers. • Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise. |
| 5 | 3.8.16 | <p>Registration of Transaction</p> <ol style="list-style-type: none"> I. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. II. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform. <p>Based on documents verifications it was known there were shipping announcements issued more than three months since the product was dispatched, for example, a shipping announcement with transaction id TR-1cbad185-ed0a on 17 January 2023 where the product shipped in August 2022 (shipping announcement was issued after 4 months since the product dispatch).</p> <p>Regarding those situations, the management has identified the issues with the carried-out meeting between the SQM department and the Global Trade Marketing (GTM) department on end of January 2023 with the conclusions of the meetings are:</p> <ul style="list-style-type: none"> • SQM department monitoring CPO & PK sales at the Mill as well as declarations on the Palm Trace IT platform every 3 months. • SQM department coordinates with GTM Department Jakarta regarding RSPO-certified products that are produced and sold on the Palm Trace IT platform every 3 months via email. • GTM Department Jakarta will remove RSPO-certified volumes that are sold under other schemes, conventionally or if there is a shortage of production, and will inform if there are certified products allocated as credit sales. • GTM Department Jakarta sends evidence of products that have been removed or allocated as credit sales on the Palm Trace IT platform to the Dept. SQM by Email. <p>Regarding this situation the company encouraged to ensure shipping announcement issued not more than three months since the product dispatch.</p> |
| 6 | 6.2.7 | <p>Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>At the time the audit was carried out, the certification unit still had workers with PKWT status of 303 workers at PT Sandika Natapalma and 126 workers at PT Budidaya Agro Lestari. Of the number of PKWT workers, there are still workers with this status working in permanent activities, one of whom is a harvest worker (This is based on the results of interviews with company management and the type of work is in accordance with what is described in the Law No. 13 of 2003 related to permanent jobs). Of the total number of PKWT workers, there are 79 harvest workers at PT Sandika Natapalma (38 workers for Awatan Estate and 41 workers for Lembiru Estate) and 38 harvest workers at PT Budidaya Agro Lestari (Pelanjau Estate).</p> |

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| | | <p>From 2022 to 2023, the company has a program to appoint PKWT in harvest work to become PKWTT workers. This is done in stages including:</p> <ul style="list-style-type: none"> • For PT Sandika Natapalma (Awatan Estate) the company in 2022 plans to hire workers to become PKWTT as many as 37 harvest workers who are workers with previous PKWT status. As a result, during 2022, the company has appointed 17 workers with PKWT status to become PKWTT and as many as 10 workers have not been appointed because the results of their performance evaluation are still below standard. The rest of the workers are planned to be re-appointed in 2023 with a total planned appointment of 48 workers and until March 2023 it has been realized that 10 workers have been appointed as PKWTT (the remaining 38 workers are still planned to be gradually appointed as PKWTT). • For PT Sandika Natapalma (Lembiru Estate), the company in 2022 plans to hire workers to become PKWTT as many as 46 harvest workers who are workers with previous PKWT status. As a result, during 2022, the company has appointed 41 workers with PKWT status to become PKWTT and as many as 5 workers have not been appointed because the results of their performance evaluation are still below standard. The remaining workers are planned to be re-appointed in 2023 with a total planned appointment of 59 workers and until March 2023 it has been realized that 18 workers have been appointed to become PKWTT (the remaining 41 workers are still planned to be gradually appointed as PKWTT). • For PT Budidaya Agro Lestari as a result, during 2022, the company has appointed 23 workers with PKWT status to become PKWTT and as many as 38 workers have not been appointed because the results of their performance evaluation are still below standard. The rest of the workers are planned to be re-appointed in 2023 with a total planned appointment of 38 workers and in March 2023 it has been shown that 20 workers have been proposed to become PKWTT (the remaining 18 workers are still planned to be gradually appointed as PKWTT). <p>Based on the results of interviews with Management, it is known that when employed as harvest workers, a 3-month routine assessment will be carried out simultaneously with the plan to carry out the application process for appointment as PKWTT workers (submission until approval for appointment from Head Office in Jakarta will take about 1-3 months). While waiting for this process, the company also conducts a performance appraisal which will later become a support for these workers to be appointed as PKWTT. The company continues to ensure that PKWT workers who work at Harvest will still be prioritized to become PKWTT workers.</p> <p>Apart from that, the company has planned to change the system in recruiting permanent workers (harvesting and others) so as not to violate the rules related to PKWT in the future. As evidence, the management has planned further discussion/meeting activities regarding the plan to add options to the SAP system so that workers who work at work can still immediately work with the status of workers who are still on probation for 3 months (probation) before becoming workers with PKWTT status. This has been planned in the PKWTT Harvest Labor Utilization Grand Plan which was ratified on 31 March 2023 by the unit heads starting from the Area Controller, Estate Manager and Human Resources Management.</p> <p>Companies have the opportunity to ensure that the use of PKWT is not reused in jobs that are permanent in accordance with applicable regulations.</p> |
| 7 | 7.3.2 | <p>There is evidence of waste disposal according to procedures that are fully understood by workers and managers</p> <p>The company has an SOP for Management of B3 and Non-B3 Waste (No. SPO 01-17-PLB3 & Non B3-SNP BAL) which explains that storage of B3 waste refers to the requirements of applicable regulations, including packaging requirements, storage procedures, building requirements, storage and requirements for hazardous waste to third parties.</p> <p>Based on the results of the field visit, it was found that there were inconsistencies in the management of hazardous waste in accordance with procedures, for example use that was not in accordance with its intended use (as a support / support for vehicles in the Pelanjau Estate workshop), pesticide waste packaging (2 packages) stored in the trash, land fill had not been managed according to the plan. Optimal where the landfill location is also used as</p> |

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| | | a place to take laterite material and the area has a low level of air absorption (rocky area). In this regard, companies are encouraged to improve their waste management performance in accordance with existing procedures. |
| 8 | 7.11.2 | <p>The certification unit establishes fire prevention and control measures for the lands it directly manages.</p> <p>As an administrative implementation in the management of fire prevention and control, the Company has prepared a fire prevention and control report and reported it to the government periodically, but the report only explains training activities and a list of fire control infrastructure. In this regard, companies are encouraged to develop systematic fire control reports containing all fire control activities that have been carried out, including consistent fire danger level (FDR) measurements.</p> |
| 9 | 7.12.4 | <p>Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plans to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>The results of document verification and field visits show that the company has managed HCV areas such as monitoring flora and fauna, enriching plants on the border, installing signboards and boundary signs, patrolling HCV areas and so on. As part of this management, the company has prepared an HCV management report for the 2022 period, but this report only explains the company's organizational structure, the attached HCV map and the table of flora and fauna monitoring results (without any informative explanation).</p> <p>Related to the explanation above, companies are encouraged to prepare reports on the management of protected areas and HCV areas in a systematic manner, describing the realization of the activities carried out including the types of activities, activity locations, activity measurement units and implementation time and evaluation of implementation, as a basis for preparing management plans for the next period.</p> |
| 10 | 7.12.6 | <p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>The results of document verification and field visits show that the company has managed HCV areas, such as monitoring flora and fauna. However, the monitoring results of the activities carried out by the company are still limited to tables of flora and fauna monitoring results (without any informative explanation).</p> <p>Regarding the explanation above, companies are encouraged to ensure that the results of monitoring animals and plants are identified as having a protected status in accordance with the references to national regulations that apply to IUCN and CITES which can be one of the considerations in a protected animal and plant management program, including the preparation of a program to educate staff regarding the status of RTE species.</p> |

3.4.4. Noteworthy Positive Components

| No | Description |
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| 1 | Commitment to apply the principles of sustainable palm oil management |
| 2 | Good cooperation with the companion team |
| 3 | Has implemented Corporate Social Responsibility Programs in the surroundings community |

3.5 Summary of Arising Issues from Public and Auditor Verification

| Stakeholders Issue | Auditor Verification |
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| <p>Suka Karya Village Karya Baru Village Pelanjau Baru Village</p> <ul style="list-style-type: none"> • The cooperation between the Village and the company is relatively good, communication is well established • Never had a problem with a request for assistance from the company • Lots of absorption of labor from local people who work in the company • There is a scholarship program that prioritizes local communities for tertiary level and then becomes a company employee • There was socialization about fires and protected areas during firefighter training activities in Marau District • The culture of the people has changed from farming and hunting, now most have become company laborers and suppliers • The CSR program is not delivered directly to the Village but through the MURENBANG mechanism at the Marau District level • There are complaints regarding CSR dissatisfaction, Employee Recruitment | <p>There are no issues that require further verification</p> |
| <p>Mitra Usaha Tani Sejahtera Cooperative</p> <p>The company provides guidance to farmers with the Farmer Development Program. The program is implemented as an effort to supervise farmers in terms of plasma plantation management. These programs such as fertilization procedures, plant care, appropriate harvesting, provide an understanding of HCV, wildlife, and land fires. In addition, the Company also disseminates understanding regarding the legality of farmers' land such as STDB, SPPL, etc.</p> <p>The price of FFB given to the Cooperative is the price according to the determination of the Jambi Province Plantation Office. So far, there has been no violation of the FFB price provided by the Company. FFB payments are made every month in cash. Payments are made on the 10-15th of every month. In payment, the company also provides an invoice to the cooperative as proof of payment and the invoice explains the FFB price, FFB amount, total price, grading discounts, etc. So far, there have been no complaints from farmers regarding the FFB payments made by the company.</p> | <p>There are no issues that require further verification</p> |
| <p>Dayak Customary Council of Marau District: Village Dayak Traditional Figures Karya Baru</p> | <p>There are no issues that require further verification</p> |

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| <ul style="list-style-type: none"> • The company really respects local culture, including every year and at the time of land clearing a traditional ceremony is carried out according to the local Dayak customary culture and involves the Culture organization • The company respects and protects the sacred places of the culture community, one of which is the marking and fencing of the former community ancestral graves in the company area, and they are guarded by the company • The company routinely and actively assists the operational activities of the Customary Council's management • Hunting is part of the culture of the Indigenous people. It is acknowledged that there are still people who hunt at the company's location, but only consumption animals such as pigs • There is no customary conflict between the company and the Marau Indigenous people | |
| <p>Manpower & Transmigration Agency of Ketapang Regency.</p> <p>Communication and cooperation relations have been well established since the period 2022 until now (February 2023). In general, currently the company has carried out its obligations and work norms in accordance with applicable regulations, starting from the provisions of minimum wages, overtime, BPJS, and other provisions properly. The worker unions are currently also actively communicating with the company as well as the agency and have their own CLA which has been ratified by the relevant agency.</p> <p>Over the past year (2022) there have been no complaints, grievances or industrial disputes reported to the service. The last inspection related to employment was carried out in January 2023 where there was no record of the employment system being implemented. Currently the company is still using contract worker (PKWT) and all of them have been properly registered with the agency. For the use of contract worker (PKWT) itself, the information follows the applicable provisions.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Public Housing, Residential Areas and the Environment Agency of Ketapang Regency.</p> <p>During the last year until now (February 2023) communication between the company and the service has been going quite well. There has been no request for information from the agency to the company in the past year (only received information through mandatory reports sent). Ownership of environmental permits is generally owned and regular reports are mandatory.</p> <p>During the last year there were no issues or incidents of environmental pollution by the company. The last monitoring/supervision carried out by the service was in September 2022 no monitoring was carried out because it was not a monitoring schedule for the company.</p> <p>In 2022, the information indicates that the company's operational area is included in the Forest Area which has been further verified</p> | <p>In general, companies already have permits related to the environment along with reporting obligations that have been fulfilled.</p> <p>Regarding the indication of the company's operational area that is included in the Forest Area, it has been described as follows:</p> <ul style="list-style-type: none"> • On 04 February 2022 the Head of Pelanjuang Jaya Village sent Letter No. 140/Pem/051/2022 concerning Applications for Permits for Face-to-Face Meetings, in which the letter wishes to explain that the village explained that there are indications that the operational area of PT Budidaya Agro Lestari is included in the Forest Area. The letter was addressed to various parties, |

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| <p>by the Ministry of Environment & Forestry and the Ketapang District Offices. The result is proven that there is no Forest Area included in the company's operational area.</p> | <p>starting from the Ketapang District Offices, to the Ministry of Environment and Forestry.</p> <ul style="list-style-type: none"> As a result of the letter, on 29 July 2022 the Ministry of Environment and Forestry sent a Monitoring Team (Law Enforcement Section) to conduct a field survey with as many as two Associate Expert Environmental Supervisors, three First Expert Environmental Supervisors, one Analyst Environment and two Administrative Officers. The results of field monitoring and verification from the Oversight Team (Law Enforcement Section) stated that the indications submitted by the Head of Pelanjau Jaya Village could not be proven because the entire operational area of PT Budidaya Agro Lestari was outside the Forest Area. All detailed explanations are set out in the Minutes of Environmental Monitoring dated 29 July 2022 which was signed by all Members of the Oversight Team (Law Enforcement Section) of the Ministry of Environment & Forestry along with PT Budidaya Agro Lestari. Apart from the Ministry of Environment & Forestry, on November 17 2022 the Ketapang Regency Land Office conducted a Field Clarification and Discussion related to an indication of the existence of a Forest Area within the Operational Area of PT Budidaya Agro Lestari. The result was that the Land Office and the Pelanjau Jaya Village Head were brought together by the company and a direct field verification was carried out, in which the Pelanjau Jaya Village Head stated that he had withdrawn the letter previously sent because this was not proven to be true and had been verified directly by the Oversight Team (Enforcement Section). Law) Ministry of Environment & Forestry on July 29 2022. The Land Office also made the Minutes according to the supporting documents as well as the results of field verification which had been carried out and signed by all parties. |
| <p>Agriculture, Livestock and Plantation Agency of Ketapang Regency.</p> <p>Communication relations with the company over the past year have been quite good. The company already has valid IUP and HGU at the time the audit was carried out. Assessment of plantation business has been carried out. During 2022 until the audit activity took place (February 2023) the agency never submitted a letter requesting information from the company.</p> <p>There were no issues or incidents related to land fires, land disputes/claims with the community and others. The existing fire prevention infrastructure has been assessed as sufficient and refers to government regulations. Compulsory reports have been</p> | <p>In general, companies already have permits related to plantations along with reporting obligations that have been fulfilled.</p> <p>Regarding the reporting of K Index information to agencies, actually this has been done by the company but not routinely at the beginning of every month like in 2022. This is because the PIC who is given responsibility, namely the Head of Administration of Lembiru Factory has changed since the beginning of 2023 (Mutation) and There is no replacement yet, so</p> |

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| <p>reported regularly in accordance with the specified timeframe. In the report on the development of the plantation business and currently there are no indigenous peoples living around the company.</p> <p>At present there is a change in the pricing of FFB made by the agency where previously the FFB pricing for plasma farmers was issued 2 times a month has changed to 4 times a month. The company has routinely sent information related to the K Index in 2022, but the information since entering 2023 the company has often reported it too late.</p> | <p>reporting on K Index information from January to March 2023 is late.</p> |
| <p>National Land Agency of Ketapang Regency.</p> <p>Relations of communication and cooperation have been established quite well during the 2022 period. Currently all legality permits for ownership of company land are still valid until the audit activities take place. Reports that must be reported regularly include the HGU Land Utilization Report which is reported once a year. There have been no applications for new HGU permits for companies since 2022.</p> <p>Since the previous assessments and in 2022 until the audit was carried out (February 2023) there have been no incidents of Land Claims (Occupation) made by the community on the company's HGU land.</p> <p>The company has applied for a new HGU permit in previous years and is currently in the negotiation stage with Committee B, the proposed area has been cadastral measured in 2022. For PT Sandika Natapalma the application for a new HGU permit is 476.6 Ha and PT Budidaya Agro Lestari with an area of 1,067.9 Ha.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Gender Committee:</p> <ul style="list-style-type: none"> ● Central Management of PT Sandika Natapalma ● Unit Management of Lembiru Estate ● Unit Management of Awatan Estate <p>Since the previous assessment, the gender committee is still active in organization within the company. The management of the gender committee has been officially approved by the leadership and consists of administrators who are male and female workers. Since 2022 there have been no issues related to gender, harassment, violence or serious violations of reproductive rights in the corporate environment. At present it is certain that no workers who work with chemicals are pregnant or breastfeeding women, this is because the company has its own policy regarding the prohibition for pregnant or breastfeeding women workers to work in jobs related to chemicals.</p> <p>The gender committee has also been able to accommodate complaints or complaints from workers (especially women workers) who are embarrassed to report directly to management or the worker unions.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |

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| <p>Gender Committee (Unit Management) Pelanjau Estate of PT Budidaya Agro Lestari</p> <p>Since the previous assessment, the gender committee is still active in organization within the company. The management of the gender committee has been officially approved by the leadership and consists of administrators who are male and female workers. Since 2022 there have been no issues related to gender, harassment, violence or serious violations of reproductive rights in the corporate environment. At present it is certain that no workers who work with chemicals are pregnant or breastfeeding women, this is because the company has its own policy regarding the prohibition for pregnant or breastfeeding women workers to work in jobs related to chemicals.</p> <p>The gender committee has also been able to accommodate complaints or complaints from workers (especially women workers) who are embarrassed to report directly to management or the worker unions.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>Worker Union:</p> <ul style="list-style-type: none"> ● Federasi Serikat Buruh Kecamatan Marau (SBKM) PT Sandika Natapalma & PT Budidaya Agro Lestari. ● Serikat Buruh Tingkat Perusahaan (SBTP) Unit Lembiru Estate of PT Sandika Natapalma. ● Serikat Buruh Tingkat Perusahaan (SBTP) Unit Awatan Estate of PT Sandika Natapalma. ● Serikat Buruh Tingkat Perusahaan (SBTP) Unit Lembiru Factory of PT Sandika Natapalma. ● Serikat Buruh Tingkat Perusahaan (SBTP) Unit Pelanjau Estate of PT Budidaya Agro Lestari. <p>Currently the union has been actively organizing in the company since the last few years. Therefore, the communication relationship between the union and the company has been quite good for the last few years. It is acknowledged that the employment system implemented by the company for 2022 refers to the PKB that is owned and is based on existing laws and regulations in Indonesia. These implementations include the application of minimum wages, overtime, THR, PPE, bonuses and others.</p> <p>The company also gives freedom to workers to organize (without coercion or prohibition) and there is no intervention in terms of organizing or selecting union officials. The grievance/complaint mechanism is also well known to workers, where workers can submit it through their direct superiors, trade unions or through the whistleblowing mechanism provided by the company. If there are complaints / complaints from the company so far, they quickly respond.</p> <p>There have been no accident fatalities (deaths) over the past year (2022) and routine health checks have been carried out (periodic and special health checks). In addition, there have never been any</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |

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| <p>incidents/issues related to child labor, sexual harassment, violence or acts of discrimination by the company.</p> | |
| <p>Plantation Cooperative Sejahtera Palma Sejati (Scheme Smallholder).</p> <p>Over the past year the communication relationship between the cooperative and the company has been going well. In general, information disclosure related to profit sharing, operational costs and so on related to plasma plantations has been given to the company by cooperative management.</p> <p>Payment and distribution of the remaining business results from the operational activities of the plasma plantations and the sale of the produce has been stated in the MoU which was agreed upon by all parties. So far, the company has carried out its duties and responsibilities well. Currently the existing plasma plantation area is 1,100 hectares with 555 cooperative members.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>CV Anugrah Putra Sejati (PK Transporter).</p> <p>In general, communication relations have been quite good during the last few years working together. The company in working together always provides a work agreement that is used as a legal basis for cooperation. The company has also routinely paid for the work in accordance with the specified timeframe and the calculations are in accordance with what was agreed in the agreement.</p> <p>The agreement also states that the contractor is obliged to comply with the relevant laws and regulations in Indonesia. These regulations include those related to OHS, employment, BPJS and others. Currently the company is gradually in the process of fulfillment.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>CV Trans Pilar Tiga (CPO Transporter).</p> <p>In general, communication relations have been quite good during the last few years working together. The company in working together always provides a work agreement that is used as a legal basis for cooperation. The company has also routinely paid for the work in accordance with the specified timeframe and the calculations are in accordance with what was agreed in the agreement.</p> <p>The agreement also states that the contractor is obliged to comply with the relevant laws and regulations in Indonesia. These regulations include those related to OHS, employment, BPJS and others. Currently the company is gradually in the process of fulfillment.</p> | <p>There are no issues/events/complaints that require further verification by the auditor.</p> |
| <p>CV Anaroga (Loose Fruit Pickers Contractor).</p> | |

In general, communication relations have been quite good during the last few years working together. The company in working together always provides a work agreement that is used as a legal basis for cooperation. The company has also routinely paid for the work in accordance with the specified timeframe and the calculations are in accordance with what was agreed in the agreement.

The agreement also states that the contractor is obliged to comply with the relevant laws and regulations in Indonesia. These regulations include those related to OHS, employment, BPJS and others. Currently the company is gradually in the process of fulfillment.

There are no issues/events/complaints that require further verification by the auditor.

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| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY |
| 4.1 | Formal Sign-off of Assessment Findings |
| | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Sandika Natapalma Head of Sustainability</p>  <p><u>Alagendran Maniam</u> Tuesday, 05 September 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh Arif Yusni</u> Tuesday, 05 September 2023</p> </div> </div> |

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

| No | Agency/NGO/Community | Adress | No. Telp/ e-mail | Form of Communication | Date | Response | |
|----|--|---|---------------------|--------------------------|------------|----------|----|
| | | | | | | Yes | No |
| 1 | Suka Karya village | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 2 | Karya Baru Village | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 3 | Pelanjau Baru Village | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 4 | Mitra Usaha Tani Sejahtera Cooperative | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 5 | Plantation Cooperative Sejahtera Palma Sejati (Scheme Smallholder). | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 6 | Dayak Customary Council of Marau District: | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 7 | Village Dayak Traditional Figures Karya Baru | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 8 | Gender Committee Central Management of PT Sandika Natapalma | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 9 | Gender Committee Unit Management of Lembiru Estate | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 10 | Gender Committee Unit Management of Awatan Estate | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 11 | Gender Committee Unit Management of Pelanjau Estate | PT Budidaya Agro Lestari | - | Direct Interview | 27-03-2023 | √ | |
| 12 | Worker Union – Serikat Buruh Tingkat Perusahaan (PUK-SBTP) Unit Lembiru Factory | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 13 | Worker Union – Serikat Buruh Tingkat Perusahaan (PUK-SBTP) Unit Lembiru Estate PT Sandika Natapalma | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 14 | Worker Union – Serikat Buruh Tingkat Perusahaan (PUK-SBTP) Unit Awatan Estate PT Sandika Natapalma | PT Sandika Natapalma | - | Direct Interview | 27-03-2023 | √ | |
| 15 | Worker Union – Serikat Buruh Tingkat Perusahaan (PUK-SBTP) Unit Pelanjau Estate PT Budidaya Agro Lestari | PT Budidaya Agro Lestari | - | Direct Interview | 27-03-2023 | √ | |
| 16 | Worker Union – Federasi Serikat Buruh Kecamatan Marau (Federasi SBKM) | PT Sandika Natapalma dan PT Budidaya Agro Lestari | - | Direct Interview | 27-03-2023 | √ | |
| 17 | CV Anugrah Putra Sejati (PK Transporter) | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 18 | Manpower & Transmigration Agency | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |
| 19 | Public Housing, Residential Areas and the Environment Agency | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |
| 20 | Agriculture, Livestock and Plantation Agency | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |
| 21 | National Land Agency | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |

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| 22 | Plantation Cooperative Sejahtera Palma Sejati (Scheme Smallholder) | Ketapang Regency | - | Direct Interview | 27-03-2023 | √ | |
| 23 | CV Trans Pilar Tiga (CPO Transporter) | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |
| 24 | CV Anaroga (Loose Fruit Pickers Contractor) | Ketapang Regency | - | By Phone | 27-03-2023 | √ | |
| 25 | Lembiru POM (15 Workers) | PT Sandika Natapalma | | Direct Interview | 27-03-2023 | √ | |
| 26 | Lembiru Estate (17 Workers) | PT Sandika Natapalma | | Direct Interview | 27-03-2023 | √ | |
| 27 | Awatan Estate (19 Workers) | PT Sandika Natapalma | | Direct Interview | 29-03-2023 | √ | |
| 28 | Pelanjau Estate (19 Workers) | PT Budidaya Agro Lestari | - | Direct Interview | 29-03-2023 | √ | |
| 29 | WWF (World Wide Fund for Nature) | Jakarta | - | Online Questionnaire | 21-03-2023 | | √ |
| 30 | WALHI (Wahana Lingkungan Hidup Indonesia) | Jakarta | - | Online Questionnaire | 21-03-2023 | | √ |
| 31 | Sawit Watch | Bogor | - | Online Questionnaire | 21-03-2023 | | √ |
| 32 | AMAN (Aliansi Masyarakat Adat Nasional) | Jakarta | - | Online Questionnaire | 21-03-2023 | | √ |

Appendix 2. Assessment Program

| DATE | 26 March – 01 April 2023 | |
|-------------------------------|--|---|
| PROGRAM | CLAUSES TO BE AUDITED | AUDITOR |
| Sunday, 26 March 2023 | | |
| 10.10 – 11.20 | Jakarta → Semarang | All Auditor |
| 12.35 – 14.00 | Semarang → Pangkalan Bun | |
| 14.00 – 20.00 | Pangkalan Bun → Site PT Sandika Natapalma | |
| Monday, 27 March 2023 | | |
| 08.00 – 08.30 | Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) | All Auditor |
| 08.30 – 12.00 | Public Consultation <ul style="list-style-type: none"> Public consultation with stakeholder to relevant agency in Ketapang Regency Stakeholder consultation to affected communities surrounding the plantations and previous land owner Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders | RIU MAY FPS/BEN |
| 09.00 – 12.00 | Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Verification result of previous assessment | RIU / MAY |
| 12.00 – 14.00 | Break/ISHOMA | All Auditor |
| 14.00 – 16.30 | Field Observation to Lembiru POM: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect | RIU MAY FPS/BEN |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Tuesday, 28 March 2023 | | |
| 08.00 – 12.00 | Field Observation to Lembiru Estate: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) | MAY/FPS BEN MAY/FPS |

| DATE | 26 March – 01 April 2023 | |
|---------------------------------|---|--|
| PROGRAM | CLAUSES TO BE AUDITED | AUDITOR |
| | <ul style="list-style-type: none"> Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). | BEN RIU BEN |
| 12.00 – 14.00 | Break/ISHOMA | All Auditor |
| 14.00 – 16.30 | <ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. | All Auditor |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Wednesday, 29 March 2023 | | |
| 08.00 – 12.00 | Field Observation to Awatan Estate: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). | MAY/FPS BEN MAY/FPS BEN RIU BEN |
| 12.00 – 14.00 | Break/ISHOMA | All Auditor |
| 14.00 – 16.30 | <ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. | All Auditor |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Thursday, 30 March 2023 | | |
| 08.00 – 12.00 | Field Observation to Pelanjau Estate: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). | MAY/FPS BEN MAY/FPS BEN RIU BEN |
| 12.00 – 14.00 | Break/ISHOMA | All Auditor |
| 14.00 – 16.30 | <ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. | All Auditor |

| DATE | 26 March – 01 April 2023 | |
|--------------------------------|---|-------------|
| PROGRAM | CLAUSES TO BE AUDITED | AUDITOR |
| 16.30 – 17.00 | Presentation of Daily Progress | All Auditor |
| Friday, 31 March 2023 | | |
| 07.30 – 09.00 | Internal discussion by auditor team preparing for Closing Meeting | All Auditor |
| 09.00 – 11.00 | Closing Meeting <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, TimeLine of CAR's, Conclusion)/ • Comments, Responses and Questions | |
| 12.00 – 18.00 | Site PT Sandika Natapalma → Pangkalan Bun | |
| Saturday, 01 April 2023 | | |
| 10.50 – 12.15 | Pangkalan Bun → Semarang | All Auditor |
| 14.10 – 15.15 | Semarang → Jakarta | |