

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

Name of Management Organisation : **Bangun Bandar Palm Oil Mill, PT Socfin Indonesia subsidiary of Socfin SA**

Plantation Name : PT Socfin Indonesia, Bangun Bandar Estate

Location : Village of Aras Panjang, Sub District of Dolok Masihul, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia

Certificate Code : **MUTU-RSPO/162**

Date of Initial Registration : 11 November 2011

Date of Certificate Issue : 26 October 2021 Date of License Issue : 11 November 2023

Date of Certificate Expiry : 10 November 2026 Date of License Expiry : 10 November 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2.2	04 to 08 September 2023	Octo HPN Nainggolan (Lead Auditor Witnessing), Firda Tarunajaya (Lead Auditor Witnessed), Benli Manurung, Rizki Tanaya, and Alfiany Sukmawati	Hasiholan Sihombing	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2.2	02 October 2023

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Figure 1. Location Map of PT Socfin Indonesia

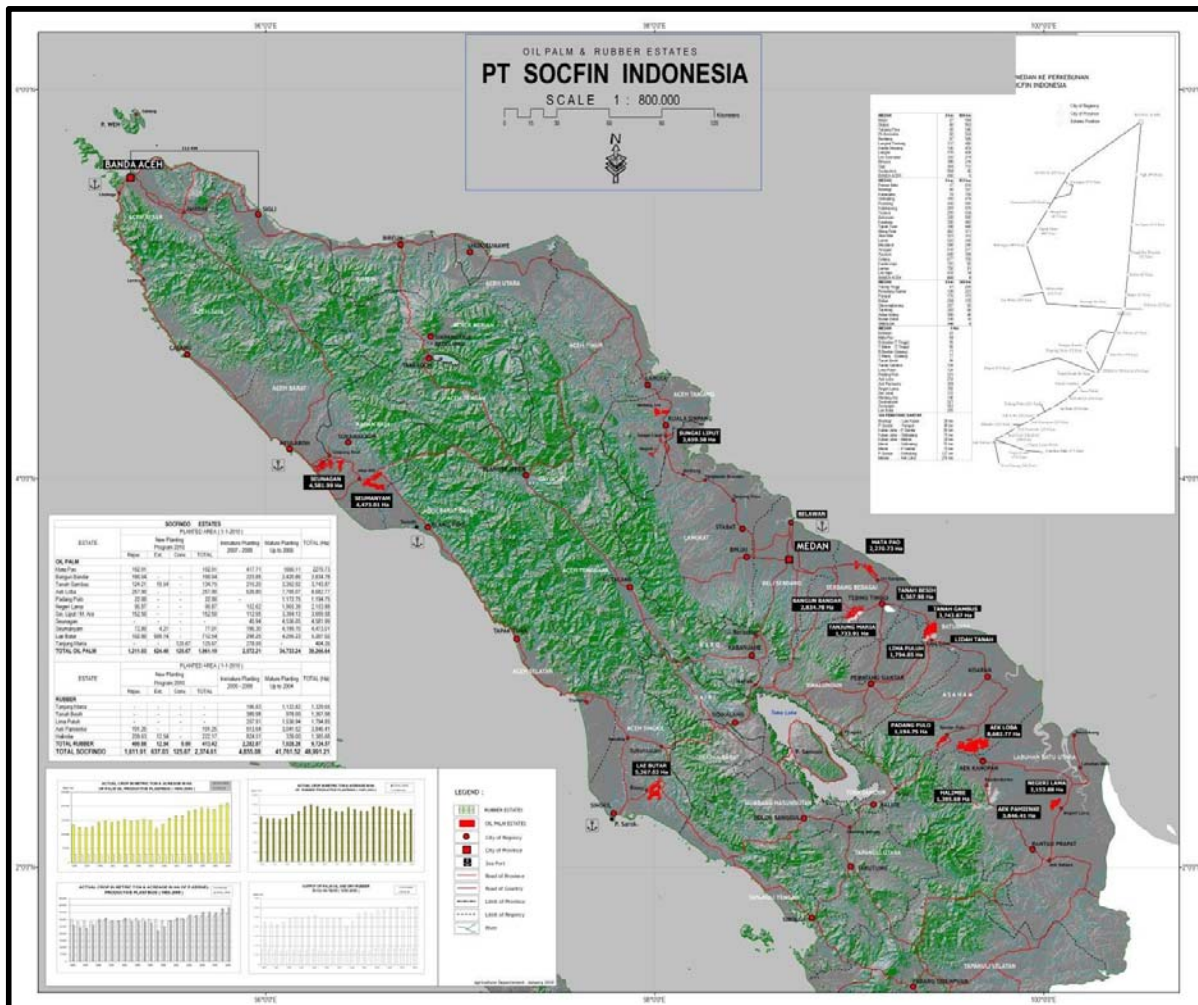
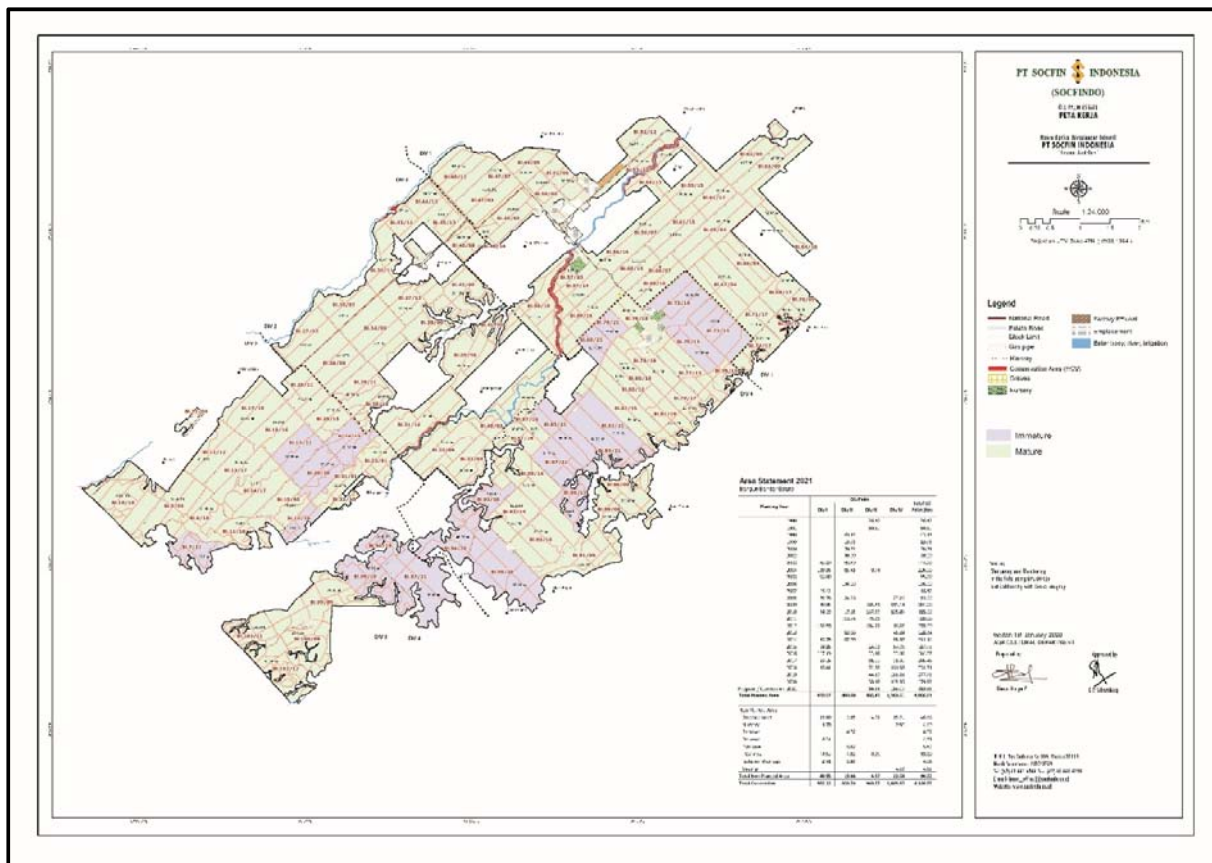


Figure 2. Operational Map of PT Socfin Indonesia



Abbreviations Used		
AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
APAR	:	Fire Extinguisher/ <i>Alat Pemadam Api Ringan</i>
BOD	:	Biological Oxygen Demand
BPJS	:	Government Insurance Scheme/ <i>Badan Penyelenggara Jaminan Sosial</i>
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
FFB	:	Fresh Fruit Bunch
Gapoktan	:	<i>Gabungan Kelompok Tani</i> / Association of Farmer Groups
GHG	:	Greenhouse gases
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	:	Hazard Identification, Risk Assessment and Control
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISCC	:	international certification system
ISPO	:	Indonesian Sustainable Palm Oil
JSA	:	Job Safety Analysis
KER	:	Kernel Extraction Rate
LB3	:	Hazardous Waste
LC	:	Land Clearing
LCC	:	Land Cover Crop
LD50	:	Lethal Dosage 50
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PEL	:	<i>Penyajian Evaluasi Lingkungan</i>
PK	:	Palm Kernel
PLN	:	<i>Perusahaan Listrik Negara</i> (National Electrical Department)
PAUD	:	<i>Pendidikan Anak Usia Dini</i> (for Early Childhood Education)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
PPE	:	Personal Protective Equipment
RaCP	:	Remediation and Compensation Plan
RKL	:	<i>Rencana Kelola Lingkungan</i>
RPL	:	<i>Rencana Pantau Lingkungan</i>
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SEIA	:	Social and Environmental Impact Assessment
SIA	:	Social Impact Assessment
Socfindo	:	Socfin Indonesia
WHO	:	World Health Organization
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 Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020)Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20th April 2020	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	PT Socfin Indonesia – Socfin SA	
1.2.2	Contact person	Andria Zulmanitra	
1.2.3	Organization address and site address	<ul style="list-style-type: none">RSPO registered company: Societe Financiere des Caouthchoucs 4, Avenue Guillaume 1650, Luxembourg.Liaison Office: Jl. K.L. Yos Sudarso No. 106, Medan 20115, Sumatera Utara Province.	
1.2.4	Telephone	(+62-61) 6616066	
1.2.5	Fax	(+62-61) 6614390	
1.2.6	E-mail	andria@socfindo.co.id	
1.2.7	Web page address	www.socfindo.com	
1.2.8	Management Representative who completed the application for certification	Andria Zulmanitra Head of Sustainability Sub Department	
1.2.9	Registered as RSPO member	1-0269-19-000-00 – 06 December 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Bangun Bandar POM and Bangun Bandar 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
			LatitudeLongitude
	Bangun Bandar	Aras Panjang Village, Dolok Masihul Sub-District, Serdang Bedagai District, Sumatera Utara Province, Indonesia	N 03° 19' 54"E 99° 02' 36"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Bangun Bandar	Aras Panjang Village, Dolok Masihul Sub-District, Serdang Bedagai District, Sumatera Utara Province, Indonesia	N 03° 19' 54"E 99° 02' 36"
1.5	Description of Area Statement		

1.5.1	Tenure	
	• State	4,146.85 Ha
	• Community	- Ha
1.5.2	Area Statement	
	• Total area	4,146.85 Ha
	• Mature area	3,216.54 Ha
	• Immature area	827.11 Ha
	• Emplacement (mill and housing)	45.49 Ha
	• Nursery	4.60 Ha
	• Bamboo	0.52 Ha
	• Effluent	4.31 Ha
	• PLN Line	5.82 Ha
	• HCV area	33.77 Ha
	• Isolation drainage	4.06 Ha
	• Swamp	4.63 Ha
<i>*The total HCV area is 36.46 Ha of which 33.77 Ha is outside the planted area while 2.69 Ha is inside the planted area</i>		
1.6	Planting Year and Cycles	
1.6.1	Age profile of planting year	
	Planting Year	Hectarage (Ha)
		Bangun Bandar Estate Total
	2003	1.73
	2004	104.11
	2005	95.00
	2006	136.00
	2007	14.97
	2008	83.00
	2009	394.00
	2010	315.00
	2011	189.00
	2012	278.00
	2013	128.24
	2014	211.16
	2015	187.73
	2016	184.07
	2017	205.46
	2018	231.31
	2019	277.93
	2020	319.65
	Sub Total Mature	3,216.54

	2021	319.65	319.65				
	2022	217.81	217.81				
	2023	289.65	289.65				
	Sub Total Immature	827.11	827.11				
	TOTAL	4,043.65	4,043.65				
1.6.2	New Planting area after January 2010	903.31	Ha				
1.6.3	Planting Cycle	4 th 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 (%)
	Bangun Bandar	25	85,184.55	20,421.64	23.97	2,940.00	3.45
	*Production data source from August 2022 to July 2023						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/h a/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Bangun Bandar	4,146.85	3,216.54	85,184.55	26.48	85,184.55	100
	*Production data source from August 2022 to July 2023						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non- certified)	Type of Organization	Number of Smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	-	-	-	-	-	-	
	TOTAL					-	
	*There is no FFB receipt from other source						
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)		Actual Production (MT) of previous audit (August 2022 to July 2023)	
	FFB Processed			89,000.00		85,184.55	
	CPO Production			22,400.00		20,421.64	
	Palm Kernel (PK) Production			3,700.00		2,940.00	
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year (August 2022 to July 2023) (MT)			
	CSPO sold as RSPO certified product			20,119.88			

	CSPK sold as RSPO certified product				2,919.13			
	CSPO sold under other scheme				0			
	CSPK sold under other scheme				0			
	CSPO sold as conventional				0			
	CSPK sold as conventional				0			
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Production Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Bangun Bandar Estate		4,146.85	3,216.54		90,000	26.50	
	<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 (%)	
	Bangun Bandar	25	90,000	21,600	24.00	3,600	4.00	IP
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISPO			MISB-ISPO/068 dated 26 September 2020 valid until 25 September 2025				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Tanah Gambus POM	2016	Tanah Gambus Estate	2016	Batubara District, North Sumatera Province	Certified		
	Bangun Bandar POM	2016	Bangun Bandar Estate	2016	Serdang Bedagai District, North Sumatera Province	Certified		
	Negeri Lama POM	2016	Negeri Lama Estate	2016	Labuhanbatu District, North Sumatera Province	Certified		
	Mata Apo POM	2016	Mata Apo Estate	2016	Serdang Bedagai District, North Sumatera Province	Certified		
	Aek Loba POM	2016	Aek Loba Estate	2016	Asahan District, North Sumatera Province	Certified		
	Sungai Liput POM	2016	Sungai Liput Estate	2016	Aceh Tamiang District, Aceh Province	Certified		
	Seunagan POM	2015	Seunagan Estate	2015	Nagan Raya District, Aceh Province	Certified		
	Seumayam POM	2015	Seumayam Estate	2015	Nagan Raya District, Aceh Province	Certified		
	Lae Butar POM	2015	Lae Butar Estate	2015	Singkil District, Aceh Province	Certified		

Okomu Oil Palm Company Extension 1 POM	2020	Okomu Oil Palm Company Main Estate	2020	Nigeria	Certified
	2023	Okomu Oil Palm Company Extension 1 Estate	2023		Uncertified
		Safacam Provisional Concession	2023		Uncertified
Safacam POM	2020	Safacam TF129, TF136, TF180, TF, Bail Ossa	2020	Cameroon	Certified
		Safacam TF151	2022		Certified
		Safacam Provisional Concession	2023		Uncertified
Socapalm Dibombari POM	2022	Socapalm Dibombari Estate	2022		Certified
Socapalm Edea POM	2021	Socapalm Edea Estate	2021		Certified
Socapalm Mbongo POM	2021	Socapalm Mbongo Estate	2021		Certified
Socapalm Mbambou POM	2021	Socapalm Mbambou Estate	2021		Certified
Socapalm Kienké POM	2022	Socapalm Kienké Estate	2023		Certified
Socapalm Eséka POM	2021	Socapalm Eséka POM (no estate)	2021		Certified
Brabanta POM	2022	Sanga Sanga, Kadima, and Kanangai Estates Estate	2022	Democratic Republic of Congo	Certified
		Lumbundji and Savannah Estates	2023		Uncertified
Plantations Socfinaf Ghana (PSG) POM	2022	PSG Manso	2022	Ghana	Certified
		PSG Subri	2023		Uncertified
SOGB POM	2021	SOGB TF464	2021	Côte D'Ivoire	Certified
		SOGB TF465, TF466, TF467	2023		Certified
Socfin Agricultural Company (SAC) POM	2021	Socfin Agricultural Company (SAC) Estate	2021	Republic of Sierra Leon	Certified
Agripalma POM	2021	Titulo 409 Estate	2021	Sao Tome et Principé	Certified

		Titulo 410 Estate	2023	Uncertified
	<p><i>*TBP update by UoC on 23 May 2023</i></p> <p>Based on internal audit of uncertified unit in 2023, most of uncertified unit still have RaCP in progress, with explanation below:</p> <ul style="list-style-type: none"> • Okomu Oil Palm Company Extension 1 Estate → Will be audited as a scope extension during the following surveillance audit of Okomu Oil Palm Company Main Estate and Extension 1. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Currently undergoing the RaCP process for this area. Annex 8 review by RSPO has been done. It will now undergo the last external review. When the Annex 8 is approved, the mill and estate will be certified. • Okomu Oil Palm Company Extension 2 POM and Okomu Oil Palm Company Extension 2 Estate → The mill and estate were audited in September 2023. Only 1 NC remains, that of the RaCP. Annex 8 review by RSPO has been done. It will now undergo the last external review. When the Annex 8 is approved, the mill and estate will be certified. • Safacam Provisional Concession → Will be audited as a scope extension during the following surveillance audit of Safacam in Q3 2023. • Titulo 410 Estate → Will be audited as a scope extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. RaCP Annex 8 approved on 23/05/2023 allowing this to go ahead. • Lumbundji and Savannah Estates → Will be audited as a scope extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Annex 8 review for this area by RSPO has been done. It is currently undergoing external review. • PSG Subri Estate → Will be audited as a scope extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Currently undergoing the RaCP process for this area. The Annex 7 has been submitted. 			
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard			
	The Company didn't have associated smallholders and out growers.			

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 2.2	<p>1. Octo HPN Nainggolan (Lead Auditor Witnessing) Indonesian citizen, Bachelor of Agriculture, majoring in Agricultural Socio-Economic (Agribusiness). Seven years of experience working since 2004 in oil palm plantation companies in Indonesia and participated in several trainings, namely: Nature Conservation Training and Biological Resources in HCV support, Basic Plantation Management Program, Integrated Pest Management training, Management System Certification (ISO 9001:2008 / SNI 19011 -9001:2008), Environmental Management System (ISO 14001:2004), OHSAS based SMK3, RSPO Lead Auditor Course supported by Proforest and Wild Asia, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, supply chain certification system training and Lead training RSPO Renewable Energy Directive auditors. He currently works as an auditor at the Certification Body. During the audit he witnesses the team.</p> <p>2. Firda Tarunajaya (OB Lead Auditor). Indonesian citizen, Bachelor of Forestry Majoring in Silviculture, Bogor Agricultural University. He has working as an Operational Staff in an Oil Palm Plantation Company in Indonesia. Attended trainings are Lead Auditor RSPO, Lead Auditor ISPO, Quality Management Systems (ISO 9001:2015) by IRCA, Environmental Management Systems (ISO 14001:2015), ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During the audit, he verifies Legality, Social, SCCS and transparency.</p> <p>3. 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 worker welfare and smallholders' inclusion.</p> <p>4. Rizki Tanaya (Auditor). Indonesian citizen, Bachelor of Agriculture, Padjadjaran University. Trainings that have been attended include ISPO Auditor Training and Refreshment New ISPO Ministry of Agriculture 38 of 2020, RSPO SCCS Auditor Training, ISO 9001:2015 Lead Auditor Training, General OHS Expert Candidate Training, ISO 19011:2018 Internal Training, ISO 17021:2015, ISO 17065:2012, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, FSC CoC, BAP, SEDEX/Smeta, and Global GAP. Has carried out several audit activities on environmental, conservation, Best Management Practice, OHS, Labor and Social aspects. During this assessment, verified the aspects of Best Management Practices and OHS Aspect.</p> <p>5. Alfiany Sukmawati (Auditor Trainee). Indonesian Citizen. Bachelor of Public Health, major in Environmental Health, University of Indonesia. Has experience working in as HSE specialist for 5 years. Has attended training in AMDAL A & B, ISO 14001 auditor training, OSHAS, ISPO by LPP, RSPO by Checkmark, <i>Lead Auditor</i> ISO 9001:2015, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 45001, and Awareness ISO 19011. Has participated in several simulations of audit activities related to the certification system for sustainable palm oil plantations with environmental aspects. During the audit, she verified OHS, environment, waste management, GHG and conservation aspect.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari Tbk office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA 2.2	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for ASA 2.2 at site: 5 days</p> <p>Number of working days for ASA 2.2 at site: 15 Working days</p>
2.2.2	Assessment Process
ASA 2.2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Socfin Indonesia to the requirements of:</p> <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

The scope of certification of consist of one mill (Bangun Bandar) and one (1) estate (Bangun Bandar Estate). The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

Team of auditor started their trip from Jakarta to Medan and continued to site on 04 September 2023. Once arrived, team auditor conducted Opening Meetings in the Meeting Room of Region office of unit Bangun Bandar. Opening meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

Public Stakeholder Notification was made on MUTU Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also 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 direct interview. 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 unit Bangun Bandar on 08 September 2023. Closing meeting attended by Estate manager, Mill Manager, Sustainability 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 ASA 2.3. All information obtained was recorded in Check List of PT Mutuagung Lestari Tbk (MUTU) and part of Recertification reports.

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA 2.2	<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>Bangun Bandar Mill</p> <ul style="list-style-type: none"> • Weighbridge. Observation regarding FFB administration, Supply chain aspect, and worker welfare aspect. • Security. Observation regarding emergency response aspect, OHS and supply chain verification.

- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
- **WWTP.** Observation on WWTP, indication of waste overflow, OHS implementation, and interview with worker about worker welfare, OHS, and company's policies.
- **Solid Waste.** Observation of the management of Solid waste consist of fiber and shell from the production process of mill.
- **EFB composting.** Observation of the management of EFB and POME to composting management the production process of mill.
- **POME Outlet.** Observation of waste management, availability of work safety facilities, and understanding of employees according to their respective jobs.
- **Sortation and Grading.** Observation regarding the quality of FFB, OHS aspect, and worker welfare.
- **Loading Ramp.** Observation regarding the knowledge of operator in OHS aspect and implementation of procedure.
- **Weighbridge.** Observation regarding FFB administration, Supply chain aspect, and worker welfare aspect.
- **Engine room.** Observation related work process, OHS and environment aspect.
- **Sterilizer Station.** Observation related work process, OHS and environment aspect.
- **Boiler Station.** Observation related work process, OHS and environment aspect.
- **Chemical Storage.** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Workshop.** Observation and interview with worker related to workshop activity, OHS, environmental and worker welfare aspect.
- **Bunch Press Area.** Observation related to implementation of procedures, empty bunch waste management, OHS and environmental aspects.
- **Composting Area.** Observation of waste management, work procedure, worker welfare aspect, and environmental aspect.
- **WTP.** Observation of waste management, management of chemical use, use of PPE for workers and availability of flowmeters.
- **Laboratory.** Observation and interview with worker related to chemical management, work procedure, laboratory residue, OHS, and environmental aspect.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Loading Ramp Station.** Observation regarding the knowledge of operator in OHS aspect and implementation of procedure.
- **Engine Room Station.** Observation related work process, OHS and environment aspect.
- **Sterilizer Station.** Observation related work process, OHS and environment aspect.
- **Boiler Station.** Observation related work process, OHS and environment aspect.
- **Hoisting crane Station.** Observation related work process, OHS and environment aspect
- **Hydrant No. 6 simulation.** Observation related emergency preparedness.
- **Security.** Observation and interview related SCCS implementation, OHS and worker welfare implementation.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

Bangun Bandar Estate

- **Housing Area Division 4.** Observation related to availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Chemical and Work tools Transit Storage Division 1 and 4.** Observation related to OHS, environmental, and worker welfare aspects.

- **Mixing Area Division 1 and 4.** Observation and interview related work procedure, employment, safety, and environmental aspect.
- **Rinse House Division 1 and 4 and Sprayer PPE Room.** Observation and interview related work procedure, employment, safety, and environmental aspect.
- **Daycare Division 4.** Observation related to facility, OHS and worker welfare aspects.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Landfill Area Division 4 Block 75.** Observation of domestic waste management and environmental aspect.
- **Firefighting Equipment Storage.** Observation and interview with worker related to hazardous waste management, OHS, and environmental aspects.
- **Fire Drill.** Observation related emergency preparedness, facility, and fire emergency team.
- **Boundaries Pole No 8, 9 and 225,** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **PPE storage for agrochemical workers.** Observation and interview about worker welfare, OHS implementation, and understanding of work procedure.
- **HCV Belutu River Riparian Area, Block 27 division 2.** Observation the implementation of management in HCV of riparian area and replanting activities for year 2022.
- **Pre-Nursery and Main Nursery.** Observation related to nursery and seed maintenance.
- **Fertilizer storage.** Observation and interview related management of fertilizer.
- **Chemical storage.** Observation and interview related management of chemical.
- **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
- **Housing complex Division 1.** Observation related facilities for workers, sanitation, water, electricity, and domestic waste management.
- **Clinic,** observation related worker and medical facility.
- **Daycare Division 1.** Observation and interview with worker related labor aspect and OHS.
- **Rinse House Division 1:** Observation and interview about worker welfare, OHS implementation, and understanding of work procedure.
- **Nursery Block 51 Division 1.** Observation related to nursery and seed maintenance.
- **Landfill at Blok 65 Division 1.** Observation related to waste domestic management.
- **Conversion Area at Block 83 Division 4.** Observation related to implement land clearing activity.
- **Replanting Area at Block 67 Division 1.** Observation related to implement replanting activity.
- **Circle Path Spraying Block 51 Division I.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Harvesting Block 56 Division I.** Observation and interview with harvester related fruit ripeness, safe working practices and worker welfare.
- **Pest Census Block 59 Division I.** Observations and interviews related to work procedures, worker welfare, OSH, environmental aspects and grievance mechanisms.
- **Harvesting Block 80 Division IV.** Observation and interview with harvester related fruit ripeness, safe working practices and worker welfare.
- **Manuring Block 75 Division IV.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Compost Application Block 67 Division I.** Observations and interviews related to work procedures, dosing and application rotation.
- **Barn Owl Box Block 60 Div I.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **Replanting Area Block 67 Division I.** Observations related to the management and maintenance of immature plant.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1	Summary of stakeholder consultation process.
ASA 2.2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Socfin Indonesia was held by:</p> <ul style="list-style-type: none"> • Public Notification on website of Mutuagung Lestari on 21 August 2023. • Public consultation to NGO (Sawit Watch, WALHI, WWF, AMAN) on 29 August 2023. • Public consultation meeting with government institution (Labor and Cooperative Agency, Department of Agriculture and Animal Husbandry, National Land Office, and Environmental Services of Serdang Bedagai District) on 05-06 August 2023. • Public consultation meeting with communities on 05 August 2022. • Public consultation meeting with internal stakeholders and contractor on 05 August 2022. <p>Numbers of input from stakeholders were clarified by PT Socfin Indonesia.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-2.3) will be conducted eight (8) months to twelve (12) months after certificate issued.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bangun Bandar POM – PT Socfin Indonesia, subsidiary of Socfin SA operation consisting of One (1) mill and One (1) oil palm estate.

During the assessment, there were nil (0) Nonconformity were assigned against Major Compliance and Minor Compliance indicator and two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Bangun Bandar POM – PT Socfin Indonesia, subsidiary of Socfin SA 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 Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020).**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, April 1, 2020, which explains the handling of information, aspirations, consultation and communication between companies and their stakeholders. The procedure includes a list of documents belonging to the certification unit that are available to the public, including:</p> <ul style="list-style-type: none"> • Cultivation Rights Certificate • Occupational health and safety plan • Documents of environmental impact assessment (<i>AMDAL</i>) and social impact assessment (SIA) • Pollution prevention and reduction plan • Negotiation procedure • Continual improvement program • Summary of certification assessment report • Human Rights Policy • Company policy • Code of conduct for workers and suppliers. <p>Based on the explanation above, it can be concluded that the certification unit already has the management documents regulated in the RSPO Principles and Criteria available to the public that are well documented.</p>	
1.1.2	<p>The unit of certification can show evidence that information has been received in an appropriate form and language (Bahasa) related to stakeholder involvement, company rights and obligations that are conveyed to all relevant stakeholders, including:</p> <p><u>Compliance with Social and Environmental Regulation</u></p>	

- PPA, PPU, and RKL RPL Report for 2nd of 2023 ID-2123 dated 26 July 2023 to the Ministry of Environment and Forestry via SIMPEL.
- Hazardous Waste Management Report for the 2nd quarter of 2023 ID-1558 dated 26 July 2023 to the Ministry of Environment and Forestry via SIMPEL.
- Hazardous Waste Management Report for the 2nd quarter of 2023 ID-1558 dated 26 July 2023 to the Regional Government of Serdang Bedagai Regency and North Sumatra Province.
- RKL RPL Implementation Report for the July-December 2022 period dated February 9, 2023 (No. BB/X/Bi/015/23) to the Serdang Bedagai Regency Environmental Agency.
- RKL RPL Implementation Report for the January-June 2023 period as well as the POME management and Hazardous Waste Monitoring Report for the April-June 2023 period on July 24, 2023 (No. BB/X/Bi/247/23) to the Serdang Bedagai Regency Environmental Agency.
- Monitoring Report on POME Management and Hazardous Waste for the January-March 2023 period on April 20, 2023 (No. BB/X/Bi/139/23) to the Serdang Bedagai Regency Environmental Agency.
- PT Socfindo HCV Management Report for 2022 to BKSDA North Sumatra dated 05 July 2023.
- Social Impact Assessment Document Review year 2022.

Compliance with Best Management Practices Regulation:

- Business Development Report for the January – June 2023 period to the Serdang Bedagai District Agriculture Service on July 25, 2023.
- Report on Monitoring and Prevention of Fires January - June 2023 period to the Serdang Bedagai District Agriculture Office on July 25, 2023.
- OHS committee Report for the Period January – March 2023 on April 6, 2023, received by the Manpower Agency of the Sumatera Utara Province.
- OHS committee Report for the Period April – June 2023 on July 13, 2023, received by the Manpower Agency of the Sumatera Utara Province.

Compliance with Legal Regulation:

- Report on the utilization of HGU 2022 to the Land Agency of Serdang Bedagai Regency (No. BM/017/23) and received by the relevant agency on 31 January 2023.
- 1st Quarter 2023 Investment Activity Report to the Serdang Bedagai Regency Investment Agency on 10 April 2023.
- 2nd Quarter 2023 Investment Activity Report to the Serdang Bedagai Regency Investment Agency on 10 July 2023.
- 1st Semester 2023 Plantation Development Report No BB/X/Bi/248/23 to the Serdang Bedagai Regency Investment Agency on 25 July 2023.
- 2nd Semester 2022 Plantation Development Report No BB/X/Bi/038/23 to the Serdang Bedagai Regency Investment Agency on 25 January 2023.

Compliance with manpower Regulation:

- Mandatory Reporting of Workers reported online on July 22, 2023, with reporting number 20115.20230722.0001
- Registration of contract workers (PKWT) on August 1, 2023, at the Manpower Agency Serdang Bedagai Regency.

1.1.3

The company has SOP to ensure constructive response to stakeholders, document title "Social Communication Procedure", SOC/PSM/9.01 Edition 01, Rev.06, dated 1 April 2020. The SOP has described:

- Information request should be submitted to the company officially by letter, e-mail or others in a documented form.
- The decision on information request from stakeholders should be informed to the requester.
- Time frame for response to request for information are within one month since request received.
- The head of head administration section (*Kepala Tata Usaha*) are person that responsible for receiving and responding to request.

- This procedure mentioned that all the information requests will be responded by unit of certification not more than 3 weeks after the incoming letter.

The company has documented all requests for information and has responded according to its SOP. During 2023 there were two requests for information received by the company and all of them have been responded to, for example Letter of request for information from the Tax Service Office of Tebing Tinggi number S-803/KPP.2601/2023 dated 22 August 2023 concerning Reporting of the Annual Personal Income Tax Return for the 2022 tax year and has responded on August 23, 2023 with letter No.BB/X/Bi/281/23.

1.1.4

The company has Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, April 1 2020 which explains the handling of information, aspirations, consultation and communication between companies and their stakeholders. The company can show evidence of procedure socialization to stakeholders, for example:

- Records of socialization of Communication & Complaints Procedures on April 27 2023 at the Division I office which was attended by 127 participants.
- Records of socialization of Communication & Complaint Procedures on 27 April 2023 at the Division II office which was attended by 123 participants.
- Records of socialization of Communication & Complaints Procedures on April 5 2023 at the Division III office which was attended by 111 participants.
- Records of socialization of Communication & Complaints Procedures on April 28 2023 at the Division IV office which was attended by 160 participants.

Based on interviews with representatives of surrounding villages (Kerapuh Village, Tanjung Maria Village, Dame Village) and representatives from Agencies in Serdang Bedagai, it is known that the unit of certification has conducted outreach to relevant stakeholders regarding the mechanism for requesting information from the unit of certification. Each party has acknowledged that the PIC responsible for communicating, consulting and receiving requests for information from external parties.

1.1.5

The company has Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, April 1, 2020, which explains the handling of information, aspirations, consultation and communication between companies and their stakeholders. The SOP also explains that the officer is responsible for updating and updating the stakeholder list.

The auditor has verified the previous OFI where the company has updated Stakeholders in 2023 consisting of:

- 23 government agencies, including the Tax Service Office and BPJS
- 12 surrounding village communities
- 1 worker union
- 3 contractors
- 2 community leaders
- 2 schools
- 1 mass media
- 1 surrounding company
- 2 NGO's.

When the audit is carried out, the Stakeholder List document of the certification unit that is displayed is in accordance with the truth, such as the contact number of each stakeholder contacted by the auditor as listed in the list. Based on this, it can be concluded that the unit of certification has a well-documented contact list and detailed information regarding stakeholders and their representatives.

Status: Comply

1.2

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

1.2.1

Unit of certification had a policy concerning on code of integrity in all operational activities and transactions including third parties. This policy stated in the PT Socfin Indonesia Policy Edition 1 (for workers and company) and Edition 2 (for third parties) validated in March 2019. It's explained that the group committed to prohibit all workers from corruption, bribery and fraudulent use of funds and resources, prohibit any forced labor and human trafficking, etc. In addition, UoC also has Non-Discrimination and Equal Opportunity Policy of PT Socfindo updated in April 2021 which stated the prohibition of any discrimination on religion, race, sexual orientation, gender, national origin, caste, disability, gender identity, union membership, political affiliation, or age.

The company can show evidence of procedure socialization to stakeholders, for example:

- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 27, 2023, at the Division I office which was attended by 127 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on 27 April 2023 at the Division II office which was attended by 123 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 5, 2023, at the Division III office which was attended by 111 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 28, 2023, at the Division IV office which was attended by 160 participants.

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

1.2.2

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 workers agreement which states that the unit management provider will carry out the work in accordance with the procedure and comply with all applicable codes of ethics in the company.

In addition, there is a Whistle Blowing system that establishes the flow of complaints/reports of violations in all employees, without worrying, are willing to convey the possibility of fraudulent practices occurring within the certification unit. Based on the results of interviews with workers in the sampling units such as who stated that all of them was aware of Whistle Blowing system that has been implemented and can be accessed by all workers, including contract workers. In addition, there are statements from third parties 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.

The certification unit has shown a stakeholder logbook and Hot line. In that monitoring, it was found that there were no violations of the code of ethics in the certification unit's operational areas. In additions, unit of certification has also monitored the compliance through internal audit including contractor evaluation. This is showed in document of RSPO and ISPO Internal Audit on 15- 16 August 2023.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS
2.1

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

2.1.1

The certification unit is under the company PT Socfin Indonesia (Socfindo) Bangun Bandar Unit, in fulfilling compliance, the company has complied with several relevant regulations, namely by having the following documents:

Compliance with Social and Environment Regulation:

- **Environmental Document:** 1993 Environmental Evaluation Presentation (PEL) which was approved on March 17, 1994, with No.RP.220/478/B/III/94 for managed areas. In 2013, the management unit revised the RKL-RPL and obtained it in accordance with PT Socfindo Perkebunan Bangun Bandar's Revised RKL-RPL Recommendation No. 18.32/660/325/2013 dated 15 November 2013. The purpose of the RKL-RPL revision was due to the planned conversion of Rubber stands become oil palm plantations. In addition, the management unit already has an Environmental Permit from the Head of the Investment Service and One-Stop Integrated Licensing Services Serdang Bedagai Regency Number: 0003/22/DPMP2TSP-SB/III/2019 dated 4 February 2019 for an area of 4,146.85 Ha consisting of Gardens and Factory with a capacity of 23 tons of FFB/hour.
- **POME Management Permit:** PT Socfindo Kebun Bangun Bandar's Wastewater Disposal Permit (IPAL) to water bodies through Decree of the Head of the Serdang Bedagai Regency DPMP2TSP Service No. 0006/36/IX/DPMP2TSP-SB/2019 dated 24 September 2019 which is valid for 5 years (2024).
- **Hazardous Temporary Storage Permit:** PT Socfindo Kebun Bangun Bandar Hazardous Temporary Storage in Aras Panjang Village, Dolok Masihul District, North Sumatra based on the decision of the Head of DPMP2TSP of Serdang Bedagai Regency No. 0002/34/DPMP2TSP-SB/III/2019 dated 05 March 2019 valid until 05 March 2024, located at coordinates N 030 18' 37.7064" and E 0990 03' 12.5424".
- **Hazardous Temporary Storage Permit:** PT Socfindo Kebun Bangun Bandar Hazardous Temporary Storage in Aras Panjang Village, Dolok Masihul District, North Sumatra based on the decision of the Head of DPMP2TSP of Serdang Bedagai Regency No. 0020/34/xi/DPMP2TSP-SB/2020 dated 06 November 2020 valid until 06 November 2025, located at coordinates N 030 19'45,5" and E: 0990 02' 36,7".
- **Water Usage for Process Purpose:** Extension of Groundwater Resources Business Permit in accordance with the decision of the Governor of North Sumatera DPMP2TSP No. 546/415 for boiler and domestic use from 1 artesian well source is valid until 30 August 2025.
- **Water Usage for Domestic Purpose:** Extension of Groundwater Resources Business Permit in accordance with the decision of the Governor of North Sumatera DPMP2TSP No. 546/417 for domestic use and latex tank washing from 1 artesian well source is valid until 30 August 2025.

Best Management Practices

In best management practices, it is known that plantation and mill management has implemented some compliance with Indonesian laws and regulations. For example, not using the burning method in the land clearing process and implementing integrated pest control, biological control and only uses pesticides that have been registered and have a distribution permit in accordance with the required regulations and using high-quality and certified oil palm seeds from registered seed producers.

Compliance with OHS Regulation

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

- The establishment of the *P2K3* (OHS Committee) for PT Socfin Indonesia (Socfindo) which were registered by the Manpower and Transmigration Agency of Sumatera Utara Province.
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC.
- Have permits for all factory operating machines such as boiler and sterilizer machines that have been tested for eligibility according to applicable regulations.
- Has a license / competency for some special jobs that require more expertise such as OHS experts, Hiperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Has carried out a general health check (Medical Check Up) every year for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs.

Compliance with Legal Regulation:

- The unit of certification already has Land Use Tile in accordance with *HGU* Certificate No. 2 of 1998 for an area of 4,146.85 ha valid until December 31, 2023.

- Has a Plantation Business Permit in the form of *SPUP* with Number HK.350/821/DJ.Bun.5/XI/2001 on November 23, 2001, for an area of 4,146.85 ha (oil palm plantations) with a permit capacity of 25 Tons FFB/hour.
- Has a Plantation Business Assessment certificate for the 2021 assessment period issued by the Regent of Serdang Bedagai on December 21, 2021, with the result of getting a class I category (Excellent).

Compliance with Worker Welfare Aspect

- Mandatory Employment report PT Socfin Indonesia – Bangun Bandar Mill with reporting number 20115.20230722.0001 dated 22 July 2023.
- Has implemented wages in accordance with the Decree of the Governor of North Sumatra number 188.44/1010/KPTS/2022 dated 07 December 2022 concerning Determination of the Minimum Wage for Serdang Bedagai Regency in 2023.
- There was no illegal labor, underage labor and forced labor systems.
- UoC has registered all workers in health insurance and social security insurance.

2.1.2

The company already has documents related to legal compliance in the Law Register Document with the last updated on 01 July 2022, divided into several aspects, namely:

- Identification and evaluation regulations and requirements against OHS Aspect.
- Identification and evaluation regulations and requirements against environmental Aspect.
- Identification and evaluation regulations and requirements against others aspect (legal, worker welfare and others).

Companies can show 113 regulatory updates per semester II 2023, for example Companies can show 113 regulatory updates per semester II 2023, for example Minister of Environment and Forestry Regulation No. 5 2023 concerning Risk Management.

As guidance about law regulations, the company has a procedure Identifications and evaluating the compliance of regulations (SOC/PSM/4.05 rev 01 dated 17 May 2017) with the purpose of guidance during identifications and evaluations of the compliance of the requirements against environmental, OHS and other relevant laws and regulations in the operational activity PT Socfindo as well as ensuring all regulations and requirements has been complied, updated and communicated to all relevant parties. In the procedure mentioned if legal staff have a responsibility to identify and update the regulations and legal staff with estate/mill staff have a responsibility to conduct an evaluation of the compliance of regulations.

To ensure compliance with law or regulations, the company conducted an internal audit RSPO and ISPO. Latest internal audit was conducted on 15- 16 August 2023 that carried out by the Sustainability department.

2.1.3

The unit of certification has a procedure to ensure the maintenance of boundary markings as regulated in the Guidance of boundaries pole maintenance (No. SOC/PSM/4.12, revision 6 dated 1 September 2021). The procedure described that boundaries monitoring is carried out monthly by an officer appointed by the assistant.

The company already has an HGU map with a scale of 1:100,000. The map shows the distribution of HGU pole based on points determined by BPN and auxiliary points created by the Company. The number of HGU stakes is 99 units spread across 4 Afdeling, as follows:

- Afdeling 1: 25 HGU pole
- Afdeling 2: 32 HGU pole
- Afdeling 3: 26 HGU pole
- Afdeling 4: 16 HGU pole

The company has carried out maintenance on HGU pole which is carried out every month by upkeep employees, for example checking the availability and condition of the latest HGU pole is carried out in August 2023. The accuracy of the coordinate points is checked once a year. Based on observations of HGU pole Numbers 8, 9 and 225 in Division 2, it is known that all HGU pole are in good condition and correspond to the correct coordinate points.

Based on the description above, it shows that the Company has legal area boundaries, indicated by clear and maintained boundary signs, and no planting has been carried out beyond the HGU boundaries.

Status: Comply

2.2

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

2.2.1

The company has a list of contractors included in the list of stakeholders of Bangun Bandar September 2023 which explains name of agency, name of PIC, distance to company, telephone number and address. In the document there are 3 contractors who currently have cooperation with the company as below:

- PT Amindi Barokah (Transporters for hazardous and toxic materials).
- PT. Gunung Kawi Sukses Makmur (Transporter CPO/PK).
- PT. OBN Setia Perkasa (Palm oil maintenance contractor).

2.2.2; 2.2.3

The company provides contractor evaluation monitoring for all contractors collaborating with PT Socfindo Indonesia – Bangun Bandar POM and Estate, for example contract number No .PD-GM/X/449/2022 dated 12 October 2022 between PT Socfindo and PT. Gunung Kawi Sukses Makmur regarding the transportation of CPO which is valid until December 31, 2022. The contract explains the rights and obligations of both parties such as the route and number of CPO tanks, payment of taxes, prohibition of employment of minors under 18 years of age, prohibited from bringing children, no may be involved in human trafficking, and forced labor as well as immoral acts, alcohol, drugs, sanctions, OHS and dispute resolution.

Based on the results of interviews with PT. Gunung Kawi Sukses Makmur knows that the contract was made fairly and mutually agreed upon by both parties signing and a copy of the contract being displayed by each party. There is evidence of compliance with applicable laws by the contractor, for example:

- There is a list of employees
- Driving licenses for all of employees for example licenses on behalf SFD (initial) No 811207310170 which valid until December 12, 2023
- List of 4 workers, for example a contract on behalf SFD (initial) dated 19 May 2017.
- Example of an August 2023 wage slip on behalf SFD (initial) worth IDR 7,482,000
- Proof of payment for employment insurance for the period July 2023 which was paid on August 15, 2023.
- Health insurance card
- Contractor evaluation carried out by PT Socfindo on 03 July 2023 with parameters: PPE, Driving licenses, worker habits, workers, worker quality, equipment, supply chain.

Status: Comply

2.3

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

2.3.1, 2.3.2

Until this assessment, there is no FFB supply from other parties. FFB processed originally from own estate.

Status: Comply

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

3.1

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

3.1.1

Based on verification of basic info documents and interviews with management representatives, it is known that the company has a Long-Term Plan document in the Economic Indicators for Mill document. The document contains a long-

term plan for the period 2021 - 2025, including predictions of internal and external FFB production, OER, KER, CPO and PK Production, costs, and revenues.

DESCRIPTION	UNIT	YEAR				
		2021	2022	2023	2024	2025
Production						
FFB Produced by Own Estate	Ton	92,063	96,451	99,093	105,021	108,662
CPO Production	Ton	22,356	23,341	23,981	25,415	26,296
OER	%	24.28	24.20	24.20	24.20	24.20
PK Production	Ton	3,741	3,906	4,013	4,253	4,401
KER	%	4.06	4.05	4.05	4.05	4.05
Planted Area						
Mature	Ha	3,486	3,627	3,698	3,933	4,039
Immature	Ha	861	720	650	414	308

Annual planning also evaluated at the end of year and compared with realization. Its annual planning can be adjusted based on field condition, financial condition or another reason. Estates and mill management unit stated that those long-term plans mentioned above are subjected to be changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. Department of Sustainability together with Estate and Mill Management has responsibility to ensure that all technical implementation has in accordance with procedure, which aims to reach optimum output for budget fulfillment purposes through monitoring, training and socialization.

3.1.2

The unit of certification has a replanting plan from 2022 to 2026 as presented below:

YEAR	HA
2022	261.73
2023	347.14
2024	-
2025	59.08
2026	103.87
TOTAL	771.82

The unit of certification shows a Land Clearing Work Agreement for the 2023 Palm Oil Estate Program in Bangun Bandar Estate between PT. Socfin Indonesia with PT Surya Baru Prima Nusantara Number. PD-GM/X/529/2022 on November 26, 2022, consisting of:

- Hoe an area of 347.14 Ha.
- Chipping stems and embankments including digging and closing holes totalling 29,984 Trees.
- Washing continuous terraces along 5,000 meters.
- Creating a continuous terrace with a length of 13,070 m.

Unit certification conducted a yearly review according replanting program and realization which is presented in Document Management Review of PT Socfin Indonesia (Socfindo) Bangun Bandar Estate for the 2022 Period which was carried out on September 1, 2023, attended by 15 participants.

3.1.3

The company has conducted a Management Review of PT Socfin Indonesia (Socfindo) Bangun Bandar Estate for the 2022 Period which was carried out on September 1, 2023, attended by 15 participants. The Management Review was carried out for 2022 performances. The management review carried out discussed productivity, targets and the achievement of PT Socfin Indonesia (Socfindo) Bangun Bandar Estate. With an Action plan that becomes next year's resolution, among others:

- Follow-up Plan for Previous Management Review
- Audit findings

- Internal Audit of Socfindo Management System
- External Audit 2022.
- Target Achievement
 - Production
 - GHG Mitigation
 - HCV Management
 - IPM: Reducing the use of chemicals
 - OHS: Reducing the number of work accidents
 - Peat Management
 - Waste Management
 - Regulatory Compliance.
- Effectiveness of Risk Management Actions
- Improvement Opportunities
- Internal/External Issues
- Performance of External Providers
- Adequacy of Resources
- SCCS
- Customer Feedback.

Besides that, the certification unit implements evaluation of work plans is carried out routinely by the management of both central management and management units. Examples of evaluations carried out in units in the form of performance evaluation report for Bangun Bandar Estate in 2022 dated July 14, 2023. The report describes the achievements / results of the work plans that have been carried out.

Status: Comply

3.2

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

3.2.1

The certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

Realization of Continual Improvement in 2022 Bangun Bandar Unit

Environmental Aspects

- Management and monitoring of fires in company border areas that benefit the community.
- The 2022 HCV Management Plan improved in terms of both the quantity and the quality of monitoring.
- Ambient in air quality management and monitoring through road maintenance, air quality testing and reporting to the Environmental Agency.
- Management and monitoring of surface water through testing ground water quality and reporting it to the Environmental Agency.
- Hazardous waste management through Hazardous Waste Storage in permitted, management and monitoring of Hazardous waste also reported to the Environmental Agency.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy, regular engine maintenance, and regular emission quality tests.
- Management's commitment to carrying out Wildlife Conservation, Restoration and Protection activities.
- Utilization of waste as a renewable energy source to reduce fue usage (shells and fiber), as well as reducing the use of chemicals using compost from EFB.
- Reducing the use of chemicals (Year 2021: 41,144.60 kg, Year 2022: 22,940.85 kg).
- Reducing fuel consumption in generator operations (2021: 8.168 liters, 2022: 1.130 liters).

- Change of factory floor installation and structure to stainless materials at the pressing, clarification, stripper and kernellery stations.

Social Aspects

- Management of boiler ash to control air pollution for the community around the plantation (optimization of dust collector performance and consistency in boiler kitchen dredging activities).
- Management of sewage ponds and the area around the sewage ponds to control odors (activating bacteria in an aerobic pond and increasing vegetation in the sewage pond area).
- Recruitment of workers from villages around the plantations.
- Management of garden resources as a source of livelihood and food for villagers and employees.
- Management of garden roads as community access roads.
- Partnership program for farmers around the plantation.

Best Management Practices:

- Unit of certification does not use pesticides with the active ingredient paraquat.
- Composting to reduce the inorganic fertilizer.
- Have captive *sycaus sp* and beneficial plant as biological pest control agency.

Compliance with Worker Welfare Aspect

- Mandatory Employment report PT Socfin Indonesia – Bangun Bandar Mill and Estate with reporting number 20115.20230722.0001 dated 18 March 2023.
- Registration of contract workers at the Serdang Bedagai Regency Labor Service on August 1, 2023.
- The implementation of the minimum wage in 2023 is in accordance Decree of the Governor of North Sumatra number 188.44/1010/KPTS/2022 dated 07 December 2022 concerning Determination of the Minimum Wage for Serdang Bedagai Regency for 2023 of IDR 3,070,171.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.

The company carried out an internal RSPO audit on 15 and 16 August 2023 and found 8 non-conformities. All discrepancies have been corrected on September 1st, 2023.

3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 for the period of 2023 that has been filled in according to the facts and data in the company's record documents. Based on the team auditor's review, the information has been matched with other documents, total planted area, demographic workers, HCV area, FFB productions, work accidents, etc.

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

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Standard Operating Procedure (SOP) related to oil palm cultivation and processing activities is systematically documented and collected. The company has specialized staff from the EHS Department responsible for document control, so that it can ensure that each management unit (plantation and mill) stores the same version of the SOP. SOPs are available in Indonesian. Regarding technical cultivation, SOPs are socialized through training and direction in every morning briefing.

In addition, related to the technical procedures for the processing of oil palm, from receipt of FFB to dispatch. Based on the SOP, it is known that the procedure has covered every operational activity of the plantation and mill. The Mill Procedure

was made on April 10, 2014, and was approved by the Head of the Technology Sub Division. While the Operational Procedure was made on October 1, 2020, it was approved by the Principal Director.

Based on the results of visits to loading ramp stations, sterilizer stations, boiler stations and engine rooms, it is known that all workers have understood work procedures and can explain the stages of their work.

3.3.2 – 3.3.3

The unit of certification has an Internal Audit System Management Procedure No. SOC/PSM/8.22 Ninth Revision. January 1, 2022, as approved by the General Manager and Principal Director. This procedure aims to ensure that the management system is implemented in a sustainable manner, ensure that plantation operations follow applicable company standards and assess the effectiveness of the implementation of the management system. In summary, the details of the internal audit system management activities are as follows:

- Audit Planning and Preparation, namely the sustainability team compiles an annual management system audit program which is carried out at least 1 (one) time a year considering the results of previous audits and the importance of the process.
- Audit implementation, namely conducting audits in the factory, garden or analytical lab that has been determined according to the audit plan.
- The categories of audit findings can be in the form of conformity, major nonconformity and minor nonconformity and observations.
- Audit Reporting, namely the Auditor makes a summary of the results of the Management System Internal Audit Report which is approved by the Management in the format of the Plantation Internal Audit Report which is to Management.
- Follow-up on Audit Findings, namely all findings of each plantation are registered in the monitoring form for the findings of the internal audit management system.

The certification unit has audited the RSPO, ISPO and SCCS reference management systems in the Bangun Bandar Unit on August 15 – 16, 2023 by RSPO Internal Audit Team Sustainability, with 8 (eight) nonconformities and non-conformity fulfilment on dated September 1, 2023.

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

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage, and the post-operation stage. The unit of certification does not carry out new plantings or increase the scope of certification. Some of the documents held by the certification unit, include:

Environmental Impact Assessment (EIA)

The first, company has environmental impact report in the 1993 Environmental Evaluation Presentation Document (PEL) which was approved on March 17, 1994 with No. RP. 220/478/B/III/94.

In 2013 the management unit revised the RKL-RPL and has obtained it in accordance with the Recommendation for Revision of RKL-RPL PT Socfindo Bangun Bandar Number 18.32/660/325/2013 dated November 15, 2013. The purpose of the revised RKL-RPL is due to the planned conversion of rubber stands into oil palm. In addition, the management unit already has an Environmental Permit from the Head of the DPMP2TSP of Serdang Bedagai Regency Number: 0003/22/DPMP2TSP-SB/II/2019 dated February 4, 2019 for an area of 4,146.85 Ha consisting of plantations and Factory with a capacity of 23 tons of FFB/hour. Several environmental impact parameters that need to be managed include air quality, hazardous waste, POME, erosion and others.

Social Impact Assessment (SIA)

Certification unit already conducted a Social Impact Assessment (SIA), carried out in 2012 by AKSENTA Consultants which was carried out on 16-21 May 2016. This study explains the impacts arising from the impact of the Bangun Bandar Estate conversion activities, as well as preparing and implementing efforts to mitigate social impacts, included as a complementary part to all environmental impact assessments. Participatory evidence with affected parties is shown in the form of attendance at meetings and photos.

Detail of SIA Assessment Document including:

- Scope of Assessment: a) District Serdang Bedagai; b) Sub-District Dolok Masihul; c) Villages: Aras Panjang, Bantan, Kerapuh, Dolok Sagala, Martebing; d) HGU No. SK.94/HGU/BPN/97; e) HGU area 4,146.85 Ha; f) Conducted in March 2017; g) Team: Andria Zulmanitra (Sustainability Staff); Assistants and technician.
- Activities Assessed: a) Estate Operations (Replanting, Maintenance and Harvesting); b) Mill Operations (Processing, Sterilizing, Digesting, Pressing, Clarifying, dividing, storage); c) Infrastructure Development (Housing, Health facility, estate roads, general facilities such as mosques, church, sport, clean water sources).
- The assessment has been involving affected parties by questionnaires survey method. There are affected parties has been interviewed as follow: a) General Facility 38 samples; b) Estate Road User 20 samples; c) Replanting anemo 7 samples; d) Employment 16 samples.
- The positive impacts are, among others: road access, work opportunities, social contribution program, public facilities (mosque, church, football field, clean water providing) and resource utilization from the estate (palm sticks, grass, ferns, mushroom, empty bunch, etc.). While the negative impact is reduced villager income due to puddle of liquid waste and smell from palm oil mill.

The social impact assessment also contained in the environmental document *Penyajian Evaluasi Lingkungan (PEL)* of the Oil Palm and Rubber Plantations and factory Deli Serdang Regency Group in 1994, carried out by using a participatory method. Aspects that are managed include the economy, farming systems, income, employment opportunities.

3.4.2

The company already has an environmental and social management and monitoring plan which has been developed with the participation of affected stakeholders, there are:

Environmental Impact Assessment (EIA)

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented.

The environmental management and monitoring plan (RKL-RPL) consist of:

- | | |
|---|----------------------|
| • Erosion. | • Noise |
| • Soil Nutrient | • Liquid effluents |
| • Soil Structure | • Hazardous waste |
| • Casual worker for upkeep activities | • Gound water / well |
| • Air Pollution from Heavy Equipment Operations | • Job opportunity |
| • Soil pollution due to fuel spills from heavy equipment. | • Public health. |
| • Public perception | |
| • Air emission | |

Certification unit has also evaluated for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that all parameters are still appropriate by the related Quality Standards, and there is no indication of contamination.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company. The certification unit makes RKL-RPL reports based on attachment of

Environmental Permit where the matrix is a compilation of all previously owned. The environmental management and monitoring matrix describes the impact of plantation activities and mill operations, also explains the evaluation of the trend level, critical level evaluation and evaluation of compliance with the results of management and monitoring plan contained in the EIA document (has been explained in 3.4.1) that have been carried out based on each *RKL RPL* matrix assessment.

The environmental management report is carried out every 6 months and submitted to the relevant agency, for example can be proof with;

- Receipt of reporting document Report on Environmental Monitoring and Management PT Socfin Indonesia Semester II of 2022 (No. BB/X/Bi/015/23) which was reported to Environmental Agency of Serdang Bedagai Regency on February 9, 2023.
- Receipt of reporting document Report on Environmental Monitoring and Management PT Socfin Indonesia Semester I of 2023 (No. BB/X/Bi/247/23) which was reported to Environmental Agency of Serdang Bedagai Regency on July 24, 2023.

Social Impact Assessment (SIA)

Unit of certification already has a social impact management and monitoring plan for the 2022 (revised) for PT Socfin Indonesia, Bangun Bandar POM that has been developed with affected stakeholders through questionnaire and based on the results of the previous SIA management and monitoring review conducted in January 2022.

Unit Certification has managed social impacts several potential negative impacts identified from the results of the previous review, including;

- Replanting and conversion activities: Heavy equipment operation, increasing air temperature
- Maintenance activities: chemical spray operations for water quality at water sources, operations for transporting FFB, production delivery truck operations
- Noise and factory operations
- Boiler ash
- WWTP Pond Odor
- Decreased air quality from fertilizer warehouse and chemical warehouse operations
- Infrastructure development to facilitate access to employee activities, especially for the surrounding community in general.
- The number of worker recruitment is adjusted to needs and 100% comes from local village residents.
- Community potential to claim land ownership and land occupation (in conservation areas)
- Potential increase in operational costs in building relationships with stakeholders but not in accordance with the social benefits obtained
- Increase in the number of business units around the plantation.
- Etc.

Based on the results of the review of the 2022 SIA Management and Monitoring Plan document, related to opportunities for improvement in the last assessment, the Company has carried out more in-depth mapping of key stakeholders. The stakeholders involved can be proven through the list, examples are from; representatives of Martebing Village, Kerapuh Village, Tanjung Maria Village, PKK community, Gender Committee, Labor Union, youth representatives, etc. The company still uses the questionnaire method to collect social issues, but the concept given this time uses a combination of closed and open questions, so that respondents can fill out the form not limited to questions asked by the Company.

Based on the results of document verification and field visits, it can be concluded that all of the company's operational activities have been included in the SEIA management & monitoring plan and have been determined in the time frame as well as the PIC for determining responsibility for managing and monitoring.

3.4.3

The Company has implemented environmental and social management and monitoring plans, namely:

Environmental Impact Assessment (EIA)

The company has documents, the implementation of the results of the environmental permit including reports to agencies in the form of RKL-RPL documents which are conducted every semester and reported to related agency (explain in indicator 3.4.2).

The effectiveness of environmental management and monitoring can be seen from the results of environmental management and monitoring analysis, which can also be seen from the suitability between the management and monitoring plans and their implementation in the field. The RKL-RPL document also shows that the company has managed all the critical impacts recommended in Environmental permits. Include impact analysis by trend evaluation, critical level evaluation and compliance evaluation.

Based on the document review, it is known that the scope of the study on environmental impact assessment has covered the entire company area and has covered all activities for environmental management and monitoring, (related to opportunities for improvement in the last assessment) has been included the replanting activity, such as; erosion monitoring, monitoring soil nutrients, soil structure, air pollution and soil pollution.

From field observation found that environmental management in accordance with the RKL-RPL for example by carrying out filter maintenance on chimneys, installing signs prohibiting chemical applications on riverbanks, providing PPE in areas that have the potential to be exposed to high noise, and prohibiting hunting as a form of conservation of RTE species.

Social Impact Assessment (SIA)

The company has managed and monitored social impacts in accordance with what has been stated in the Social Impact Management Plan PT Socfin Indonesia 2023. In general, social impact management activities have been carried out with the aim of reducing the identified negative impacts, through activities;

- Plantation operations: watering roads, testing vehicle emissions, not applying chemicals in river border areas, periodically analyzing river water, and monitoring stakeholder complaints.
- Factory operations: noise measurements, boiler ash monitoring, Odor analysis, and monitoring stakeholder complaints.
- Factory supporting facilities (warehouse): measurement of ambient air quality and warehouse work areas.
- Livelihoods: local workforce recruitment in 2022 for 34 people.
- Land ownership and user rights: monitoring HGU stakes, monitoring HCV management, no respondents have ever sold their land to PT Socfindo.
- Cost-benefit analysis on social aspects: according to the 2022 CSR plan, PT Socfindo has realized the amount of funds that have been budgeted.
- Impact on Community Livelihoods around the Garden: the number of small businesses around the garden is 10 types and there are several others that utilize garden resources.
- Potential Human Rights Violations: from the results of respondents and recording stakeholder complaints, there were no human rights violations at PT Socfindo.
- Food Security Impact: 90% of respondents use residential land for farming and raising livestock and utilize resources in the garden, for example ferns, empty leaf mushrooms, palm fronds, fronds, fish in garden blocks, etc.
- Assessment of activities that can affect air quality or produce significant GHG emissions: monitoring fuel use, monitoring pond inlet waste discharge, monitoring chemical fertilizer application.

From the results of the field visit at Bangun Bandar Estate, it was discovered that there was a growing social issue, namely livestock herding activities in the N0-N2 area and the waste pond area. The company has carried out management and monitoring regarding this issue, which is addressed through the 2022 Kebun Bangun Bandar Performance Evaluation Report updated in August 2023, and has not yet been integrated with documentation related to the SIA.

From this description, companies have the opportunity to ensure that social issues (not limited to grazing issues) which are managed and monitored by other departments can be integrated with the SIA Management and Monitoring Program.

OFI

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in *Bahasa*. This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions.

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

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

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

- SOP No. SOC/PSM/6.01.01 validated on 20 February 2020 concerning on Recruitment.
- SOP No. SOC/PSM/6.14 validated on 17 October 2016 concerning on Worker's Promotion, Mutation, and Demotion.

Based on a review of recruitment documents and agreements, as well as interviews with workers and labor unions, the recruitment, promotion and retirement procedures have been well socialized and implemented. There is no discrimination related to these processes, where the assessment of applications and promotions is based on the requirements and assessment of competence and merit, which have been described in previous vacancies. There is no differentiation of rights and obligations in the same type of work.

The company can show the employee recruitment process, for example: Management Letter number BB/X/Bi/111/22 dated 18 June 2022 concerning Notification of New Employee Recruitment with the following conditions:

- Minimum age 18 years
- ID CARD
- Middle/high school diploma
- Harvesting skills
- Physically healthy
- Take tests: written, practical, physical, interview and health.

Which is aimed at 10 surrounding villages (Ujung Silau village, Pekan Kamis village, etc).

The company can show documents: 1) Health examination on 19 September 2022, 2) Practical test results on 05-06 September 2022, 3) Complete documents in the name of Hendra Saputra (registration card, KTP, application letter, diploma and KK), 4) Employment contract on behalf HDP (initial) dated 01 October 2022 and signed by both parties. The contract explains CLA compliance, Wages, harvest work, Trade Unions (voluntary).

3.5.2

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

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of medical check-up, and work agreement letter. For example, Employment contract on behalf HDP (initial) dated 01 October 2022 and signed by both parties.
- The company showed the 2022 performance assessment document on behalf DI (Harvest foreman) with an average score of 4.65 out of 5 who was promoted from permanent daily employee (*KHT*) to employee (*Pegawai*) class I/2 in accordance with the Decree of the Head of Division and GM No.UM /BB/R/084/23 dated 18 January 2023 concerning the promotion of the class of *KHT* to *Pegawai*.

Based on this explanation, the company has been able to show evidence of the implementation of the employee assessment.

Status: Comply

3.6

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

3.6.1

Unit certification showing SOP for identifying OHS problems including the Procedure for Identification of Occupational Health and Safety Environmental Aspects Number SOC/PSM/4.04 on March 01, 2020. The SOP describes hazard identification, environmental impact analysis and all activities/activities/work, work processes, methods/work methods, place/location work, work equipment and materials/materials by using the Hazard Identification Form, Environmental Impact Analysis and OHS Risk Assessment and considering things such as routine activities, normal, abnormal, and emergency conditions. Preparation of Hazard Identification, Environmental Impact Analysis and OHS Risk Assessment is made before work is carried out in all sections/departments and must be reviewed (evaluated and corrected) at least once every year.

The company shows the Hazard Identification Form, Environmental Impact Analysis and OHS Risk Assessment, which was updated on July 29, 2023, which was prepared by the OHS General Expert and approved by the Head of OHS Committee. During the audit activity the company showed records of Hazard Identification, Environmental Impact Analysis and OHS Risk Assessment in each work unit including in the Plantation, updated on 29 July 2023, with work activities/processes including land clearing, nursery, planting, land upkeep, harvesting and transportation, fertilizing, spraying, warehouse, fuelling station, Hazardous Waste warehouse, polyclinic, electrical installation, generator house, lawn mower, infrastructure (heavy equipment, road maintenance), infrastructure (civil), Estate office, workshop, harvest mechanization, housing, fire patrols, environmental monitoring.

Companies have the opportunity to complete risk identification in the HIRARC document from any changes or additions to existing operational activities in plantations and mills.

Based on the results of interviews with boiler station operator and engine room operator, it is known that workers already know and understand the hazard identification documents, risks and control plans, and are able to implement them in the field. Based on the explanation above, it is known that there are results of risk identification and implementation plans that are disseminated to management and employees.

Regarding opportunities to improve previous assessment, the company showed follow-up on the results of health examinations that did not meet the requirements, for example, a follow-up examination on E.E.S (initials) who had vision problems in the left eye and received a referral letter to RSUD Chevani for an eye examination on August 16, 2022.

3.6.2

The company can show evidence that it has carried out monitoring of the effectiveness of OHS to handle OHS risks in people including the following:

- The company can show records of OHS Committee meetings of all Estate and Mill units which are held once a month (more explanations in indicator 6.7.1).
- Medical Check Up (more explanations in indicator 7.2.10).
- The company shows records of monitoring the condition of facilities and infrastructure for dealing with estate and mill emergencies.
- The company shows records of inspections of conditions and compliance with the use of PPE.
- Identification of areas with potential emergency hazards such as areas prone to fire, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every month.

OHS committee meetings have been held regularly every month with discussions of OHS issues and their follow-ups, for example the OHS committee meeting on June 13, 2023, with discussions including the OHS committee Management Work Program Plan from July to September 2023 and Work Accidents.

Status: Comply

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

The certification unit has established the annual training program for each unit including scheme smallholders, out growers and contractors. The training program covers all operational and RSPO aspects, such as agronomic best practices, chemical/ pesticide handling, OSH, and the environment. Further explained that there is no gender discrimination in the program but based on the operational and previous evaluation.

The certification unit in this case shows the 2023 training program document which is based on an analysis of employee training needs. The training is carried out interactively by the trainer or supervisor through presentations and hands-on practice to increase participants' understanding. The training program covers the following aspects:

1. Harvesting Training
2. Spraying Training
3. Manuring Training
4. IPM Training
5. Hazardous Handling Material Training
6. Operational of Sterilizer, Loading Ramp and Stripper Training
7. Warehouse Handling Management pesticide and chemical in estate.
8. OHS Working on High and Confined Space Training
9. SCCS Training for Mill worker.

Based on field observations and interviews with estate, mill and contractor employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

3.7.2

The certification unit shows training documents to employees and the public around the 2023 period as follows:

1. Harvesting training on January 28, 2023, at Division 1. The certification unit can show documentation and attendance lists for these activities.
2. Spraying training on February 27, 2023. The certification unit can show documentation and attendance list for the event.
3. Manuring training on March 20, 2023. The certification unit can show documentation and attendance list for the event.
4. IPM Training on August 27, 2023 in the mill area. The certification unit can show documentation and attendance list for the event.
5. Hazardous Chemical Material training on March 15, 2023. The certification unit can show documentation and attendance list for the event.

Based on interviews with management revealed that the certification unit compiled a training program based on work units.

Based on field observations and interviews with estate, mill and contractor employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

3.7.3

The company has also conducted SCCS and weighing training on July 25th, 2023, which was attended by 4 people consisting of Factory Clerk, Expedition Clerk and Weight Bridge Clerk. The training includes explaining the understanding and flow of the SCCS IP model, socialization of procedures, and the person in charge of the supply chain.

Based on interviews with weighing bridge clerks and harvest foremen, it was found that these officers were able to explain the process flow about the IP model.

	Status: Comply	
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3.8
Supply Chain Requirements for Mills

3.8.1; 3.8.2

The SCSS module used in Bangun Bandar POM is Identity Preserved (IP), because only received FFB from the estate which has been certified with RSPO i.e Bangun Bandar Estate and did not accept FFB from outside parties.

3.8.3

Estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-2.2 report (basic info 1.8.3), in reasonable amount considering the last year's production. The data are shown in the following table:

Products	Last Year Projected Certified Volume (11 Nov 2022 to 10 Nov 2023) (MT)	Last Year Actual Certified Volume (Aug 2022 to July 2023) (MT)
FFB Certified (MT)	89,000.00	85,191.84
CSPO (MT)	22,400.00	20,421.64
CSPK (MT)	3,700.00	2,939.99

3.8.4

The Mill has registered as RSPO member under Socfin SA (No. 1-0269-19-000-00) and also has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/Octopus/requestHome.action> which information as follows:

- Member Name: PT Socfin Indonesia – Bangun Bandar Mill
- License ID: CB138573
- Core Product: Palm Oil
- Member ID: RSPO_PO1000000451
- Type of Business: Oil Mill
- Supply chain model: Identity Preserved

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.

3.8.5

The Mill has had procedures related supply chain, such as Procedure of Supply Chain Management (No. SOC/PSM/9.10, edition 02 revision 01 dated 15 April 2022). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on the results of interviews with bridge officers, it is known that these officers understand the supply chain. The company has also conducted SCCS and weighing training on July 25th, 2023, which was attended by 4 people consisting of Factory Clerk, Expedition Clerk and Weighing Bridge Clerk.

3.8.6

The procedure for internal audit for SCCS mentioned in Procedure of Internal Audit Management System (No. SOC/PSM/8.02, edition 03 revision 09 dated 1 January 2022). Based on that procedure internal audit carry out minimum one times a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 17-22 July 2023. Based on the result of the internal audit, there are 1 non-conformity SSCS indicators, and the company has completed correcting these discrepancies on September 1st, 2023.

Management Review of RSPO SCCS implementation conducted on September 1st, 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, process performance and product compliance, follow up of previous management review, and recommendation for improvement.

3.8.7

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

Month	FFB (ton)		Total
	Certified	Non-Certified	
August 2022	6,716.60	-	6,716.60
Sept 2022	8,433.14	-	8,433.14
Oct 2022	7,124.03	-	7,124.03
Nov 2022	6,004.64	-	6,004.64
Dec 2022	5,717.94	-	5,717.94
Jan 2023	6,027.26	-	6,027.26
Feb 2023	6,634.13	-	6,634.13
Mar 2023	8,070.76	-	8,070.76
Apr 2023	6,188.00	-	6,188.00
May 2023	7,825.21	-	7,825.21
June 2023	7,238.83	-	7,238.83
July 2023	9,211.30	-	9,211.30
Total	85,191.84	-	85,191.84

Estimated certified product recorded in the last assessment report (ASA-2.1). Actual certified produced has been verified during this assessment and not exceed the estimate. The data are shown in the following table:

Products	Last Year Projected Certified Volume (11 Nov 2022 to 10 Nov 2023) (MT)	Last Year Actual Certified Volume (Aug 2022 to Jul 2023) (MT)
FFB Certified (MT)	89,000	85,191.84
CSPO (MT)	22,400	20,421.64
CSPK (MT)	3,700	2,939.99

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

Mechanisms for handling unsuitable FFB and / or documents have included in the supply chain certification standard Identity preserved procedure with document number SOC/PSM/9.10, edition 02 revision 01 dated 15 April 2022.

3.8.8

Based on document verification and interview with management representative obtained information in last 12 months before audit (August 2022 – July 2023) it was known the product only sold under certified product as described in table below:

	Dispatch period (MT)	
	August 2021- July 2022	Total
CSPO sold under RSPO Scheme	20,119.88	20,119.88
CSPO sold under others scheme	-	-
CSPO sold as conventional	-	-

CSPK sold under RSPO Scheme	2,857.94	2,857.94
CSPK sold under others scheme	-	-
CSPK sold as conventional	-	-

Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example

- **Shipping Announcement Transaction and Transaction Documents**

a. CPO

Seller Member Name: PT Socfin Indonesia – Bangun Bandar POM Member ID: RSPO_PO1000000451 Country: Indonesia	Buyer Member Name: PT Musim Mas - Belawan Member ID: RSPO_PO100000076 Country: Indonesia
Transaction Seller contract number: 40012585 Seller reference number: 300029828 Buyer reference number: DO 300029828	Confirmation Confirmation date: 10 Aug 2023
Product Details Product name: CSPO Supply chain model: IP Volume: 545.72 MT	Traceability Transaction ID: TR-36ca67d7-80b5 Transaction status: Confirmed Shipping/BL date: 10-08-2023

The shipping announcement based on CSPO selling contract between CSPO PT Socfin Indonesia – Bangun Bandar Mill deand PT Musim Mas - Belawan, with selling contract No 40012585 volume 2000 Ton on 14 July 2023. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Musim Mas – Belawan, Regency of Medan Sumatera Utara.
- The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM.
- The loading or shipment / delivery date; on 31 July 2023 based on Delivery order No 300029828 dated 14 July 2023 with volume 430 MT.
- The date on which the documents were issued; 14 July 2023.
- RSPO certificate number; MUTU-RSPO/162.
- A description of the product, including the applicable supply chain model: Identify Preserved.

b. PK

Seller Member Name: PT Socfin Indonesia – Bangun Bandar POM Member ID: RSPO_PO1000000451 Country: Indonesia	Buyer Member Name: PT Musim Mas – KIM 1 Member ID: RSPO_PO1000000730 Country: Indonesia
Transaction Seller contract number: 40012545 Seller reference number: 300029716 Buyer reference number: DO 300029716	Confirmation Confirmation date: 03 July 2023
Product Details Product name: CSPK Supply chain model: IP Volume: 5 MT	Traceability Transaction ID: TR-4f5b1637-0544 Transaction status: Confirmed Shipping/BL date: 20 June 2023

The shipping announcement based on CSPK selling contract between CSPK PT Socfin Indonesia – Bangun Bandar Mill and PT Musim Mas, with selling contract No 40012545 volume 5 Ton on 26 June 2023. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Musim Mas in Belawan, Regency of Medan Sumatera Utara
- The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM
- The loading or shipment / delivery date; on 20 June 2023 based on Delivery order No 300029716 on 20 June 2023 with volume 5 MT
- The date on which the documents were issued; 26 June 2023
- RSPO certificate number; MUTU-RSPO/162
- A description of the product, including the applicable supply chain model: Identify Preserved.

3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties. Currently, there is 1 contractor for CPO and PK transport, for instance as shows through several Work Order Letter as follows:

- PT Gunung Kawi Sukses Makmur (PK transporter), agreement No. PD-GM/X/445/2022 on 12 October 2022 valid thru 31 December 2023.
- PT Gunung Kawi Sukses Makmur (CPO transporter), agreement No. PD-GM/X/449/2022 on 12 October 2022 valid thru 31 December 2023.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there is a letter of commitment from each contractor stating that they are committed to supporting the implementation of the RSPO SCCS system including the willingness to provide proper access to accredited CBs in order to be able to access their operations and systems along with any information in their possession, if the audit is notified in advance.

Based on interview with CPO and PK transporter (PT Gunung Kawi Sukses Makmur) regarding the clausal in the contract that allow CB to access the contractor, they acknowledge and understand about the provisions.

3.8.10

The Mill has the record of details of the contractor, covers the contractor company profile, address, contact person, email and phone number, contract agreement and period. The list of contractors of CPO and PK transporter are PT Gunung Kawi Sukses Makmur.

3.8.11

Until the ASA-2.2 is carried out, there are no new contractors handling RSPO certified products. The contractor used is still the same as the previous assessment.

3.8.12

The company has up-to-date records and reports that are kept in the mill office, complete, accurate, and up to date. All the records can be accessed by the auditor, such as records of certified product shipping, sales contracts, delivery orders and invoices, production reports, and product sales. Based on document verification on supply chain procedures, retention time for all records and reports regarding the supply chain is 5 years.

For instance, record all certified palm oil and palm kernel oil volumes purchased (input) and claimed (output) for a period of 12 months before the audit (August 2022– July 2023):

CSPO

Month	CPO (ton)		CSPO Despatch (ton)		
	Certified	Non-Certified	RSPO	Other Scheme	Non-Certified
Aug 2022 - July 2023	20,421.64	-	20,119.88	--	-

CSPK

Month	PK (ton)		CSPO Despatch (ton)		
	Certified	Non-Certified	RSPO	Other Scheme	Non-Certified
Aug 2022 - July 2023	2,939.99	-	2,919.13	-	-

3.8.13; 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) was based on actual daily, monthly, and yearly production. The extraction rate follows the actual data for a 12-month period from Aug 2022 until July 2023, i.e., OER 23.97% and KER 3.45%. Periodically updated extraction is actual extraction.

3.8.15

The SCSS module used in Bangun Bandar POM is Identity Preserved (IP), because it only received FFB from the estate, which has been certified with RSPO, i.e., Bangun Bandar Estate.

The mill has a SOP for the implementation of the supply chain in the identification procedure and traceability. The results of verification of the SOP and document review show there was no uncertified FFB process by Mill, as well as separation during transportation.

3.8.16

The RSPO IT Platform member registration number for Bangun Bandar POM is RSPO_PO1000000451. The mill will carry out shipping announcements on the RSPO IT platform when RSPO-certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example:

- Certified PK was sold to PT Musim Mas-KIM 1 on June 17, 2023, for 168 tons, and a transaction was created in IT Palm Trace on June 30, 2023 (transaction ID: TR-d30aab1d-5300).
- Certified CPO sold to PT Musim Mas-Belawan on April 27, 2023, for 1,756.40 tons, and a transaction was created in IT Palm Trace on May 16, 2023 (transaction ID: TR-f70e44d5-1225).

For the certified CPO and PK, the company sold all the CSPK and CSPO as RSPO-certified products, so there is no need to remove stock.

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1

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

4.1.1

Policy regarding human rights has been stated in the document title "Human Rights and Human Right Defender Policy", dated June 1, 2019, updated October 2021. In the policy described if Socfindo committed to respecting international human rights standards. These shall include at a minimum the human rights standards as set out and defined in:

- The United Nations declaration on Human Rights Defenders,
- The Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights,
- The International Covenant on Civil and Political Rights (explicitly the protection of whistleblowing as an aspect of freedom of expression under Article 19),
- The International Covenant on Economic, Social and Cultural Rights,
- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW),
- The International Labor Organization's (ILO) Declaration on Fundamental Principles and rights to work,
- Any other guidelines or human rights standards as set out in the laws of the Republic of Indonesia.

In the policy also described if PT Socfin Indonesia (Socfindo) was committed to resolution of any conflict through peaceful means that promote the dignity of people and respect the rights of all. Violence and threats have no place in the company and any form of violence, harassment or intimidation against any individual or group is strictly prohibited including any retaliation against Human Rights Defenders whether violent or nonviolent.

The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and factories. This is evidenced by statements from plantation workers (harvesters, sprayers, and upkeep), Mill (operators and warehouse workers) as well as contract workers and information from community representatives of Bah Kerapu Village, Dame Village and Tanjung Maria Village who state that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit. The policy has been disseminated to all workers and surrounding policy, in example Socialization on April 28, 2023, to medical officers and office staff, estate workers division 01 – 04 and mill workers as well as surrounding communities.

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

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

Status: Comply

4.2

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

4.2.1

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

- SOP of handling social grievance (No. SOC/PSM/9.02 revision 8) validated on 28 June 2023 which stated that a month was the maximum time limit in responding grievance, the company guaranteed the freedom of speech by keeping the identity of the employee confidentially, and the mechanism in communicating grievance.
- Grievance Policy of PT Socfin Indonesia validated on 1 June 2019 concerning in handling grievance and dissatisfaction. The policy explained the mechanism of external communication (e.g: contractors, suppliers, government agency, etc) including the mechanism if there were any grievances. This policy also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistleblower if needed.

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

4.2.2

Unit of certification showed SOP No. SOC/PSM/9.02 revision 8 validated on 28 June 2023 concerning in handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc). In the general mechanism of handling grievance, is stated as follows:

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

In addition, UoC also Grievance Policy of PT Socfin Indonesia validated on 1 June 2019 concerning in handling grievance and dissatisfaction. The policy explained the mechanism of external communication (e.g: contractors, suppliers,

government agency, etc) including the mechanism if there were any grievances. This policy explained that all complaints will be summarized and recorded in the List of External Complaint Monitoring. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the List of External Complaint Monitoring.

Based on interviews with the company, affected parties who are unable to read and write the company have representatives as communicators for liaison between the company and the community and other parties. Based on interviews with representative communities, it was explained that community representatives had understood the complaint procedure.

4.2.3

Based on verification document of internal and external complaint in 2022-2023 known that there were no recorded complaints. This is in accordance with the results of interviews with labor unions and local communities that no complaints were submitted to the certification unit in 2023 until the audit activities were carried out.

4.2.4

Based on interviews with workers and external or internal stakeholders, it's known that they have understood the person responsible and the grievance mechanism in which the complainant's identity is protected.

Based on verification of logbook of complaints, interview with internal stakeholder such as workers and labor union, known that there are no internal complaints that submitted to the company and no complaints from external parties. In Addition, based on interview with external stakeholder such as village representatives, government agency, known that there are no complaints to the company.

UoC giving freedom to reporting parties to obtain legal and technical assistance from independent parties is permissible and there are no regulations/procedures in the unit of certification that prohibit it. Based on the results of interviews with representatives of surrounding villages, it is known that when residents have land disputes or claims with the certification unit, the community is given the freedom to ask for legal assistance and technical advice from independent parties such as lawyers and other parties to deal with this problem.

Status: Comply

4.3

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

4.3.1

The Unit of Certification has identified the needs of the surrounding community through socialization of PT Socfindo & CSR policies on August 1st, 2022 at the Socfindo Conservation Park Hall which was attended by 50 people consisting of Socfindo employees, PT Oberlin leaders, 12 Head of Village (Head of Kerapuh Village, Head of Aras Panjang Village, Head of Pertembah Village, Head of Martebing Village, Head of Dolok Sagala Village, Head of Pekan Kamis Village, Head of Dame Village, Head of Bukit Cermin Village, Head of Tanjung Maria Village, Head of Bah Kerapuh Village, Head of Kerapuh Village, Head of Ujung Silau Village, and Head of Bantan Village), Head of Dolok Masihul Sector Police, *Danramil*, Head of Dolok Masihul Subdistrict, and Community Figures. What was conveyed were company policies regarding the need for a decent living, freedom of association, no forced labor, child protection, reproductive rights, human rights defenders and complaints/complaints, No Deforestation, prevention of violence and harassment, production quality, non-discrimination, and the company's CSR program. Some of the agreed activities include heavy equipment assistance, farmer partnerships, educational assistance in the form of infrastructure, assistance for places of worship and educational scholarships.

Based on meeting, it was realized in the CSR program for the 2023 period which was created on January 4th, 2023 and is divided into the following areas:

- Education
 - Financial assistance for *PAUD* facilities around the unit of certification
 - Mobiler assistance for elementary schools around the unit of certification
- Health

- Drug Counselling
- Health Education
- Costs for giving prizes to SD/PAUD and socializing dental health and hand washing at SD Negeri Afdeling 1-IV.
- Religious
 - Assistance for the Ramadhan distribution of mosques around unit of certification
 - Assistance with equipment for mosque/church services & religious celebrations around the garden
 - Assistance with physical repairs to places of worship.
- Human Resources
 - National holiday assistance
 - Skills training
 - PAUD Teacher Training
 - Assistance with socialization of public consultations at the Village Hall
 - Help making handicrafts around the garden.
- Sports and Manpower
 - Assistance with sports equipment around the garden
 - Healthy walk for employees, community/muspika around unit of certification
 - Assistance with sports competitions for villages around unit of certification.
- Road and Building Infrastructure
 - Assistance in repairing and paving village roads around the plantation
 - Assistance with infrastructure around the garden
 - Maintenance of street lighting in Dame Village
 - Primary ditch maintenance around unit of certification.
- Economic Development
 - Funding assistance for development and empowerment activities for youth creative economy businesses
 - Partnership collaboration with farmer groups.

The Unit of Certification also has a partnership MoU with 4 farmer groups, namely Gapoktan Sepakat, Gapoktan Damai Abadi, Gapoktan Tani Muda and Gapoktan Pelangi. The number of farmers partnering with The Unit of Certification is 729 farmers with a total area of 941.16 Ha. Activities that have been carried out include field education regarding BMP, assistance with heavy equipment for paving roads and access to farmers' land, making ditches, supervising farmers' land and providing fertilizer assistance.

The company has realized the 2022 CSR program exceeding the planned budget. Some activities are still in the same form as the previous year, especially activities involving road infrastructure improvements, assistance with religious facilities, sports assistance, and health assistance with the aim of increasing income and improving the welfare of the community around the plantation. The realization of the CSR program includes:

- CSR in the Religious Sector, which was realized, namely equipment for mosque and church worship, including assistance with lighting for the *HKBPT* Tanjung Maria Church and assistance with religious celebrations.
- CSR in the Health Sector, which was realized, namely providing health outreach and the dangers of drug use by the *BNN* Serdang Bedagai Regency, disability funding assistance in Aras Panjang Village, financial assistance to the government of Serdang Bedagai Regency, Dolok Masihul District.
- CSR in the Sports Sector, which was realized, namely assistance in procuring sports equipment (Kerapuh Village Football Team Clothes), goalposts for Dolok Masihul Elementary School.
- CSR in the Education Sector, which was realized, namely Assistance for Football Goalposts for Dolok Masihul Elementary School, Chairs and Tables for Dolok Masihul Elementary School, *PAUD* Bakrapo toys, table, and chairs
- CSR Infrastructure Assistance, which was realized, namely assistance for repairing and paving roads in Aras Panjang Village and Bukit Mirror Village, infrastructure assistance, assistance for building mosque blocks in Kerapuh Village, Wood Assistance in Dolok Sagala Village, Paint assistance in Dolok Manampang Village, assistance for landfill for the *GBKP* Dolok Church Masihul, and maintenance of primary ditches in Dame Village and Bantan Village, Cement assistance in Aras Pajang Village, Martebing Village and Bantan Village Mosque, Assistance with lighting materials and installation technicians to the Dolok Masihul Police.
- CSR in improving human resources, which was realized, namely assistance in skills training for making eco enzymes and making liquid fertilizer from bird and snail droppings, financial assistance for human resources (journalists,

Muspika, Karang Taruna) and providing rice assistance to Bukit Cermin Village which was affected by the disaster Flood.

- Economic CSR and Smallholder Partnerships that have been realized, namely assistance for heavy equipment in Bantan Village, assistance with rolling goats in Dolok Sagala Village, Pertembatan Village and Bantan Village, Bukit Cermin Village.

Based on interviews with the Head of Dame Village, the Head of Kerapuh Village, and the Head of Tanjung Maria Village, it is known that so far the company's existence has had a very positive impact on the community, both in terms of social assistance and community empowerment. The realization of social responsibility has taken into account the results of meetings in identifying community needs.

Status: Comply

4.4

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

4.4.1

The certification unit has been operating since 1930. Previously the rights held were in the form of an erphact which was issued on June 12, 1968. Thus, the FPIC process was not applied. However, the certification unit has procedures about the FPIC process which are regulated in document no. SOC/PSM/9.04 edition 01 on 01 January 2020.

The legal right currently owned is *HGU* in accordance with the Decree of the Minister of Agrarian Affairs/Head of the National Land Agency Number 94/HGU/BPN97 which, among other things, stipulates that PT Socfin Indonesia is granted an HGU extension for 25 years for a total area of 7,876.86 ha (In In this area there is a Bangun Bandar/Tanjung Maria HGU covering an area of 4,146.85 ha). Furthermore, HGU certificate No. 02 was issued in accordance with measurement letter No. 01/Tanjung Meriah/1998 for an area of 4,146.85 ha valid until 31 December 2023. The certification unit is in the process of extending the HGU with the following stages:

- Letter Number UM/X/Bi/310/21 to the Head of Head of Land Agency Serdang Bedagai District on 03 February 2021 regarding the request for *HGU* cadastral measurements. This letter received a reply from the Regional Office of the National Land Agency for North Sumatra Province on July 15, 2021, stating that several files for the extension were still waiting to be completed.
- Around August 2021, the Jakarta Central Land Agency team took measurements.
- One of the conditions for extending the *HGU* is that the company must have a plasma plantation or have a MoU with partnership farmers. Next, PT Socfindo Kebun Bangun Bandar is looking for farmers or farmer groups to establish partnerships. After coordinating with the Village Head around the plantation, an MoU was made with 4 (four) farmer groups totalling 1,007 plots of land, 729 farmers with a total area of 9,410,613 m², consisting of 4 Gapoktan:
 - Gapoktan Agree
 - Eternal Peace Gapoktan
 - Gapoktan Tani Muda
 - Gapoktan Pelangi
- This MoU was submitted to the Plantation Agency of Serdang Bedagai District and all agreed.
- The Plantation Agency of Serdang Bedagai Regency carried out measurements and verified whether the land overlapped with the company's land by measuring the area and coordinate points.
- After the coordinates and land area of prospective partnership farmers have been verified and checked for correctness by The Plantation Agency and are appropriate, they are then submitted to the Regent of Serdang Bedagai for determination.
- On March 30 2023, committee B, headed by the North Sumatra Province BPN Regional Office, held a Committee B meeting, and examined the HGU stakes together with related agencies.
- Land Agency of Serdang Bedagai District verified the location of the partnership farmers and created a map of the partnership's land, along with carrying out land distribution for the partnership farmers.
- The matter of completing the *HGU* extension documents is continued by PT Socfindo Medan Head Office to the Land Agency Regional Office and then to the Jakarta Central Land Agency, to determine the *HGU* extension of PT Socfindo Bangun Bandar and to date the *HGU* extension process is still in progress.

4.4.2

Bangun Bandar estate has established since 1930. Land ownership before HGU was Erfpacht Rights. Company already has a valid land ownership that were HGU with clear boundaries and markers, a map with the scale of 1: 10,000 issued by Land Agency complete with title, legend, source, and Georeferenced.

Based on the 1st EIA Document (1993) where social impact assessment was included, there was no identified the presence of indigenous land in the concession area of company. These condition also has been verified during public consultation of the initial assessment of RSP ASA-2.1.

During ASA-2.2, interviews with selected workers from surround village and interviews by phone with the Head of Dame Village, Head of Tanjung Maria Village and Head of Kerapuh Village also confirmed that there was not issues on land ownership. Document of areal statement 2023 that issued by Management also shown that the company has no new development area.

Based evidence above, FPIC process was not applicable fort the unit of certification.

4.4.3

Based on interviews with the Head of Dame Village, the Head of Tanjung Maria Village, and the Head of Kerapuh Village, it is known that so far there have been no issues regarding land conflicts. Apart from that, based on the results of field visits to Block 26 and Block 27 Division 2, it is known that the boundary between company-owned land and community-owned land is demarcated by clear signs such as artificial ditches and HGU stakes Numbers 8, 9 and 225 as explained in 2.1.3.

The certification unit also has a company operational map, the reference for which is the field map published by BPN. Based on the harmonious overlay of the map, it is known that the company's operational area is in accordance with the rights it has.

4.4.4; 4.4.5; 4.4.6

Based on *HGU* Decree from the Minister of Affairs No. SK. 68/HGU/DA/78 on 3 August 1978, it was explained that the Unit of Certification land was originally a former concession consisting of the Sei Krapoh, Kartebing, Maria Padang and Ujung Silau Hilir with totalling area 7,687.35 Ha in Dolok Masihul, Deli Serdang Regency, Province Sumatra Utara, which was given based on a letter of agreement of 1895, before there was an independent Indonesian.

However, the certification unit has procedures related to the FPIC process which are regulated in document no. SOC/PSM/9.04 edition 01 revision 00 on 01 January 2020.

Based on the document review, interviews with community representatives from Dame Village, Tanjung Maria Village, and Kerapuh Village, it was found that until the recertification activity there were no issues regarding land disputes and the development of new areas. The unit of certification already has legal rights in the form of *HGU*. The history of land acquisition dates back to the Dutch colonial period so the FPIC process was not applied.

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

Based on documents verifications, field observation and interview with management it was known there are new planting after 15 November 2018, where the area are conversion from rubber Plantation to palm oil Plantation and the area located in the scope of certifications. The new planting period as follows:

Replanting	Ha
2019	277.93
2020	179.83

2021	319.65
2022	217.81
2023	289.65
Total	1,284.87

The area are conversion from rubber Plantation to palm oil Plantation and the area located in the scope of certifications.

The Unit of Certification land was originally a former concession right located in Dolok Masihul, Deli Serdang Regency, Sumatera Utara Province, which was given based on a private agreement in 1895, before Indonesia became independent.

Based on the document review, interviews with community representatives from Dame Village, Tanjung Maria Village, and Kerapuh Village, it was found that until the recertification activity there were no issues regarding land disputes and the development of new areas. The unit of certification already has legal rights in the form of *HGU*. The history of land acquisition dates back to the Dutch colonial period so the FPIC process was not applied.

4.5.7; 4.5.8

There are no new land acquisitions after 15 November 2018. The company's land is the right of the erphact which subsequently has had *HGU* since 1998.

Status: Comply	
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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

Based on the document review, interviews with community representatives from surrounding village (Dame Village, Tanjung Maria Village, Kerapuh Village) it was found that until the this assessment there were no land acquisitions or compensations. However, the company has established procedure regarding land acquisition and identifying people and/or community groups entitled to compensation, i.e:

- Procedure No. SOC/PSM/9.04, Rev.00, dated 1 January 2010; Land Acquisition Procedure
- Procedure No. SOC/PSM/9.05, Rev.01, dated 1 April 2015; Identification and calculation of land compensation.

The SOP has described that:

- any negotiations concerning compensation for loss of land user rights are dealt with through their own or through their representative institutions and should agree by the affected parties,
- calculating and distributing are fair and gender-equal compensation (monetary or otherwise),
- any compensation agreed are implemented, monitored and evaluated in a participatory way with the affected parties, and
- any processes are officially documented and affected parties well informed.

4.6.3; 4.6.4

Based on the document review, interviews with community representatives from Dame Village, Tanjung Maria Village, and Kerapuh Village, it was found that until the recertification activity there were no issues regarding land disputes and the development of new areas. The unit of certification already has legal rights in the form of *HGU*. The company has been operating since 1895.

The village representative also said that there was never any difference in opportunity between men and women in terms of acquiring land rights.

Status: Comply	
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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; 4.7.3

The certification unit has been operating since the Dutch colonial period which in 1968 finally had the right to erphact. Until now, the land rights owned are HGU which are still valid. However, the company has established procedure regarding land acquisition and identifying people and/or community groups entitled to compensation, i.e:

- Procedure No. SOC/PSM/9.04, Rev.00, dated 1 January 2010; Land Acquisition Procedure.
- Procedure No. SOC/PSM/9.05, Rev.01, dated 1 April 2015; Identification and calculation of land compensation.

The SOP has described that:

- any negotiations concerning compensation for loss of land user rights are dealt with through their own or through their representative institutions and should agreed by the affected parties,
- calculating and distributing are fair and gender-equal compensation (monetary or otherwise),
- any compensation agreed are implemented, monitored and evaluated in a participatory way with the affected parties, and
- any processes are officially documented and affected parties well informed.

Based on *HGU* Decree from the Minister of Affairs No. SK. 68/HGU/DA/78 on 3 August 1978, it was explained that the Unit of Certification land was originally a former concession consisting of the Sei Krapoh, Kartebing, Maria Padang and Ujung Silau Hilir plantations totalling 7,687.35 Ha located in Dolok Masihul, Deli Serdang Regency, Province Sumatra Utara, which was given based on a private agreement in 1895, before Indonesia became independent.

However, the certification unit has procedures related to the FPIC process which are regulated in document no. SOC/PSM/9.04 edition 01 revision 00 dated 01 January 2020.

Based on the document review and interviews with community representatives from Dame Village, Tanjung Maria Village, and Kerapuh Village, it was found that until the recertification activity there were no issues regarding land disputes and the development of new areas. The unit of certification already has legal rights in the form of *HGU*. The history of land acquisition dates back to the Dutch colonial period.

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

The certification unit has been operating since the Dutch colonial period which in 1968 finally had the right to erphact. Until now, the land rights owned are *HGU* which are still valid. Based on the results of field visits to boundary markers as described in 2.1.3 as well as the results of interviews with representatives of National Land Agency and representatives of village communities (Head of Dame Village, Head of Tanjung Maria Village, and Head of Kerapuh Village) it is known that so far there have been no issues regarding land disputes.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION
5.1

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

5.1.1; 5.1.2; 5.1.3; 5.1.4; 5.1.5; 5.1.6; 5.1.8; 5.1.9

The certification unit does not purchase FFB from independent or small holder schemes. The company only receives FFB from its own estate (Bangun Bandar Estate), so that this indicator cannot be applied.

5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by third parties (*Dinas Perindustrian dan Perdagangan UPT Metrologi Legal* Serdang Bedagai Regency) with Certificate of Test Results No. 020/SKHP/M/P2P/II/2023 which was carried out on 14 February 2023 valid

until 13 February 2024.

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties.

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

Unit of certification has no obligation to build community estate (scheme smallholder). The company has a *Kebun Kemitraan* with the surrounding community, namely Gapoktan Sepakat (60.18 ha for 68 householder) and Gapoktan Pelangi (314.53 ha for 243 householder) in accordance the Decree of the Regent of Serdang Bedagai No. 710/18.28/Tahun2022 dated 19 December 2022, as a form of support for improving the livelihood standards of farmers around the Company. The program carried out by the company is to develop a coaching program that aims to increase the production of oil palm plantations for assisted farmers based on survey results, for example providing training and technical guidance on best oil palm cultivation practices starting from land preparation, plant maintenance, to harvesting.

In determining farmers, there are also female farmers in the list, this proves that the company supports gender equality in decision making.

5.2.2; 5.2.3

The implementation of this *Kebun Kemitraan* program is also regulated in a cooperation agreement letter, for example Gapoktan Sepakat which was made on September 2, 2022, with a cooperation period of 4 years. The program that will be executed is;

- Provide training and guidance regarding best management practice (BMP) in palm cultivation.
- Providing coaching training aimed at increasing palm oil production for member farmers.
- Providing assistance in the construction and repair of roads and drainage if needed for the management according to the Company's capabilities.
- Providing counselling in fertilizing and caring for oil palm.
- Provide fertilizer assistance.
- Providing assistance with harvesting tools.
- Providing heavy equipment assistance for road access and road maintenance.
- Assistance in the providing of ownership certificates at their farmer's expense.

5.2.4

The unit of certification demonstrated training on handling pesticides for surrounding community, in the document Minutes of Training PT Socfin Indonesia (Socfindo) on July 17, 2023, with 32 participants.

5.2.5

The unit of certification has reported the progress of the *Kebun Kemitraan* program which is reported every semester to the Agriculture Service of Serdang Bedagai Regency, for example which was reported on July 25 2023 for period January-June 2023.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

UoC had a Policy concerning on recognition of human rights stated in the Non-Discrimination and Equal Opportunity Policy of PT Socfin Indonesia which was updated in October 2021 by the Principal Director. The group aims to provide

fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace. In employing all employees, the company committed to the principle of equality and would not discriminate or restrict, harassment or exclusion based on human distinctions or the basis of religion, ethnicity, race, ethnicity, group, class, social status, economic status, gender, language, political beliefs.

The company has also shown documentation of socialization of company policies including non-discrimination policies, as below:

- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 27 2023 at the Division I office which was attended by 127 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on 27 April 2023 at the Division II office which was attended by 123 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 5 2023 at the Division III office which was attended by 111 participants.
- Records of socialization of Code of Conduct and Non-Discrimination and Equal Opportunity Policy on April 28 2023 at the Division IV office which was attended by 160 participants.

Based on the interviews with the gender committee, female workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example, there were also female workers in field, such as pesticide application activities.

6.1.2

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

For example, the company can show the employee recruitment process, for example: Management Letter number BB/X/Bi/111/22 dated 18 June 2022 concerning Notification of New Employee Recruitment with the following conditions:

- Minimum age 18 years
 - ID CARD
 - Middle/high school diploma
 - Harvesting skills
 - Physically healthy
 - Take tests: written, practical, physical, interview and health.
- Which is aimed at 10 surrounding villages (Ujung Silau village, Pekan Kamis village, etc).

The company can show documents: 1) Health examination on 19 September 2022, 2) Practical test results on 05-06 September 2022, 3) Complete documents in the name of Hendra Saputra (registration card, KTP, application letter, diploma and KK), 4) Employment contract on behalf HDP (initial) dated 01 October 2022 and signed by both parties. The contract explains CLA compliance, Wages, harvest work, Trade Unions (voluntary).

The composition of workers consisting of various ethnic groups, religions, gender, and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, Kalimantan, and others. During the audit, there was no information regarding migrant or AKAD workers (*Angkatan Kerja Antar Daerah*) in company.

6.1.3

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

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

Recruitment

Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, Employment contract on behalf HDP (initial) dated 01 October 2022 and signed by both parties. The contract explains CLA compliance, Wages, harvest work, Trade Unions (voluntary).

Termination due to retirement

Termination document such as documents on behalf GMN (Palm Oil maintenance employee) Div III as follows:

- Management Letter No.BB/Div/R/047/23 dated 03 May 2023 concerning Notification of the End of Gimin's Employment Period.
- Letter from GM and Head of General Affairs No.UM/BB/Bi/1591/23 to Gimin dated 24 July 2023 concerning Determination and provision of Services at the End of Work. Attached is Gimin's retirement benefit with age 55 years and 26 years of service with a total compensation calculation of IDR 108,628,292.
- SPK/AMK/PJS/UM/030/2023 dated 02 August 2023 concerning Letter of Agreement and End of Employment Agreement with Payment for Services as well as GMN which has been agreed between the Management/Manager and GMN and the SPSI representative Witness (signed on a stamp) along with the completeness, ID card, Family Card and Account number.
- Proof of transfer of GMN pension money paid via BRI transfer on August 14 2023 amounting to IDR 108,628,292.

Promotion

Promotion documents such as management decree for worker's promotion. For example, Decree of the Head of Division and GM No.UM /BB/R/084/23 dated 18 January 2023 concerning the promotion of the class of *KHT* to *Pegawai*.

6.1.4

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

6.1.5

Gender committees had been formed and still active until today in PT Socfin Indonesia – Bangun Bandar Mill and Estate which are chaired by the head of gender committee. The structure of the gender committee consists of male and female workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (especially women).

The company already has a gender committee to deal with women's or gender issues which is members consisting of male and female workers. The gender committee structure consists of head of gender committee and representatives of division. The work program of the gender committee consists of Conducting outreach/socialization related to the gender committee, Socialization related to right and obligation of female worker, *Posyandu*, and others.

The company has also shown documentation of socialization of company policies including non-discrimination policies and Gender committee, as below:

- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 27 2023 at the Division I office which was attended by 127 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on 27 April 2023 at the Division II office which was attended by 123 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 5 2023 at the Division III office which was attended by 111 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 28 2023 at the Division IV office which was attended by 160 participants.

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.

The results of interviews and the verification of workers' wages e.g harvester with worker with same work and same grade in Division IV it is known that the company has given the same wages for the same scope of work and in the same grade.

Status: Comply

6.2

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

6.2.1

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in *Bahasa*. This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. It's applied to all workers and had been routinely disseminated by the certification unit to all employees, one of the socializations that was carried out on 15 August 2023.

Decree of the Governor of North Sumatra number 188.44/1010/KPTS/2022 dated 07 December 2022 concerning Determination of the Minimum Wage for Serdang Bedagai Regency for 2023 of IDR 3,070,171.

GM and Head of General Affairs Decree No.UM/KK/Bi/322/23 dated 30 January 2023 concerning Determination of KHT Wages for 2023 which is valid as of 01 January 2023 stipulates a wage of 3,221,735 (cash wages IDR 3,067,235 and 15 kg worth of rice IDR 154,500).

UoC had showed the structure and scale of wage stated in GM Memo No.UM/PB/R/042/24 to the head of the general department dated 20 January 2023 regarding the 2023 non-staff salary scale which is in effect as of 01 January 2023 with the lowest group being Group I1 with a salary of IDR 3,311,800 and the highest being Group VIII10 with a salary IDR 5,380,400.

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

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

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

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

- Decree of the Governor of North Sumatra number 188.44/1010/KPTS/2022 dated 07 December 2022 concerning Determination of the Minimum Wage for Serdang Bedagai Regency for 2023 of IDR 3,070,171.
- GM and Head of General Affairs Decree No.UM/KK/Bi/322/23 dated 30 January 2023 concerning Determination of KHT Wages for 2023 which is valid as of 01 January 2023 stipulates a wage of 3,221,735 (cash wages IDR 3,067,235 and 15 kg worth of rice IDR 154,500).

- GM Memo No.UM/PB/R/042/24 to the head of the general department dated 20 January 2023 regarding the 2023 non-staff salary scale which is in effect as of 01 January 2023 with the lowest group being Group I1 with a salary of IDR 3,311,800 and the highest being Group VIII10 with a salary IDR 5,380,400.

The company shows example of work agreement for worker of sample unit estate such as:

- Contract No.BB/X/PKWT/Bi/008/2023 dated 1 August 2023 concerning the Harvest contract on behalf ISP (initial) which is valid until 31 October 2023.
- Contract No.BB/X/PKWT/Bi/042/2023 dated 1 August 2023 concerning the Harvest contract on behalf DID (initial) which is valid until 31 October 2023.

6.2.3

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

- Payroll documentation that gives information on compensation for work performance. The results of the simulation of wages and overtime in August 2023 for example with worker IJN (operator boiler), known that the company has paid overtime wages according to the workers' overtime hours and has complied with the applicable regulations.
- Payslip document has informed deductions, working days, holiday, and others.

Based on document verification and interview with workers (harvesting workers, manuring workers, mill workers, etc.) known that there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation.

Interview with labor union and workers, said that wages paid, and overtime are in accordance with applicable regulations. Workers also has given leave in accordance with applicable regulation. Based on that interview also known that deduction for workers such as BPJS deduction, tax and etc has been described in the CLA.

6.2.4

Based on the results of observations and interviews with residents in Mill housing, Division I and IV housing, it was found that housing drainage conditions contained stagnant domestic wastewater.

For this matter, the company has shown the identification of damage, plans and realization of drainage improvements for Mill and Estate housing in 2023 as follows:

1. Plans and realization of residential drainage maintenance January – December 2023

Division	Total Maintenance Plan 2023 (Unit)	Realization of Maintenance Until July 2023 (Units)	Maintenance Plan September – December 2023 (Units)
I	90	11	79
II	24	4	20
III	40	18	22
IV	70	6	64
Mill	20	9	11
Total	224	39	185

2. Photo of the realization of housing drainage maintenance for Divisions I, II, III, IV and Mill until July 2023

3. Estate and Mill housing maintenance budget in 2023 is IDR 150,341,128.

The company has the opportunity to ensure that the residential drainage improvement program for Estate Div I, II, III, IV and Mill is carried out in accordance with the plans and budget that have been determined. **(OFI)**

6.2.5

Based on the interviews and the field visit, there were traditional market located close to company's housing complex which can be accessed by workers within thirty minutes. There were also some workers who open small business stalls to sell daily necessities in each housing.

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

6.2.6

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2023 has been included in the calculation of annual bonus, health insurance, water cost, entertainment cost, health facilities, and housing facility costs. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage in each work type, as follows: basic salary as much as Rp. 3,070,171 per month and the total wage and in-kind benefits are Rp. 6,287,178 per month.

6.2.7

Based on the document review, it is known that there are 43 harvest contract workers with work periods from 1 August 2023 to 31 October 2023, for example Contract No.BB/X/PKWT/Bi/008/2023 dated 1 August 2023 concerning the Harvest contract on behalf of ISP (initial) which is valid until 31 October 2023. Regarding this matter, the company provides an explanation according to Manpower Analysis as follows:

- Analysis of the use of contract workers during the peak season harvest made by the management on February 28, 2023, with the following analysis:
 - Harvesting worker needs under normal conditions:
 - 1 harvest worker/3 Ha
 - The area of producing crops is 3,216.54 Ha
 - Harvest section A-F
 - Harvest worker standards: $3,216.54 \text{ Ha} / 6 = 179 + 10\% \text{ (absent/leave)} = 196 \text{ worker}$
 - The number of existing harvesters as of February 2023 is 169 workers.
 - Estimated harvest results according to census results for Semester I and II 2023
 - SMI: 43,138,130 kg
 - SMI: 83,278,240 kg
- Production realization January-August 2023

Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
5,944	6,579	8,071	6,186	7,874	7,205	9,259	8,330

- The plan is to change the Immature Area to a Mature Area in early 2024 for an area of 351.78 Ha.
- The company explained that this would be the final harvesting contract and with the change from Immature Area to Mature Area, the company plans to appoint existing contract workers to permanent employees of around 25 workers at the end of the year through an assessment. **This will be further verified in the next assessment.**

Status: Comply

6.3

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

6.3.1

The company has a policy regarding the formation of labor unions which is stated in the Freedom of Association Policy signed by the Principal Director on June 1, 2019. The policy states that Socfindo respects the right of all employees to freedom of association and the right to collective bargaining in Indonesian or another language of their choice as a human right. Based on interviews with workers, it is known that workers are given the freedom to join trade unions in the company.

Based on the interviews with labor union representatives in each unit, it explained that the company had given freedom of association and labor unions have been formed. SPSI organizational structure for 2022 - 2027 in accordance with SK PC.FSP.PP-SPSI Serdang Bedagai Regency number Kep: 262.ORG/PC.FSP.PP-SB/IV/2023 dated 05 June 2023. There is a Decree from the Department of Employment, Cooperatives and Micro Enterprises number 18.17/560/488/2022 dated 20 May 2022 concerning the Formation and Appointment of Members of the Bipartite LKS PT Socfin Indonesia – Bangun

Bandar. Confirmed the Bipartite LKS PT Socfin Indonesia – Bangun Bandar with registration number 18.17/560/10/CAT-LKS/2022 dated 20 May 2022 which is valid for 3 years.

Based on the foregoing, it can be concluded that the certification unit has published a statement acknowledging the freedom of association and the right to collective bargaining in the national language, in which the statement is explained to all workers in a language they understand and can prove its implementation.

6.3.2

UoC has well-documented the records of meetings between labor unions and management representatives as well as with internal labor union meetings. The following are examples of records of meetings conducted by labor unions in 2023, here as follows:

- SPSI minutes on January 20, 2023, discussed proposals for wage increases in 2023 which were attended by 17 participants.
- Minutes of the meeting on June 23, 2023, discussed the socialization of OHS, PPE, work output and work discipline which was attended by 17 participants.

Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings every month.

6.3.3

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency. The company gives freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1; 6.4.2; 6.4.3 and 6.4.4

UoC had a policy concerning on children/underage worker protection stated in Children Protection Policy validated by the Principal Director on 1 June 2019. It stated that the group committed to not employ child labor in any operational activities. Uoc also showed the policy of recruitment (SOC/PSM/6.01.01) validated on 20 February 2020 which stated that they do not employ underage worker.

Based on field visits and interviews with workers in the fields, 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.

Based on the results of the review of the agreement document with the contractor for PT. Gunung Kawi Sukses Makmur, 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. The unit of certification demonstrates communication about its 'no child labor' policy and the negative effects of child labor and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.

Status: Comply

6.5

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

6.5.1

UoC showed the collective labor agreement period of 2022 to 2024 which stated about the UoC provide paid leave for maternity as three months and for woman in menstruation period as 2 days paid leave. Based on the documents review

and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment, violence, and pregnant worker in any agrochemical activities had been routinely socialized by the management as below:

- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 27 2023 at the Division I office which was attended by 127 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on 27 April 2023 at the Division II office which was attended by 123 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 5 2023 at the Division III office which was attended by 111 participants.
- Records of socialization of Code of Conduct and Non-Discrimination & Equal Opportunity Policy and Gender Committee on April 28 2023 at the Division IV office which was attended by 160 participants.

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

6.5.2

The company also regulation in CLA of menstrual leave for female worker which is given for two days after it is checked by medical worker in clinic. Based on document verification sighted that Unit of Certification has also shown example of socialization of this policy to worker which was held in each Estate.

Based on document verification, the company has given menstrual leave and maternity leave of female workers. For example, maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after).

Based on the interviews with the gender committee and day care officer, company had given time for breastfeeding woman and provided certain place for breastfeeding. This is one evidence that the company supports the protection of reproductive rights, especially for women.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the company has provided a certain place for breastfeeding at day care with special time to breastfeed. There was no prohibition from supervisors in field related to this matter.

The company has identified the needs of new mothers at PT Socfindo Kebun Bangun Bandar for 2023 on 20 August 2023. This document was prepared based on a questionnaire to new mothers (workers who have just given birth or have children under 2 years old) with the following conclusions:

- Providing a breastfeeding corner in each Afdeling.
- Provision of Daycare.
- Work schedules for "new mothers" are prioritized around the daycare/breastfeeding corner.
- Increased understanding of new mothers about: child health, family health, breastfeeding, parenting patterns.
- Support *Posyandu* activities in the form of providing additional food to babies and pregnant women.
- Daycare facilities for employee children.

Based on new mother's needs identification, it was concluded that it was necessary to hold ultrasounds, exercise classes, *Posyandu*, provide daycare equipment for the comfort of breastfeeding mothers (breastfeeding chairs or mattresses for lying down).

6.5.4

UoC showed the procedure to accommodate complaints and grievance from employees specifically in sexual harassment and violence (No. SOC/PSM/9.02 revision 8 validated on 28 June 2023). In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower). UoC also provided whistleblowing by email, company website, and letter to complaint reporting unit for any confidentiality grievance.

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

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

UoC had a policy concerning on force-labor ban stated in Force-Labor Ban Policy validated by the Principal Director on 1 June 2019. The policy stated that the company respecting human rights and respecting employee rights by prohibiting document detention, forced overtime, wage detention, prohibition of resign, and penalty of termination.

UoC also showed the policy of recruitment (SOC/PSM/6.01.01) validated on 20 February 2020 by the Principal Director which informed that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. UoC then showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors.

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

There was no pressure/forced in doing overtime work, workers who had overtime at Unit of Certification can refuse if ordered to do overtime activities because overtime is not the worker's obligation. Based on interviews with workers, labor union and gender committee, all work in the company was done voluntarily. There are no practices of retention of identity documents, payment of recruitment fee, contract substitution; lack of freedom to resign, debt bondage, and withholding of wages in the company.

6.6.2

Based on documents review and interviews with the manpower agency, gender committee, labor union, and workers at Bangun Bandar Estate and Mill it's known that there was no migrant worker in all units. UoC still have workers with contract status (PKWT) for few works such as daycare officers and harvesting. All the rights for each employment status have been distinguished for workers with contract status (PKWT) and the permanent status (PKWTT). There was no discrimination between contract workers and permanent workers.

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 unit of certification shows the Certificate of Approval of the OHS committee Team by the relevant agency in accordance with the OHS committee personnel, which is listed in the Decree of the Head of the Sumatera Utara Province Manpower and Transmigration Service Number 500.15.18/306-7/DISNAKER/VIII/2023, dated August 22, 2023, with the composition the organization including the chairman on behalf of H.R.I (initials) and the secretary on behalf of W.H (initials).

The Secretary of OHS Committee has attended the training of General OHS Expert Certification from the Ministry of Manpower of the Republic of Indonesia which was held on May 17 – June 31, 2022, with OHS service company organizers. The company shows Decree of the Ministry of Manpower of the Republic of Indonesia No. 5/8156/AS.01.03/VII/2022 concerning Designation of General OHS Expert, dated July 1, 2023, and is valid for 3 years.

The OHS committee meetings have been held regularly every month with discussions of OHS issues and their follow-ups, for example the OHS committee meeting on July 12, 2023, with discussions including Work Accidents in June 2023 there will be no cases of work accidents in the plantation and Mill, so that hazard identification is socialized to workers and conducts safety talk, provision of PPE and monitoring of PPE.

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

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

6.7.2

The unit of certification has emergency preparedness and response procedures number SOC/PSM/4.08 05, Revision on April 1, 2014, approved by the General Manager and Principal Director. Guidelines for handling emergencies include handling chemical spills, levees of liquid waste ponds, embankments of gasoline and hazardous material, earthquakes, landslides, high tides in Belawan installation tanks, emergency conditions on Tugboats, handling of boiler explosions, explosions in engine rooms and tools. Other processors, fires in plantations and factories. The description of emergency response procedures includes preparation, action during an emergency, post-emergency, and Environment, Occupational Safety and Health patrols.

In addition, the certification unit has a Fire Extinguisher and Hydrant Lay Out at the location as well as a safe gathering point during an emergency.

First aid officer

For example, First Aid Officer License at Work No. 1014/DTKDT/SU/XII/2021 in the name of C.S (initials) valid until December 1, 2024. In addition, every foreman, both estate and mill, is also given first aid training.

6.7.3

The Certification Unit has procedures related to the control of Personal Protective Equipment (PPE) Number SOC/PSM/4.21 02nd Revision on October 1st, 2010 which was approved by the Head of General Affairs. The purpose of this procedure is to ensure that the PPE provided by the company is received, distributed, and used by workers according to its function and is properly controlled in accordance with the identification of potential hazards in the worker's work environment. The procedures related to the control of PPE regulate the following:

- Procedure for taking PPE, that is, workers who need PPE report to their superiors for approval to get PPE.
- Use, care and storage of PPE is all workers who have received PPE in accordance with the identification of needs in their workplace are required to maintain and maintain the PPE that has been provided.
- Replacement is. PPE can be replaced if it is damaged and unfit for use. The period of use of PPE can be used to get a new replacement in accordance with the conditions of the PPE approved by the technician or assistant.
- Disposal and Destruction, namely PPE that will be destroyed according to the Waste Control Procedure.

Based on observations at the Boiler station and interviews with Boiler operators, it is known that employees understand the potential hazards in their work units, PPE is given free of charge, replaced if PPE is not suitable for use and employees have worn PPE in accordance with what the company has determined including wearing leather gloves, helmets, protective cloth, safety shoes and goggles. In addition, there is proof of the handover of PPE on June 5, 2023 in the form of safety shoes and helmets for boiler operators and company has spare PPE.

In line with the results of document verification, the boiler operator in Bangun Bandar Mill also explained that employees had received PPE free of charge by the company and understood the mechanism for replacing PPE if PPE was damaged/lost. The PPE used by workers is currently in good condition and ready to use.

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

- PPE Ear Plugs, total 125 pieces.
- PPE Safety Boots, total 25 pairs.
- PPE Face Shield + Visor Clear Lens, total 79 set.

Based on the explanation above, it is known that unit certification provide adequate Personal Protective Equipment (PPE) in accordance with its designation for each worker.

Sanitation Facilities

Based on the results of the field visit, it is known that the company already has sanitation facilities for workers with chemicals that can clean themselves as well as the equipment used and change clothes, which is also equipped with a storage area for controlling devices and PPE.

6.7.4

Based on a review of the employee list as of July 2023, it is known that the number of employees is 755, consisting of 712 permanent employees and 43 contract employees. The unit of certification already has a list of workers which also includes participant numbers for *BPJS Ketenagakerjaan* and *BPJS Kesehatan* for all workers (including workers with *PT* and *PKWT* status) in each Estate and Mill.

The company can show proof of payment for *BPJS Ketenagakerjaan* and *BPJS Kesehatan* as below:

- Details of billings *BPJS Kesehatan* period of July 2023 for 755 (permanent employees and contract employees) which have been paid through Bank Mandiri on 07 August 2023.
- Details of billings *BPJS Ketenagakerjaan* period of July 2023 for 43 contract employees which have been paid through Bank Mandiri on 07 August 2023.
- Details of billings *BPJS Ketenagakerjaan* period of July 2023 for 712 employees which have been paid through Bank Mandiri on 07 August 2023.

Based on the results of interviews with workers at the Estate and Mill, it is known that the company has provided employment insurance to all workers and health insurance to workers and their families (wives and children). The workers already hold BPJS cards and know the registration number. The worker also explained that the BPJS Health card can be used when a family member is sick.

Based on the above, it can be concluded that the company has provided health services and protected all its workers with work accident insurance (*BPJS Ketenagakerjaan*) and health insurance (*BPJS Kesehatan*).

6.7.5

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

Unit	Total Man hours Worked	Case	FR	SR
Bandar Bangun Estate	1,291,634	2 cases with lost working days 43	1.55	33.29
Bandar Bangun Mill	226,528	2 cases with lost working days 87	8.82	384.05

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

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 unit of certification has procedures related to plant pest control, including:

- Work Instructions for Weed Control in Oil Palm Plants No. SOC-KKS/IK/13 Document third revision on January 1, 2020 which was ratified by the Head of Plant Section.
- Work Instructions for Integrated Pest Control *Oryctes rhinoceros* No. Document SOC/PSM/7.10-11 fifth revision on October 1, 2020 which was ratified by General Manager and Principal Director.
- Work Instructions for Integrated Pest Control of Oil Palm Leaf-eating Caterpillars No. Document SOC-PSM/7.10-13 sixth revision on January 13, 2020 which was ratified by the General Manager and Principal Director.
- Work Instructions for Integrated Rat Pest Control No. Document SOC/PSM/7.10-21 third revision on January 13, 2020 which was ratified by the General Manager and Principal Director.

The unit of certification shows the realization of Beneficial Plant planting until June 2023, namely:

TOTAL (m)			
<i>Casia Cobanensis</i>	<i>Turnera Subulata</i>	<i>Antigonon Leptopus</i>	<i>Crotalaria Sp</i>
20,929	557	1,767	1,286

Based on observations in Block 67 Division I and Block 57 Division 1, *Turnera Subulata*, *Antigonon Leptopus* and *Casia Cobanensis* are growing well along the main road estate.

In addition, the certification unit has a sycahus house in an area that functions for captive sycahus, located in the Tanjung Maria Division 4 residential area as one of the developments of natural enemies of pests to deal with caterpillars that eat oil palm leaves.

The certification unit also shows monitoring records of rat pests, oil palm leaf-eating caterpillars, and *Oryctes* pests for the period January – December 2022 for all divisions that inform total of plants in the census and attack criteria. Based on the results of monitoring the rat and caterpillar pests, the category is mild so that there is no chemical control. Meanwhile, *Oryctes* pests are categorized as mild so that chemical control is not too carried out.

7.1.2

Results Based on document review and visits, it is known that the company uses species control agents including: *Turnera subulata*, *Antigonon leptopus*, and *Cassia cobanensis* which species are not invasive according to the Minister of Environment and Forestry Regulation no. P.94/MENLHK/SEKJEN/KUM.1/12/2016.

7.1.3

Based on information from management unit interviews, document review and field observations, procedures for pest control policies at PT Socfin Indonesia (Socfindo) have been available as well as results from interviews with workers in the field during the assessment activities, it is known that the company does not use fire in pest control.

Status: Comply

7.2

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

7.2.1

The certification unit has shown the procedures for handling hazardous chemicals no. SOC/PSM/4.10 second revision dated October 1, 2010. The purpose of the procedure is that workers handling pesticides are always aware of the magnitude of the danger of poisoning and the level of health risk due to their work activities, in addition to carrying out safe and appropriate operational performance related to the use of pesticides in accordance with the instructions for use. The contents of the procedure include the level of material hazard based on WHO class, level of poisoning based on LD50, statement of material hazard, colour and hazard symbols and danger signs.

Based on document review, interviews, and field observations during the onsite audit, it is known that the certification unit already has justification for the application of pesticides, the certification unit has shown a document listing the pesticides

used in the 2022 - 2023 period. The document explains the name of the pesticide, active ingredient, concentration, LD50, registration number and distribution permit period, WHO class, and the purpose of using the pesticide. The examples of pesticides used are Garlon 670 EC with the active ingredient *Triclopyr butoksi ethyl ester*; LD50 (mg/kg) 2,000; RI registration number RI. 01030120155148 valid until April 28, 2028, WHO class II, pesticides targeting broad leaf weed and narrow leaf weed with dose 0.17 – 0.70 L/Ha.

7.2.2

The unit of certification has a record of pesticide use including the active ingredients used and LD50, application area, amount of pesticide uses in 2023 (up to August 2023) as follows:

Nu.	Pesticide	Ingredients	LD 50	Pesticide		Area (Ha)	Use of active ingredients per Ha
				Total	Unit		
1	Ally 20 WG	<i>Metil Metsulfuron</i>	5,000	83.36	Kg	4,489.77	0.004
2	Garlon Mix	<i>Triklopir butoksi etil</i>	2,000	311.43	Lt	2,328.13	0.003
3	Round Up	<i>Glifosat 486 g/Lt</i>	9,041	6,572.26	Lt	11,188.84	0.285
4	Santador	<i>Lamda sihalotrin 25</i>	235	1,364.10	Lt	11,239.44	0.003
5	Starthene	<i>Asefat 75%</i>	945	2,255.16	Kg	2,431.51	0.696

7.2.3

The unit of certification has a plan and realization of reducing the use of pesticides and replacing them with natural enemies in accordance with the IPM plan. The following shows an example of data on pesticide use from 2021 to August 2023:

Pesticide	Ingredients	Unit	2021	2022	2023
Ally 20 WG	<i>Metil Metsulfuron 20%</i>	Kg	349.75	143.47	107.78
Amistartop 325 SC	<i>Azoxistrobin 200 g/l</i>	Lt	129.70	104.38	122.75
Brochonil 75 WP	<i>Klorotalonil 75%</i>	Lt	21.70	22.10	8.80
Cypertop 200 EW	<i>Cypermethrin 21%</i>	Lt	2,011.35	1,041.27	-
Dacomin 865 SL	<i>2,4-D Dimetil amina 865 g/l</i>	Lt	1,302.00	427.70	146.30
Gulmaron 80 WP	<i>Diuron 80%</i>	Kg	1,748.46	3,000.07	2,724.58
Roundup 486 SL	<i>Isopropil amina glifosat 486 g/l</i>	Lt	11,682.62	8,482.93	7,618.71
Santador 25 EC	<i>Lamda Sihlotrin 295 g/l</i>	Lt	2,080.47	1,666.17	1,627.38
Starthene 75 WG	<i>Asefat 75%</i>	Lt	8,118.69	2,595.54	2,605.54

Based on a review of the pesticide use documents, it is known that the use of the pesticide *Azoxistrobin 200 g/l* has increased due to the increased number of sprayed seedlings compared to the previous year. In 2022 there were 55,397 seeds, while in 2023 there were 75,003 seeds.

To reduce pesticides, the certification unit uses natural pest control agencies spread across Divisions I, II, III and IV of Bangun Bandar, including through the cultivation of *Turnera Subulata*, *Antigonon Leptopus*, *Casia Cobanensis*, *Mucuna Brachteata* and *Sycanus*.

7.2.4

There is no prophylactic way of using pesticides carried out by the company. The company controls using pesticides if the pest attack census shows results above the threshold. Whereas for weed control If the conditions of the circle and harvest pathway are still quite standard, weed control will be postponed. Based on observations of spraying activities, the application method is not a preventive application but is more selective for locations that have weeds.

7.2.5

Based on field observations, review of documents on pesticide uses in 2022 and 2023, interviews storage officer and pesticide stocks in warehouses, there was no use of pesticides included in the WHO class 1A, 1B list or included in the Stockholm or Rotterdam Conventions and paraquat.

7.2.6

The unit of certification can show recordings of training related to the use of pesticides, for example those conducted on February 25, 2023 at Division 1 attended by 27 participants consisting of spray workers, spray foreman and division assistants.

The unit of certification can also show records of training related to dangerous chemicals handling, which was carried out on March 16, 2023 at Division 2 attended by 17 participants consisting of foreman, employees, assistants and others.

The unit of certification also evaluates the training participants regarding the understanding of the material and its application in the field.

Based on interview with sprayer worker on Block 56 Division I, who stated that they were given training regarding regular spraying.

7.2.7

Procedures for Handling Hazardous Chemicals (SOC/PSM/4.10 second revision dated November 3, 2020). The procedure describes, among others, as follows:

- Identification of Hazardous Chemicals
- Procurement of Hazardous Chemicals
- Handling of Hazardous Chemicals
- Handling of Expired Hazardous Chemicals.

The procedure also explains the storage warehouse and storage of materials in the warehouse, such as:

- Materials are stored in the warehouse according to the specified material classification.
- The storage area is marked according to the grouping guidelines and the symbol for hazardous chemicals and other necessary warning signs.
- Materials are stored using pallets, if suitable as a base.
- Liquid materials stored on shelves are equipped with waterproof trays as a base so that if spills, leaks and spills occur they do not contaminate the surrounding environment.
- Jerry cans can be stacked in a maximum of 2 piles.
- Equipped with symbols and labels that comply with MSDS.

Based on the results of visits to the pesticide storage warehouse in Bangun Bandar Estate, it is known that the warehouse has been equipped with fire extinguisher, first aid kits, ventilation, MSDS, etc. in accordance with Government Regulation no. 74 of 2001 concerning Control of Hazardous and Toxic Materials. Storage of chemicals is neat and in accordance with the character of the material. Chemical storage warehouse is made permanent, there are pallets, B3 symbols and there is ventilation for air circulation.

7.2.8

In managing pesticide container waste, the unit of certification has procedures set out in several documents, including;

- SOP for Waste Control Procedure No. SOC/PSM/4.11 revision 5 dated 1 October 2018 which contains procedures for managing types of waste including domestic waste, industrial waste and B3 waste including pesticide waste. Apart from that, the pesticide waste management plan has been included in the waste management plan document PT Socfindo Bangun Bandar 2023 which is evaluated periodically once a year.
- Regarding the procedure, unit certification applies the steps outlined in the work instructions No. SOC/IK/08 regarding washing work tools and chemical packaging, dated 01 June 2014, by doing:
 - Use PPE (apron, goggles, latex gloves) to wash the packaging.
 - Empty the contents of the jerry can
 - Fill the jerry can with water as much as the volume of the jerry can, then close and shake. Pour the rinsing waste into a clean container or drum mixing the same chemical as the same solvent.
 - Do this at least 3 times.
 - Remove the existing material symbol or label, not used for other purposes other than the same chemical.

From the results of field observations in mixing areas in Division I and 4 Bangun Bandar Estate it was found that all pesticide containers are collected, managed, and not reused for any activities which are then designated in certain storage

areas and managed by licensed waste transporter (PT Amindy Barokah Sumut) proven with waste manifests and log book. Based on field observations in housing in the same area, it was found that there were no traces of chemical packaging used as water reservoirs or other housing activities.

From the results of interviews with warehouse and mixing officers, they were able to explain well the procedures for handling used pesticide packaging, with evidence of the socialization that was carried out on July 17, 2023.

7.2.9

Based on the document review, interviews with sprayer applicators and interviews with company representatives, it is known that the application of pesticides by air has never been carried out. In addition, the certification unit also does not have the facilities and infrastructure to apply pesticides through the air.

7.2.10

The certification unit showed the results of the 2023 special examination for pesticide applicator conducted by the Anugerah Ibu Clinical Laboratory on May 29 – 31, 2023 and June 2, 2023, for 110 workers. From the results of the special medical examination, it was known there is no workers who experience health problems due to work. All workers are healthy and fit to work.

7.2.11

The company has a policy for female employees/workers who are pregnant on Reproductive Rights Policy which was signed by the Principal Director on June 1, 2019, in the policy it is explained that, for female employees/workers who are pregnant and breastfeeding such as:

- Pregnant women do not perform tasks related to hazardous chemicals.
- Breastfeeding women do not carry out tasks related to chemicals until 9 months and have sufficient rest time to breastfeed their babies.
- Female workers who take breaks to breastfeed their babies receive full pay.

Based on the results of the document review, interviews with workers who came into contact with chemicals in the field, it was found that there were no workers who were pregnant. Workers who come into contact with chemicals while pregnant or breastfeeding are transferred to other parts of the job. For example: The unit certification showed a Pregnancy Certificate in the name of S.M (initials) Employee Number 1502596 was declared pregnant through an examination conducted on November 26, 2022 and was given a transfer of workers through the Change of Data Position and Field Worker Form on November 27, 2022 signed by the Division assistant 1.

During the audit, the pesticide application conducted at estate area to control weeds in the circle and path. Based on field observation and interview with pesticides applicator known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity such as loose FFB picker.

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 Unit of Certification already has procedure related to waste management, stated in SOC/PSM/4.11 rev.05 Waste Control, dated 1 October 2018. This procedure explains responsibilities, description of procedures, storage technical requirements, treatment for expired waste, packaging and storage requirements, storage for hazardous waste and classification, technical requirements for storage of reactive, corrosive and toxic waste, permits, waste management, waste submission, domestic waste handling, reporting and supporting documents.

The identification of waste sources for the 2023 period with details, for examples are used pesticide packaging, medical waste, used iron, used fertilizer sacks, palm fronds, organic waste, an organic waste, paper waste, and residential waste water.

Hazardous and Toxic Waste

Unit certification has a temporary storage permit for hazardous and toxic waste for each unit, there are;

- PT Socfindo Kebun Bangun Bandar Hazardous Temporary Storage in Aras Panjang Village, Dolok Masihul District, North Sumatra based on the decision of the Head of DPMPTSP of Serdang Bedagai Regency No. 0002/34/DPMP2TSP-SB/III/2019 dated 05 March 2019 valid until 05 March 2024, located at coordinates N 030 18' 37.7064" and E 0990 03' 12.5424".

Specific item stored are; sacks used for chemical packaging, contaminated storage (jerry can), medical waste, used jerry cans for pesticides, plastic bottles used for poison, etc.

- PT Socfindo Kebun Bangun Bandar Hazardous Temporary Storage in Aras Panjang Village, Dolok Masihul District, North Sumatra based on the decision of the Head of DPMPTSP of Serdang Bedagai Regency No. 0020/34/xi/DPMP2TSP-SB/2020 dated 06 November 2020 valid until 06 November 2025, located at coordinates N 030 19'45,5" and E: 0990 02' 36,7".

Specific item stored are; filter used, oil used, contaminated item (majun), and used batteries.

Based on this permit, it is known that the types of hazardous and toxic waste that are allowed to be stored are; used oil, used oil filters, medical waste, sacks used for chemical packaging, used jerry cans for pesticides, used drums, plastic bottles used for poison, used lamps, used batteries, used rags from the results of their activities.

Based on observations of the Bangun Bandar Estates dan Mill temporary hazardous waste storage, it is known that the building has been equipped with an emergency response such as fire extinguisher, first aid kit, eye wash, shower, hazardous waste symbol and label, also waste placement according to the type and characteristics. In addition, there is also a logbook to record. Hazardous waste also handled properly by disposed based on each toxicity and hazardous characteristics, such as medical waste which is classified as infectious (stored in freezer).

In the management, transportation and handling of waste unit of certification collaborated with licensed parties, which is carried out regularly named PT Amindy Barokah Sumut (agreement letter No. 175/SI-ABS/SPK-LB3/VII/2023) valid until 2 July 2024, and in the management. With the cooperation agreement documents that are still valid (tripartite), among others;

- PT Non Ferindo Utama (Agreement Letter No. 400/PGA/NFU/X/2022 valid until 10 October 2023)
- PT Wastec International (Agreement Letter No. 029/WI/SPKLB3TP/X/2022 valid until 27 October 2023)
- PT Trigunapratama Abadi (Agreement Letter No. 163/TPA-ABS/SPK-LB3/VII/2023 valid until 02 July 2023)
- PT Sumatera Deli Lestari (Agreement Letter No. 097.02/PK/ABS-SDLI/VI/2023 valid until 20 June 2024)
- PT Adhi Karya (Persero) Tbk (Agreement Letter No. 328/ABS-AK/SPK-LB3/XII/2023 valid until 22 December 2024).

Waste circulation has recorded well so that waste can be easily traced, both in the log book, balance sheet, and also in manifest.

Solid Waste (Fiber, Shell and EFB)

The solid waste produced by the company is shell, fiber and empty fruit bunch. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as EFB is reused by applying it to plantation areas as a compost. Solid waste utilization data is explained in more detail in indicator 7.9.1.

Liquid Waste (POME)

Liquid waste generated from the factory is disposal to water body. Before being disposed, POME is first managed at the WWTP with the aim that the quality of the POME flowing to environment is in accordance with the provisions, explained in more detail in indicator 7.8.3.

Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills for an-organic waste only. The organic waste is composted in every yard of each house. Waste transportation is carried out once a week by officers on duty. Based on the results of field visits to the housing area in Division I and 4 Bandar Bangun Estate and Bandar Bangun POM housing there are no traces of burning waste.

7.3.2

The company has a procedure related waste handling namely Waste Management Procedure (No. Doc: SOC/PSM/4.11 edition 01, revision 05, 1 October 2018). The procedure has explained about waste handling including hazardous and toxic waste, organic and inorganic waste, economic waste and industrial waste.

The company has record of training related waste handling, and can be proven through the attendant list of participants, minutes of training and photo documentation, for example are;

- Socialization conducted for workers Division I on 25 August 2023 was attended by 14 participants.
- Socialization conducted for workers and residents of Division II on 18 August 2023 was attended by 39 participants.
- Socialization conducted for workers and residents of Division III on 25 August 2023 was attended by 29 participants.
- Socialization conducted for workers and residents of Division IV on 22 August 2023 was attended by 7 participants.

In its implementation, it can be proven that waste disposal is in accordance with procedures that are fully understood by workers, from the following documents:

- Document on Results of Identification of Waste Sources, which provides information regarding sources of hazardous and domestic waste that have been identified by the company from plantations.
- Balance Sheet and Logbook for storing waste at hazardous waste. The recording is carried out to determine the incoming and outgoing waste and to determine the shelf life of waste at storage, from January – August 2023.
- Proof of waste transportation (e-manifest/festronic) to licensed transporters and managers, last implemented on 15 April 2023. The transportation of hazardous waste was carried out at each licensed waste storage (at mill and estate), but only stated one manifest for transportation, namely PT Socfin Indonesia Kebun Bandar Bangun.
- The company has record of training related waste handling, and can be proven through the attendant list of participants, minutes of training and photo documentation, for example are;
 - Socialization conducted for workers Division I on 25 August 2023 was attended by 14 participants.
 - Socialization conducted for workers and residents of Division II on 18 August 2023 was attended by 39 participants.
 - Socialization conducted for workers and residents of Division III on 25 August 2023 was attended by 29 participants.
 - Socialization conducted for workers and residents of Division IV on 22 August 2023 was attended by 7 participants.
- OHS Completeness Monitoring Document for the August 2023 period which informs the condition and completeness of emergency response facilities areas such as first aid kits, eye wash and shower checks, fire extinguishers, spill kits and alarms.
- Routine reporting of quarterly to District and/or Provincial Environmental Agency to related offices. (explained in indicator 1.1.2)

From the results of a field visit to the Bangun Bandar POM and estate housing area, no scattered trash was found. The results of interviews with workers in the Bangun Bandar Estate warehouse and workshop area show that they understand the practice of waste disposal, segregation, and the prohibition on the use of used chemical.

7.3.3

The company has a Non-Deforestation, Peat Development and Environmental policy which reviewed in February 2023, including discussing zero-burning policies. The document states that the Company carries out active socialization to avoid burning household waste.

It is also proven through the waste transportation manifest and the results of field observations in housing area there are no traces of burning waste. Based on interview with residence in Bangun Bandar Estate at Division 1 & 4 housing area, they don't burn waste due to company policy and availability of good waste management. In addition, there is a warning about the prohibition of burning in residential areas as a form of indirect socialization.

Status: Comply

7.4

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

7.4.1, 7.4.2, 7.4.3 and 7.4.4

The company already has a soil fertility management strategy, including:

- Fertilization Procedure, available in the Oil Palm Cultivation Procedure document number SOC/PSM/7.10 revision 2, effective date April 1, 2015. This procedure explains, among other things, that fertilizer recommendations are determined by considering the nutrient status in the leaves, the ability of the soil to provide nutrients, nutrients lost due to washing, plant conditions, climate and implementation of the previous year. Recommendations for mature plant fertilization are made based on leaf sample analysis (Leaf Sampling Unit) set out in the Technical Manual for Oil Palm Cultivation and fertilization recommendations issued by the Agronomist.

The soil fertility management strategy carried out by the certification unit includes implementing the following fertilization:

Leaf Analysis

- Leaf Analysis Number L2022-730/LAB-SSPL/IV/2022 dated April 6, 2022 issued by Bangun Bandar Analytical Laboratory for a total of 1 sample. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn and Mn.
- Leaf Analysis Number L2022-763/LAB-SSPL/IV/2022 dated April 7, 2022 issued by Bangun Bandar Analytical Laboratory for a total of 4 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn and Mn.
- Leaf Analysis Number L2022-877/LAB-SSPL/IV/2022 dated April 9, 2022 issued by Bangun Bandar Analytical Laboratory for a total of 4 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn and Mn.
- Leaf Analysis Number L2022-879/LAB-SSPL/IV/2022 dated April 9, 2022 issued by Bangun Bandar Analytical Laboratory for a total of 2 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn and Mn.
- Leaf Analysis Number L2022-890/LAB-SSPL/IV/2022 dated April 11, 2022 issued by Bangun Bandar Analytical Laboratory for a total of 3 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn and Mn.

Soil analysis

- Soil Analysis Results from Bangun Bandar Analytical laboratory No. S15-006/LAB-SSPL/I/2015 on March 11, 2015 with a total of 34 samples. The parameters examined include: pH-H₂O, pH-KCl, Sand, Silt, Clay, N, C, P-Bray, CEC, K, Ca, Mg and Na.

The company shows the results of fertilization recommendations in 2022. The types of fertilizers used are Urea, RP, KCL, NPK15-15-6-4, NPK12-12-17-2+TE, NPK12-12-17-2, Kieserite and Borate. The results of inspection of fertilization activity documents for the period from January to December 2022 in each plantation are in accordance with the recommended dosage. Records of fertilization activities are properly recorded and recorded by the company which explains the type of fertilizer, number of workers, work performance, and dosage used, for example in Bangun Bandar Estate for the type of urea fertilizer there is a 2022 program of 763.28 tons and has realization 100% from plan.

The unit of certification also utilize Mill waste for fertilizer. Data on the recapitulation of solid waste utilization for fertilizer for the period January - December 2022 are as follows:

- FFB Processed 82,728 Tons.
- Compost utilized 12,784 Tons.

Based on the results of interviews and document verification, it shows that the empty fruit bunches are used to substitute fertilizer by applying it to the land. All of the waste is utilized and data on its use is recorded in detail and traceable.

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

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The unit of certification can show the Semi-Detailed Soil Survey Report for February 2008 related to the Study on Land Suitability for Conversion of Rubber to Oil Palm. The document informs the potential land suitability as follows:

Sub-class of land suitability		Area	
Limiting Factor	Potential	Ha	%
Nutrient	S1	505,94	41,98
Nutrient, slope	S1	215,91	17,92
slope, Nutrient	S1	60,45	5,02
slope, Nutrient	S2	39,56	3,28
slope, Nutrient	S3	19,26	1,60
Nutrient	S1	128,15	10,63
Nutrient, slope	S1	84,62	7,02
Slope, Nutrient	S1	37,07	3,08
Slope, Nutrient	S2	20,00	1,66
Slope, Nutrient	S3	39,36	3,27
Nutrient	S2	23,00	1,91
Nutrient, texture	S2	31,79	2,64
Total		1.205,11	100

notes: S1 (Suitable); S2 (Moderately Suitable); S3 (Marginal Suitable)

The unit of certification already has a map of the slope of the land with a scale of 1: 25,000 with the following details:

Type of Slope	Percentage (%)	Slope	Total Area (Ha)
Flat	0-8		2.096,01
Undulating	8-15		1.229,76
Hilly	15-30		637,60
Hilly	30-40		183,48
Total			4.146,85

Based on field observations in the replanting area, including in Block 67 Division 1, there is no potential for erosion and soil degradation because the replanting area is in a flat area.

7.5.2

The replanting area at PT. Socfin Indonesia (Socfindo) Bangun Bandar Unit does not have a slope of more than 25°, but the dominant area is flat. Based on field observations, including in Block 67 Division 1, no replanting activities were found on the steep sloped land area.

7.5.3

The unit of certification did not clear new land, but the company did the conversion from rubber plantations to oil palm plantations. Based on the results of field visits in conversion areas, for example Block 83 Division 4, no planting was found on land with steep slopes.

Status: Comply

7.6

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

7.6.1 – 7.6.3

The unit of certification can show the Semi-Detailed Soil Survey Report for February 2008 related to the Study on Land Suitability for Conversion of Rubber to Oil Palm. The document informs the potential land suitability as follows:

Sub-class of land suitability		Area	
Limiting Factor	Potential	Ha	%
Nutrient	S1	505,94	41,98
Nutrient, slope	S1	215,91	17,92
Slope, Nutrient	S1	60,45	5,02
Slope, Nutrient	S2	39,56	3,28
slope, Nutrient	S3	19,26	1,60
Nutrient	S1	128,15	10,63
Nutrient, slope	S1	84,62	7,02
Slope, Nutrient	S1	37,07	3,08
Slope, Nutrient	S2	20,00	1,66
Slope, Nutrient	S3	39,36	3,27
Nutrient	S2	23,00	1,91
Nutrient, texture	S2	31,79	2,64
Total		1.205,11	100

notes: S1 (Suitable); S2 (Moderately Suitable); S3 (Marginal Suitable)

The unit of certification does not undertake extensive planting on marginal and fragile soils. Based on the results of field visits in replanting areas, for example Block 67 Division 1, no planting was found on marginal and fragile soils.

Based on the characteristics of the landscape, this area is generally relatively flat which includes a slope of 0-4° and spreads in Divisions 1 and 2. This is used as a guide in conversion activities from rubber to oil palm, for example based on the results of the study of the related Land Clearing Work Agreement document. Conversion Program between PT Socfin Indonesia and PT Surya Baru Prima Nusantara Number. PD-GM/X/529/2022 on November 26, 2022, with details of the work including ripping, chipping stems and stumps, hoeing and making continuous terraces.

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 and 7.7.7

The semi-detailed soil survey and assessment report of Bangun Bandar Oil Palm Estate located in the District of Serdang Bedagai, Sumatera Utara Province was carried out by Param Agricultural Soil Survey. Based on the results of the soil survey, there are several types of soil in Bangun Bandar Unit, namely *Typic Paleudult*, *Aquic Paleudult*, *Typic Udorthents*, *Aquic Dystrudepts*, *Typic Endoaquepts*, and *Typic Haplohemists* and there is no type of peat soil.

In addition, based on the circular letter of the Ministry of Forest and Environment No. S.184/PPKL/PKE/PKL-0/12/2017 On December 05, 2017, that PT. Socfin Indonesia Bangun Bandar Unit is not a company that has to conduct an inventory of the characteristics of the peat ecosystem. So, this indicator cannot be applied.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The company has identified water sources through a map of water bodies with a scale of 1: 25,000. Geographically, there are 2 rivers in the area of PT Socfindo Kebun Bangun Bandar, namely the Belutu River and the Martebing River. Company also has a water management plan as seen on HCV program and Environmental Monitoring and Management, such as efficient use of water in mill, quality testing of river water and clean water etc. PT Socfin Indonesia can show efforts to manage water and maintain water sources by measuring surface water quality on physical, chemical and microbiological parameters by a KAN accredited laboratory (LP-905-IDN) in several sampling location, there are; upstream and downstream of Martebing River and Belutu River.

Based on the results of surface water quality testing, it is known that all test parameters comply with the quality standards in PP No. 22 of 2021. Apart from that, as a form of preventive action in environmental management and monitoring to prevent and reduce the concentration of parameters that do not comply with quality standards, the company has ensured best practices in waste management by ensuring that no waste flows into the body. environment directly, ensuring that domestic liquid waste is managed by providing septic tanks and several management activities in accordance with the company's management plan.

The results of interviews with resident in the housing Bangun Bandar POM and estate (division 1 and 3) revealed that there was no problem with availability of clean water, water was obtained free of charge, with the criteria of being odourless, colourless, and tasteless. This is in line with the results of interviews with the head of Kerapuh Village showed that there were no complaints regarding river water pollution flowing from the Company's units.

It can be concluded that there is access to clean water for workers and nearby villages (e.g Kerapuh Village), the certification unit carries out water management by monitoring water quality standards on a regular basis, to ensure that there is no contamination of the water used as a result of the activities of the certification unit, and as an effort of sustainable management of water resources.

7.8.2

The company has a procedural document that regulates the management and maintenance of water flows, including the replanting process in No. SOC/PSM/9.07 rev 06 dated 01 January 2021. The document explains;

- Determination of area boundaries, calculated from the river bank. It is divided into 4 zones, namely flood zone, erosion zone, ecological buffer zone, and security zone.
- Installation of stakes to mark the boundaries of the HCV area, 50 m apart.
- HCV program taking into account the threats of erosion, occupation, poaching, river pollution.
- River area management by; no chemical application in HCV areas, installation of sign boards, education of workers and the community, planting erosion-resistant plants (gelaga, vertiver, bamboo, etc).
- Management of replanting activities; no planting is carried out in this area (non-planted area), oil palm trees in this area are not uprooted (unless they are attacked by Ganoderma and Oryctes diseases), and forest plantations are inserted 2 years before replanting to enrich the vegetation.
- Management of planted areas; Plant maintenance is done manually, rotation is carried out to control plant pests, biological control for caterpillar pest attacks.
- Monitoring by monitoring stakes, water quality, tree density, erosion, etc.

In its implementation, the Company has a water source protection program in the 2023 HCV program planning, including;

- Conduct an analysis of river water quality once a year with parameters according to PP 22 of 2021.
- Planting erosion prevention plants.
- Installation of erosion control.
- Make erosion stakes at several vulnerable points.
- Posting HCV area warnings.
- Provide socialization of its existence and how to protect it to workers and the community.
- Maintenance of the planted area by manual weeding.

Based on a field visit to Sungai Belutu Block 27 Afdeling 2, has been equipped with spray boundary signs, protected area boards, and areas for planting erosion-preventing plants on river borders.

7.8.3

Management of POME from oil palm processing from with totalling 5 waste ponds with a single feeding system with total volume 61,282 m³. Company has permit document from DPMP2TSP Serdang Bedagai Regency No. 0006/36/IX/DPMP2TSP-SB/2019 valid until 24 September 2024. Before being disposed, the POME is processed until it reaches the standard for wastewater, with pH 6-9 and BOD 100 mg/l. POME is managed in accordance with applicable national regulations, according KepmenLH No. 05 of 2014 attachment III regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil.

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month. The test is carried out by the KAN accredited laboratory. Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD), e.g monitoring for August pH; 8.68 and BOD 99.2. So, it can be concluded waste water to be disposed into water bodies does not cause pollution to the environment.

Based on the results of interviews with Environmental Agency of Serdang Bedagai Regency regarding the management of POME at the WWTP, there were no complain related to environmental pollution. The results of interviews with head of Tanjung Maria Village also stated that there was no pollution occur.

7.8.4

PT Socfin Indonesia has a utilization permit based on the decree of North Sumatra Governor No. 546/415 is valid until August 30, 2025. The water source is taken from 1 well in Aras Panjang Village, Dolok Marsihul District, Serdang Bedagai Regency, Sumatera Utara. With a maximum flow that can be taken of 3 liters/second or the equivalent of 7,884 m³/month.

The water usage for FFB processing has been monitored and documented. The document of water usage for FFB process in period of January – December 2022 shown that the water usage ratio in the range of 6.908,84 m³/month. This range is still in accordance with the water quotas that can be utilized specified in the permit and budget determined by the company itself. The unit certification also paid of water usage retribution every month for the entire scope of certification to UPT Serdang Bedagai, Sumatera Utara Province.

From the results of management interviews and field observations to Water Treatment Plan (WTP) in Bangun Bandar POM, found that flowmeter used is still functioning properly, so the amount of water used every day are recorded well, the officer responsible for WTP is understanding about how the to operate WTP according to procedure.

Status: Comply

7.9

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

7.9.1

The unit of certification using of fossil fuels to increase the efficiency and to optimize monitored and renewable energy. This can be proven by recording documents on the application of the use of shells, and from the rest of the mill production process as renewable fuel for boiler purposes in year 2022.

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and fiber are used to substitute diesel fuel, this utilized, and the usage data recorded in detail and traceable. From data shows, it is known that the company has saved 89.52% of diesel fuel, of the total diesel that should have been used as evidence of energy efficiency produced from use of renewable energy.

The company has also made efforts to improve the efficiency of the use of fossil fuels in the form of using solar cell, using solar cells, periodically renewal electronics devices and fuel-efficient vehicles, using teleconferences to reduce

transportation use, among others by carrying out regular maintenance to reduce incomplete combustion and analyzing fuel use by selecting efficient transportation routes.

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

Unit of certification has been conducted source identification and GHG valuation by doing GHG inventory within the scope of Bangun Bandar Mill and its supplies based (Bangun Bandar Estate) monitored through Palm GHG Calculator 4.0 and the summary result reported and accessible to public in RSPO website. The company has identified the significant GHG emissions, including: land used change, POME processing, used of fertilizers and pesticides, used of fossil fuels for operations and transportation.

Also made several mitigations plans to control the impact among GHG emission, such as: the right dose of fertilizer uses and application as recommended, reduction of reuse and recycling actions, restrictions on electricity use, transportation and machine maintenance, and periodic air quality tests.

Reduction of fossil fuels at Bangun Bandar Mill has been implemented by using fiber and shells. The company also uses POME with test results from the monitoring, showing that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it is found that accurate data have been entered into the RSPO palm oil GHG Calculator. GHG calculation using palm GHG Calculator 4.0. The summary of GHG emissions for the period January - December 2022, is listed as follows:

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	0.68	tCO ₂ e/tProduct	Oil palm planted on mineral soil	4043.64	Ha
PK	0.68	tCO ₂ e/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0.00	tCO ₂ e/tProduct	Total oil palm planted area	4043.64	Ha
PKE	0.00	tCO ₂ e/tProduct	Conservation area (Forested)	0.00	Ha
OER	23.93	%	Conservation area (non-Forested)	33.77	Ha
KER	3.58	%	FFB Production per hectare	20.46	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	5790.33	0.07	PK from own mill	0.00
Fuel Consumption	128.94	0.00	PK from other sources	0.00
Grid Electricity Utilization	100.76	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	-1035.10	-0.01		
Sale of EFB	0.00	0.00		
Total	4984.93	0.06		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	39875.03	0.00	0.00	39875.03

CO2 Emissions from Fertilizer	4043.08	0.00	0.00	4043.08
N2O Emissions from Peat	0.00	0.00	0.00	0.00
N2O Emissions from Fertilizer	3775.27	0.00	0.00	3775.27
Fuel Consumption	688.07	0.00	0.00	688.07
Peat Oxidation	0.00	0.00	0.00	0.00
Sinks				
Crop Sequestration	-37855.47	0.00	0.00	-37855.47
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	10525.97	0.00	0.00	10525.97

Palm Oil Mill Effluent Treatment

POME Treatment	Unit	Value
POME Diverted to Compost	%	36
POME Diverted to anaerobic digestion	%	64
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

**POME is processed in WWTP*

In the GHG calculation, conservation area is not included in the conservation in planted area with covering an area of 2.69 Ha, so that the total area of the HCV Bangun Bandar is 36.46 Ha.

7.10.2

Certification unit (Bangun Bandar Estate) is a plantation that has been established since 1930. The initial commodities from the Bangun Bandar plantation consisted of Palm Oil and Rubber. An HCV assessment for the scope of certification of 4,146.85 was carried out in 2011.

As time goes by in 2016, the certification unit plans to convert the remaining rubber plantations and return the remaining 881.03 Ha of land according to the initial permit (oil palm). Before carrying out the conversion, the management unit re-assessed HCV, HCS, GHG and LUCA specifically for the area to be converted with a study area of 903.31 Ha.

The company carried out High Carbon Stock Identification of PT Socfindo Kebun Bangun Bandar in July 2016, in collaboration with a third party, namely Aksenta. The scope of HCS covers the entire study location with an area of 967.6 ha in Kebun Bangun Bandar which was carried out by FPIC, involving 11 villages and 1 sub-district. The FPIC process was conducted for 23 people representing each village in the study area. In addition, FPIC also involved representatives from the *BKSDA* and the Forestry Agency of North Sumatera Province. Based on the results of the study, it was concluded;

- The type of land cover in the study area is rubber plantations and residential areas.
- Not identified areas that are important to the Community based on the results of participatory mapping and the FPIC process.
- Not identified conservation areas and land cover areas in the form of natural vegetation.
- The potential area for PT Socfindo Kebun Bangun Bandar's oil palm plantation is 967.6 ha.

Then, through the PT Socfindo Kebun Bangun Bandar Carbon Reserve Study Report, known that the total carbon reserves for the PT Socfindo area are 119.0 kilo ton-C with an average per unit area of 123.0 ton-C/ha consisting of above surface biomass carbon reserve sources (32.7%), subsurface biomass (6.7%), litter necromass (0.1%) and soil organic C (60.5%). The source of biomass reserves is 46.9 kilo tons-C and the largest reserve source is soil organic C, namely 72.0 kilo tons-C.

Based on the results of the carbon stock study, the following recommendations can be implemented in its management;

- Establish carbon stock baselines and GHG mitigation

- Carry out management to increase carbon reserves, for example; HCV conservation, increasing vegetation density, implementing best practices for cultivating oil palm plantations, applying fertilizers that can increase soil C-organic content, and preventing fires
- Carry out monitoring and evaluation
- Develop carbon stock conservation and GHG mitigation plans.

7.10.3

The company has document related sources of GHG emission namely Guidelines for Reducing Greenhouse Gas Emissions (No. Doc. SOC/DP/4.11-08 revision 00 effective date 16 September 2013). There is source of emission such as land clearing, fertilizer, fossil fuel, peat area, waste pond.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment such as boilers and genset on a regular basis, doing reforestation around the factory and residential areas. Records of GHG mitigation for Estate and Mill units, for example the use of fertilizers in accordance with the dosage, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, applying efficient use of electricity, solar cell usage, using teleconference to reduce transportation, and integrated pest control to minimize the use of pesticides.

Therefore, it can conclude that the plans to reduce or minimize the pollutants are implemented and monitored well by management.

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 a document review and interviews with company management, it is known that the company has a Non-Deforestation, Peat Development and Environment Policy reviewed in February 2023, which explains that there is no burning practice in new plantings or replanting and other developments. Also, in the zero burning policy No. PD-GM/KK/Bi/413/10 dated 20 October 2010. During the surveillance audit, the company has conducted replanting.

The company has carried out replanting starting in 2022 until now. Replanting is carried out mechanically and in the work agreement there is a prohibition on burning in prepared land (zero burning). The unit of certification shows the Land Clearing Work Agreement (LC) for Palm Land 2022 Kebun Bangun Bandar Program between PT. Socfin Indonesia with CV. Kencana Jaya No. PD-GM/X/Bi/576/2021 On November 25th, 2021, consisting of:

- Ripping work 1 (one) time covering an area of 261.73 Ha.
- Chipping stems and embankments including digging and closing holes 23,493 Trees.
- Creating a continuous terrace with a length of 18,150 m.

Evidence of outreach to vendors who prepare land for replanting using the chipping method, namely;

- Division I Block 67 on 6 February 2023 9 participants.
- Division I Block 67 on 10 March 2023 9 participants.
- Division II Block 33/23 on 5 May 2023 5 participants.
- Division II Block 35 on 25 January 2023 9 participants.

From the results of a field visit to the replanting area at Bangun Bandar Estate Division I Block 67 Division, no burnt areas were found.

7.11.2

The company has procedures for emergency response (SOC/PSM/4.08, edition 01, revision 05, effective date 1 April 2014). The procedure has explained related fire prevention and control measures for areas directly managed by the unit of certification such as identify the potential of emergency conditions, ensure all of fire equipment in good condition and conduct fire simulation.

Fire Fighting Unit Organization

Consists of person in charge, deputy in charge, fire team, rescue and evacuation team, first aid team, communication team, security team (consisting of 2 teams).

Training

The company also conducted a simulation of emergency response and fire fighting facilities with the village by involving the Serdang Bedagai District Civil Service Police Unit, which was last carried out on August 25 2023, this simulation was attended by 46 participants. As well as a factory fire emergency response simulation which was carried out on June 14 2023 in the presence of 24 participants.

Facilities and Infrastructure

In carrying out activities to prevent and control land fires, it is supported by facilities and infrastructure. Based on these documents, it is known that the facilities and infrastructure referred to by the Minister of Agriculture Number 5 of 2018, currently the Company has an annual budget for efforts to complete existing equipment.

From the results of field observations at the firefighting warehouse, it is known that the fire control facilities and infrastructure owned are in good condition and suitable for use.

Fire Monitoring

The company can show records of the implementation of fire monitoring in the 2023 fire patrol monitoring document. The results of the examination of this document show that until June 2023, no fires occurred in either Divisions I-IV or the factory. This is confirmed by the results of interviews with the Serdang Bedagai District Agricultural Service that there were no There have been fire incidents in the last two years. Apart from that, as an effort to prevent fires, the company also posts warnings regarding fires, prohibitions on burning rubbish and so on.

Fire Prevention and Fighting Efforts made by the company to prevent, monitor, and manage fire incidents are include;

- The existence of SOP for land fire control.
- Existence of a fire fighting team.
- Socialization of land fires to employees.
- Monitoring fire-prone areas on a regular basis. This is indicated by the existence of monitoring recordings with the hot spot system and immediately checking the hot spot points.
- Conducting a firefighting team simulation.
- Routinely check the equipment on a monthly basis.

Reporting

Fire monitoring and prevention report for January-June 2023 which was reported on July 25 2023 to the Serdang Bedagai District Agriculture Service. (No. BB/X/Bi/249/23).

7.11.3

The unit certification also involves the community in monitoring fire prevention as a preventive and control measure by involves community surrounding, as stated in the agreement document, including;

- PT Socfindo Kebun Bangun Bandar Fire Management Cooperation Agreement with Martebing Village on 01 August 2020 which is valid for 5 years.
- PT Socfindo Kebun Bangun Bandar Fire Management Cooperation Agreement with Aras Panjang Village on 01 August 2020 which is valid for 5 years.
- PT Socfindo Kebun Bangun Bandar Fire Management Cooperation Agreement with Pekan Kamis Village on 01 August 2020 which is valid for 5 years.

Community is encouraged not to clear land by burning around the company and immediately informs the company if they know of any hotspots in the company area and/or in the village area around by calling the company's Emergency Response Team number.

Based on interviews with the heads of Dame, Kerapuh, and Tanjung Maria villages, they stated that their residents were involved in fire prevention and control around the Company's area and had received related simulation training.

The company also conducted a simulation of emergency response and fire fighting facilities with the village by involving the Serdang Bedagai District Civil Service Police Unit, which was last carried out on August 25, 2023, this simulation was attended by 46 participants including village representatives.

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

PT Socfin Bangun Bandar is a plantation that has been established since 1930, while the initial commodities of Bangun Bandar plantation consist of oil palm and rubber. An HCV assessment for a certification scope of 4,146.85 was carried out in 2011.

As time goes on in 2016, the certification unit plans to convert the remaining 881.03 hectares of rubber plantations. Prior to conversion, the management unit re-assesses HCV, HCS, GHG and LUCA specifically for the area to be converted with an area of 903.31 Ha. Based on the results of the HCV assessment, it is known that no HCV area has been identified in the rubber plantation area, in addition based on calculations and GHG studies and LUCA is known that the carbon stock in the rubber plantation area can be converted. The HCV assessment for area conversion was carried out by the ALS Assessor and was entered into the HCVRN portal with satisfactory status on November 14, 2016 with the conclusion that no HCV area was identified in the rubber plantation area of PT Socfindo Bangun Bandar.

In 2018 the new RSPO P&C appeared which contained several new regulations for New Planting/conversion activities with some new guidelines and requirements. Refer to the Interpretation of Indicator 7.12.2 and Annex 5. For the RSPO Principles and Criteria 2018 dated 12 June 2019. At the time of publication of the latest PNC conversion activities were still ongoing in 2019. From the classification published by the RSPO, the plantation condition of Bangun Bandar was included in the category Existing Certified Plantation that carries out new land clearing activities within the certified area. Based on this, the conditions that need to be carried out are HCV + Land Use Risk Identification.

From the results of Land Use Risk Identification, it is known that conversion activities from rubber plants (Monoculture) to oil palm plantations are in the low-risk category. In addition, the company has submitted a LUCA report to the RSPO "reporting template for land use change analysis and compensation liability calculation" draft 3.0 – 09.2016 with zero liability compensation. So that the conversion activities that have been carried out by the company from 2017 to 2021 are in accordance with the procedures applicable in the RSPO and it has been confirmed that they are not clearing HCV or HCS areas.

7.12.2

The unit of certification of Bangun Bandar Plantation is a plantation that has been established since 1930, while the initial commodities of Bangun Bandar plantation consist of Oil Palm and Rubber. An HCV assessment for a certification scope of 4,146.85 was carried out in 2011, made by PT Socfin Indonesia in collaboration with the Bogor Agricultural Institute.

Based on HCV assessment document (2011), page IV-3, Table IV-1, total HCV area present in Bangun Bandar estate was 35.06 ha; consist of river banks area of Belutu river about 0.86 ha, Martebing river about 32.55 ha and cemetery of local community about 1.65 ha. Between HCV 1.2 and 4.1 is overlapped consisting of riverbanks and burial areas. As for the results of the HCV study, no RTE species were found.

In early 2020 the certification unit delineated the HCV area, from the results of the latest measurements carried out internally it was found that the HCV area had an area of 36.46 Ha. Since 2020 the delineated HCV area has been used as a reference for HCV management and monitoring.

HCV Type	Area Description	Area (ha)	Location (Bandar Bangun Estate)
HCV 4	Martebing River	3.04	Division I Block 53
HCV 4	Martebing River	3.2	Division I Block 54
HCV 4	Martebing River	0.09	Division I Block 55
HCV 4	Martebing River	3.9	Division I Block 57
HCV 4	Martebing River	5.38	Division I Block 58
HCV 4	Martebing River	1.38	Division I Block 59
HCV 4	Martebing River (include in planted area)	2.69	Division II Block 32
HCV 4	Martebing River	2.93	Division II Block 31
HCV 4	Martebing River	11.49	Division II Block 40
HCV 4	Martebing River	1.49	Division II Block 23
HCV 4	Belutu River	0.01	Division II Block 27
HCV 4	Belutu River	0.61	Division II Block 43
HCV 4	Belutu River	0.25	Division III Block 10
Total		36.46	

Based on explanation above, it can be concluded that the company already has documents identified as protected areas and high conservation value areas.

7.12.3

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

7.12.4

Unit of certification has an HCV program based on the recommendations from the HCV assessment carried out in 2011, made by PT Socfin Indonesia in collaboration with the Bogor Agricultural Institute. An integrated management plan has been developed in consultation with relevant stakeholders and includes directly managed areas and broader and relevant landscape level considerations, such as;

- In order to maintain HCV, unit of certification has carried out activities that has been in line with its planning and reviewed HCV Management Plan PT Socfin Indonesia, Bangun Bandar POM 2023, there are;
- General management of HCV
- Install signboards
- Providing outreach to workers and the community
- Maintain natural vegetation and enrich plant species
- No logging, chemical applications,
- Planting erosion control plants (vetiver grass, etc.)
- Caring for the burial area in collaboration with the family of the grave owner or the local community
- Carry out river water quality tests
- Monitor erosion by making erosion stakes at several vulnerable points.

Management plan has been developed with participatory manner through stakeholder meeting held every once year. The last stakeholder meeting held in 23 August 2023 attended by 23 participant from Martebing village, Dame village, and Tanjung Maria Village.

Based on the HCV assessment, the company carried out activities in order to maintain HCV, there are;

- Installing spray boundary stakes along riparian area and maintaining forest plants that grow naturally.
- Maintaining the integrity of animal habitats along riparian area.
- Installing boards for the maintenance of riverbanks (prohibition chemical applies).
- Installing boards for hunting ban.
- Conduct socialization of RTE species that need to be protected.
- Conducting animal patrols in HCV areas.
- Management of cemetery areas with the community.

The company also has a report on the Implementation, Management and Monitoring of High Conservation Value Areas which was reported annually (for 2022), example on 05 July 2023 to BKSDA North Sumatera Province.

Based on the results of field observations at Belutu River which is located in Block 27 Division 2 and Cemetery Area which is located in Block 23 Division 2 Estate Bangun Bandar, it shows that the company has protected the HCV area, such as not applying chemicals on the riverbank, patrolling the HCV area to ensure that there is no damage to the HCV area.

7.12.5

Based on the results of the document review and interviews with the surrounding community (e.g Tanjung Maria, Kerapuh, and Dame Village), there is no HCV area that is in contact with other stakeholders. Even so, there is a public cemetery area that is managed within the scope. Therefore, the Company ensures that it does not limit the interests of the community in accessing it, so that no community rights are harmed.

7.12.6

The estate has procedure regarding HCV management and monitoring, document no. SOC/PSM/9.06, edition 03, rev. 01, effective date on 01 Jun 2014. The procedure already explained RTE species and wildlife species protection in estate concession area.

Based on HCV assessment document conducted on 2011 by Bogor Agriculture University – Faculty of Forestry for existing planted area (except proposed area for new land clearing) on page IV-5, section 4.1.2 regarding HCV 1.2 explanation, no RTE species present inside the Bangun Bandar concession area. There are only vulnerable species of birds was presented i.e.: Bluebanded kingfisher (*Alcedo euryzona*) and Strawheaded bulbul (*Pycononotus zeylanicus*). Even though no RTE species present, the estate still carried out monitoring against to vulnerable species.

The company also carries out socialization to workers, contractors and the community around as a program to educate the status of RTE species, with examples of evidence in the minutes as follows:

- Division IV Employees and Assistants 21 August 2023 attended by 31 participants
- Division III Employees and Assistants 24 August 2023 attended by 66 participants
- Division II Employees and Assistants 21 August 2023 attended by 75 participants
- Division I Employees and Assistants 21 August 2023 attended by 39 participants
- Community 23 August 2023 attended by 23 participants, for examples the representatives from Dame Village, Kerapuh Village, Tanjung Maria Village, Martebing Village, etc.

The material presented includes;

- Existence of High Conservation Value (HCV) Areas at PT Socfin Indonesia.
- Prohibition of burning forests, clearing forests, spreading poison, and hunting endemic animals around the company area.
- Warnings for violations or non-compliance with the rules will receive strict sanctions in accordance with laws and company regulations.

Based on document review, it is known that from monitoring results in 2022, 26 types of animals were found, for example; *Elang Bido* (*Spilornis cheela*), *Raja Udang Biru* (*Alcedoeuryzona*), *Cekakak Cina* (*Halycon pileata*), *Tepis Telinga Putih* (*Stachyrisleucotis*), *Madu Belukar* (*Anthereptesmalacensis*), dan *Burung Madu Kelapa* (*Anthereptesmalacensis*).

Based on the results of interviews with residents of and spray workers Division 2, also the residence in Division 1 and 4 Bangun Bandar Estate, they also stated that they knew about the conservation and protection of HCV areas and the prohibition against hunting, logging and burning forests. Respondents added that apart from direct outreach, the company also installed warning boards or signboards indicating HCV areas and prohibitions on environmental destruction, which were forms of indirect socialization.

7.12.7

As mentioned in section 7.12.6 above, no RTE species present in the company HCV area. But the company still carried out monitoring and protect the HCV area. The enrichment of vegetation and demarcation for HCV area from activity will damage the HCV area as HCV management concerned to reestablish the natural vegetation. Based onsite verification clear boundary to protect the HCV is available.

7.12.8

As mentioned in section 7.12.2 above no land clearing since November 2005 nor 15 November 2018 damage the HCV area. Thenew land clearing after 15 Nov 2018 is carried out inside the agriculture land (rubber plantation) where the risk level is categorized "low risk". The first disclosure was made on August 5, 2014 with the category of zero liability, so the company does not have a RaCP obligation.

Status: Comply

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 2.2	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT Socfin Indonesia (Parent Company: Socfin SA) has Trademark License with number 1-0269-19-100-00	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA 2.2	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT Socfin Indonesia (Parent Company: Socfin SA) has Trademark License with number 1-0269-19-100-00	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA 2.2	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT Socfin Indonesia (Parent Company: Socfin SA) has Trademark License with number 1-0269-19-100-00	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA 2.2	The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT Socfin Indonesia (Parent Company: Socfin SA) has Trademark License with number 1-0269-19-100-00	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Socfin SA 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.

Socfin SA Time Bound Plan (TBP) is explained in table 1.10. Socfin SA has eight (8) management units with twenty-three (23) mills. Socfin SA has informed the TBP progress, MUTU has considered that Socfin SA is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Socfin SA on 23 May 2023.

MUTU has verified partial certification for un-certified unit's subsidiary of Socfin SA based on their Time Bound Plan. There are three (3) uncertified mills and eleven (11) uncertified estates of Socfin SA. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from other sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are two significant land conflicts which have not been declared above.
- The Final LUCA reports have not been sent to RSPO because waiting for meeting and LUCA training with RSPO.
- There are two labour disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

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?	The Company has been conducted internal assessment for uncertified units on July until October 2021 and has a positive assurance statement to certified.
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>Based on internal audit of uncertified unit in 2023, most of uncertified unit still have RaCP in progress, with explanation below:</p> <ul style="list-style-type: none"> • Okomu Oil Palm Company Extension 1 Estate → Will be audited as a scope extension during the following surveillance audit of Okomu Oil Palm Company Main Estate and Extension 1. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Currently undergoing the RaCP process for this area. Annex 8 review by RSPO has been done. It will now undergo the last external review. When the Annex 8 is approved, the mill and estate will be certified. • Okomu Oil Palm Company Extension 2 POM and Okomu Oil Palm Company Extension 2 Estate → The mill and estate were audited in September 2023. Only 1 NC remains, that of the RaCP. Annex 8 review by RSPO has been done. It will now undergo the last external review. When the Annex 8 is approved, the mill and estate will be certified. • Safacam Provisional Concession → Will be audited as a scope extension during the following surveillance audit of Safacam in Q3 2023. • Titulo 410 Estate → Will be audited as a scope

		<p>extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. RaCP Annex 8 approved on 23/05/2023 allowing this to go ahead.</p> <ul style="list-style-type: none"> • Lumbundji and Savannah Estates → Will be audited as a scope extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Annex 8 review for this area by RSPO has been done. It is currently undergoing external review. • PSG Subri Estate → Will be audited as a scope extension in Q3 2023. The audits have been pushed to this date to allow the estate to complete the RaCP process first, which is a timely exercise. Currently undergoing the RaCP process for this area. The Annex 7 has been submitted.
2.1.3	Any new plantings since January 1 st , 2010, must comply with the RSPO New Plantings Procedure.	<p>Okumu Extension 1 Estate and 2 Estate. Since NPP was not followed for the land clearance since May 9, 2014, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0. This will be done after the final LUCA report has been submitted to the RSPO.</p> <p>Agripalma. Since NPP was not followed for the land clearance between Jan 1, 2010, and May 9, 2014, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated 455 ha). This will be done after the final LUCA report has been submitted to the RSPO.</p> <p>Brabanta. Since NPP was not followed for the land clearance between Dec 1, 2007 – May 9, 2014, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 156 ha). This will be done after the final LUCA report has been submitted to the RSPO. LUCA report not yet completed.</p> <p>PSG. Since NPP was not followed for the land clearance between Jan 1, 2010 – Current, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 1,140 ha). This will be done after the final LUCA report has been submitted to the RSPO.</p>

		Safacam Since NPP was not followed for the land clearance between Dec 1, 2007 – Dec 31, 2009, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 613 ha). This will be done after the final LUCA report has been submitted to the RSPO.
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	Okumo Extension 1 Estate. There is an ongoing dispute regarding land conflict on Extension 1, which is meant for rubber cultivation. The land was acquired rightfully from its previous tenants for the remainder of the lease, however, upon acquisition, it was identified that 5 different communities had encroached the land. 4/5 communities accepted a compensation, however, one, Hassan Camp, did not. Attempts for negotiations were made, however, Hassan Camp wanted to take the case to court. At this moment it is under sub judice. Once the court has spoken, new attempts can be made to resolve the issue following an acceptable conflict resolution process. For other plantations, there are no Land conflict.
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	Okumo Extension 1 and 2 Estate. OOPC operations at Extension 1 in Okomu and Extension 2 in the Owan Forest Reserves necessitated both physical and economic displacement. While the Extension 2 only affected economic displacement and the farmers are generally content with the crop compensation process undertaken, there has been an ongoing and protracted issue with some communities affected at Extension 1 on area meant for rubber plantings. Compensation was not required under Nigerian law because the communities were considered illegal settlers on the private property of OOPC. There is evidence (time stamped satellite images) that they settled in the area after the acquisition by Okomu. While four (Fatai, Olowu, Sunday and Olomu Camps) out of the 5 communities that were within the boundaries of the Extension 1 have moved out of the concession after three years of consultations, and after compensations have been paid to the farmers, the people of Hassan Camp which is the largest of the five communities have refused compensations from OOPC because they claim that part of the land belongs to them and therefore will not move out of the land. They have subsequently taken the case to court with the claim that they own the land (Latest court case update: OKOMU_Updates on Court Cases Extension 1). Thus, the whole issue is now sub judice until the court has made its decision.

		<p>OOPC has a Community Liaison Team, who is the main line of communication of the company with the local communities. The team visits villages within a radius of 10 km around the concession, to disseminate information and to engage in dialogue in order attend to any issues that may arise between the Company and local communities.</p> <p>There are currently no labour disputes for other plantations.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	All plantations are complying to most national laws and regulations and has a system in place to follow all current laws and regulations.

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

3.4.1. Identification of Findings at Annual Surveillance Assessment 2.1

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor): There is no non conformity during this assessment					
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	:				

3.4.2. Identification of Findings at Annual Surveillance Assessment 2.2

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
There is no non conformity during this assessment					
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	3.4.3	<p>The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.</p> <p>The certification unit has carried out social management of the company's social impacts arising from operational activities that are prepared independently, carried out in February-March 2023. The study discusses the positive and negative impacts arising from the company's operations.</p> <p>From the results of the field visit at Bangun Bandar Estate, it was discovered that there was a growing social issue, namely livestock herding activities in the N0-N2 area and the waste pond area. The company has carried out management and monitoring regarding this issue, which is addressed through the 2022 Kebun Bangun Bandar Performance Evaluation Report updated in August 2023, and has not yet been integrated with documentation related to the SIA.</p> <p>From this description, companies have the opportunity to ensure that social issues (not limited to grazing issues) which are managed and monitored by other departments can be integrated with the SIA Management and Monitoring Program</p>
2	6.2.4	<p>The certification unit provides adequate housing, sanitation facilities, water supplies, medical needs, education and public facilities that comply with national standards or higher standards, if public facilities are not available or inaccessible. In the case of the acquisition of non-certified</p>

units, a plan is developed that explains in detail the infrastructure improvements. Given a reasonable time (5 years) to improve infrastructure.

Based on the results of observations and interviews with residents in Mill housing, Division I and IV housing, it was found that housing drainage conditions contained stagnant domestic wastewater.

For this matter, the company has shown the identification of damage, plans and realization of drainage improvements for Mill and Estate housing in 2023 as follows:

4. Plans and realization of residential drainage maintenance January – December 2023

Division	Total Maintenance Plan 2023 (Unit)	Realization of Maintenance Until July 2023 (Units)	Maintenance Plan September – December 2023 (Units)
I	90	11	79
II	24	4	20
III	40	18	22
IV	70	6	64
Mill	20	9	11
Total	224	39	185

5. Photo of the realization of housing drainage maintenance for Divisions I, II, III, IV and Mill until July 2023

6. Estate and Mill housing maintenance budget in 2023 is IDR 150,341,128

The company has the opportunity to ensure that the residential drainage improvement program for Estate Div I, II, III, IV and Mill is carried out in accordance with the plans and budget that have been determined (OFI)

3.4.4. Noteworthy Positive Components

No	Description
1	Build SOCFINDO Conservation which has a collection of medicinal plants, tropical plants, exotic plants, fruit plants and serves as a workshop for empowerment business models including as a Community Learning Activity Center.
2	The company's commitment to apply the principles of sustainable palm oil which has received an ISPO certificate, and all units of PT Socfindo have received an RSPO certificate and apply the SCCS IP model
3	Excellent presentation of documents and competence of the companion team
4	Has a BMP Program in the form of the Supermale Program, namely the insertion of a male tree to help fertilization so that it produces optimal fruit and yield



3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>National Land Agency of Serdang Bedagai Regency</p> <p>The CH complied with applicable regulations related land legality, among others has had location permit, plantation business permit (IUP), land title (HGU). There is no issue regarding land dispute, intimidation, and coercion to local people.</p> <p>PT Socfindo – Bangun Bandar are established since Dutch colonization. The legal rights were originally in the form of an erphact which eventually became a HGU. The extension of HGU still on process and land parcel map (cadastral map) has been issued</p>	<p>Based on document review and field observations, the CH has demonstrated legal compliance related land legality.</p>
<p>Gender Committee PT Socfin Indonesia – Bangun Bandar POM Source: Chair of the Gender Committee Date: September 05, 2023</p> <p>The committee was formed with management and membership from female employees and male representatives. The committee's duties include providing outreach on preventing harassment and gender discrimination, as well as procedures for reporting it. In addition, the gender committee activities also provide education regarding occupational health for sprayers, which is dominated by female workers.</p> <p>Until September 2023, there were no reports/complaints regarding acts of harassment or gender-related violations experienced by members so far.</p>	<p>There are no negative issues that need further verification.</p>
<p>Environmental Agency Serdang Bedagai Regency Source: Head of Pollution Control and Environmental Partnership Division Date: September 05, 2023</p> <p>Compliance with environmental legality has been implemented by the Company, the environmental documents held are still relevant until assessment 2.2 is carried out, as well as the TPS LB3 operational permit, POME application, etc.</p> <p>The last routine monitoring was carried out in 2022 and will be scheduled for 2023. The company's commitment to the environment can be seen from routine reporting in the form of management and monitoring documents, regular management of hazardous and liquid waste, as well as the company's participation in the 2022 PROPER program.</p> <p>Until September 2023, it was reported that there were no issues or complaints from the public regarding environmental pollution and there were no conflicts with wild or protected animals.</p>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
The aspirations of the department are related to consistent engagement with the community. Currently, the Company's realization towards the community and the department is very good.	
Manpower, Cooperative and Micro-Enterprises of Serdang Bedagai Regency <ul style="list-style-type: none"> • The company has implemented minimum wage • There are no Industrial Relations issues • The company has registered a LKS Bipartite • There have been no worker issues/complaints in the last one year • There are no complaints regarding the granting of rights and facilities provided by the certification. • All workers have been registered in the health insurance and employment insurance programs. 	There were no negative issues that need further verification.
Department of Agriculture and Animal Husbandry of Serdang Bedagai Regency 5 September 2023 <ul style="list-style-type: none"> • There are no indigenous peoples in the company's operational areas • PT Socfin Indonesia – Bangun Bandar Unit carries out CSR programs on a regular basis • No overlapping operational areas with mining • PT Socfin Indonesia – Bangun Bandar Unit has routinely reported the Plantation Business Development Report. • PT Socfin Indonesia – Bangun Bandar Unit has used certified seeds for all the oil palm trees planted. • The last Plantation Class assessment was carried out in December 2021 with Class I results, and was valid for 3 years. • During the last 3 years there have been no land fires in the company, the company has regularly submitted fire prevention reports, and has had adequate fire prevention infrastructure. • PT Socfin Indonesia – Bangun Bandar Unit is quite cooperative and works well with the department. 	There were no negative issues that need further verification.
Surrounding Village Source: <ul style="list-style-type: none"> • Head of Kerapuh Village • Head Of Dame Village • Head Of Tanjung Maria Village Date: September 05, 2023	In general, there are no negative issues that require further verification. Regarding CSR, it is explained in more detail in 4.3.1

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>There are no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties as long time ago.</p> <p>The relationship between the company and the community is considered to be quite good. The company has implemented social responsibility through CSR programs, both in the form of assistance or empowerment. There is no legal / dispute and environmental issue.</p> <p>There was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there is no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.</p>	
<p>NGO “Pemuda Batak Bersatu” Head of NGO Date: September 05, 2023</p> <p>The relationship between the company and the community has run quite well and harmoniously. Communication between the company and the NGO.</p> <p>There were no negative complaints submitted by the NGO regarding the company's operations.</p>	<p>According to interview, there are no negative impact by NGO.</p>
<p>Employee Cooperative Socfindo Source: Head of Employee Cooperative Socfindo Date: September 05, 2023</p> <ul style="list-style-type: none"> • employee cooperative in the field of savings and loans • employees feel the benefits of employee cooperatives • The company supports employee cooperatives. 	<p>There were no negative issues that need further verification.</p>
<p>Labour Union of Mill and Estate (SPS) Source: Head of Labour Union Date: September 05, 2023</p> <ul style="list-style-type: none"> • The certification unit supports employee organizational activities and has never intimidated or intervened. • All employees working at estate and mill are permanent worker. • Already have a Collective Labor Agreement. • The wage reference used is <i>UMK</i> for 2023. 	<p>There are no negative issues that require further verification. Employment aspects have been discussed in the report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> No issues related to employment in the last 1 year. 	
Local Contractor (PT OBN Setia Perkasa) (Contractor for Immature Upkeep). 6 September 2023 <ul style="list-style-type: none"> The agreement has been agreed by both parties. OBN Setia Perkasa is a labour service company. Contractor provides PPE to workers. Contractor pays worker wages in accordance with the minimum wage applicable in the local area Contractors involve their employees in the <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> program There were no complaints regarding payments and payments in accordance with the work agreement. 	<p>There is no negative issue related to local contractor.</p>
Local Contractor (PT Gunung Kawi Sukses Makmur) (Transporter for CPO and PK Transport). 6 September 2023 <ul style="list-style-type: none"> The agreement has been agreed by both parties. PT Gunung Kawi Sukses Makmur is a CPO and PK transporter. Contractor provides PPE to workers. Contractor pays worker wages in accordance with the minimum wage applicable in the local area. Contractors involve their employees in the <i>BPJS Ketenagakerjaan</i> program. There were no complaints regarding payments and payments in accordance with the work agreement. 	<p>There is no negative issue related to local contractor.</p>
Local Contractor (PT Surya Baru Prima Nusantara) (Contractor for Land Clearing). 6 September 2023 <ul style="list-style-type: none"> The agreement has been agreed by both parties. PT Surya Baru Prima Nusantara is a Land Clearing contractor and heavy equipment. Contractor provides PPE to workers. Contractor pays worker wages in accordance with the minimum wage applicable in the local area. Contractors involve their employees in the <i>BPJS Ketenagakerjaan</i> program. There were no complaints regarding payments and payments in accordance with the work agreement. 	<p>There is no negative issue related to local contractor.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Socfin Indonesia Head of Sustainability Sub Department</p>  <p><u>Andria Zulmanitra</u> Monday, 11 September 2023</p> </div> <div style="text-align: center;"> <p>PT Mutuagung Lestari Tbk Lead Auditor</p>  <p><u>Octo HPN Nainggolan</u> Monday, 11 September 2023</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Sawit Watch	Indonesia	info@sawitwatch.or.id	Questionnaire	29 August 2023		√
2	WWF	Indonesia	info@sawitwatch.or.id	Questionnaire	29 August 2023		√
3	WALHI	Indonesia	informasi@walhi.or.id	Questionnaire	29 August 2023		√
4	AMAN	Indonesia	rumahaman@cbn.net.id	Questionnaire	29 August 2023		√
5	NGO PBB (<i>Pemuda Batak Bersatu</i>)	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	05 September 2023	√	
6	Manpower, Cooperative and Micro-Enterprises	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	05 September 2023	√	
7	Department of Agriculture and Animal Husbandry	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	05 September 2023	√	
8	National Land Agency	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	06 September 2023	√	
9	Environmental services	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	05 September 2023	√	
10	Worker Union	PT Socfindo – Bangun Bandar		Direct Interview	05 September 2023	√	
11	Gender Committee	PT Socfindo – Bangun Bandar		Direct Interview	05 September 2023	√	
12	Dame Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	05 September 2023	√	
13	Kerapuh Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	05 September 2023	√	
14	Tanjung Maria Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	05 September 2023	√	
15	Worker Cooperative PT Socfindo – Bangun Bandar	PT Socfindo – Bangun Bandar	-	Direct Interview	05 September 2023	√	
16	PT OBN Setia Perkasa (Contractor for Immature Upkeep).	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	06 September 2023	√	
17	PT Gunung Kawi Sukses Makmur (Transporter for CPO and PK Transport).	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	06 September 2023	√	
18	PT Surya Baru Prima Nusantara (Contractor for Land Clearing)	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	06 September 2023	√	
19	Bangun Bandar Mill 1. Weighbridge Operator 2. 1 Sortation Worker	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	05 September 2023	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	3. 2 loading ramp operators 4. 1 sterilizer operator 5. 1 engine room operator 6. 1 boiler operator 7. 2 hoisting crane operators 8. 3 warehouse operators 9. 1 head of workshop (mechanic) 10. 1 composting operator 11. 1 WTP operator 12. 1 head of laboratory, 1 operator (25 Workers)						
20	Bangun Bandar Estate 1. 1 Foreman 2. 1 Firefighter 3. 6 Nurse workers 4. 1 clinic officer 5. 2 warehouse operator 6. 1 waste operator 7. 4 persons of firefighting team 8. 3 residence (Division 3) (49 workers, and 3 residence)	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	06 September 2023	√	

Appendix 2. Assessment Program

DATE	04 – 08 September 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
MONDAY, 04 September 2023		
07.00 – 09.20	JAKARTA → MEDAN	All Auditor
09.20 – 12.00	MEDAN → PT SOCFIN INDONESIA (Bangun Bandar POM)	
12.00 – 14.00	Break	All Auditor
14.00 – 15.30	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) 	Management Representative PT Socfindo & All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification 	All Auditor
TUESDAY, 05 September 2023		
08.00 – 12.00	<ul style="list-style-type: none"> Interview with Land Agency, affected communities surrounding the plantations, previous land owner Interview with Labor Agency, Local NGO, Worker's Union Interview with Plantation Agency, scheme smallholders, Local Contractor Mill & Estate, Third Party Supplier Interview with Environment Agency, Gender Committee, Worker's Cooperative 	FIT BEN RAN ALS
12.00 – 14.00	Break	All Auditor
14.00 – 16.15	Field Observation Bangun Bandar POM <ul style="list-style-type: none"> Supply Chain verification (Security Post, FFB Receiving, Weighbridge), FFB Sorting, Storage Tank, Despatch CPO Implementation of OHS Aspect, Implementation of Employment Procedure, Processing Activity, Fire Control Simulation Implementation of Environment Aspect, Inspection to POME Pond, Housing Complex, and Land Application Hazardous Waste Storage, Chemical Storage, Workshop, Empty Bunch Area, Water Treatment Plan 	FIT RAN BEN ALS
16.30 – 17.00	Presentation of Daily Progress	All Auditor
WEDNESDAY, 06 September 2023		
08.00 – 12.00	Field Observation to Bangun Bandar Estate <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV, Fire Tower Implementation of the Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Workshop, Clinic, Fire Control Facilities). 	FIT ALS

DATE	04 – 08 September 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Observation of Workers Facilities (Housing, School, Worship Place, Rinse House, Waste Management, Landfill). Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Fire Tower 	BEN RAN
12.00 – 14.00	Break	All Auditor
14.00 – 16.00	<ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done previous day) Continuing Document review and completing audit checklist 	All Auditor
16.30 – 17.00	Presentation of Daily Progress	All Auditor
THURSDAY, 07 September 2023		
08.00 – 12.00	<ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done previous day) Continuing Document review and completing audit checklist 	All Auditor
12.00 – 14.00	Break	All Auditor
16.00 – 17.00	<ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done previous day) Continuing Document review and completing audit checklist 	All Auditor
FRIDAY, 08 September 2023		
08.00 – 10.00	Closing Meeting <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Nonconformities, OFI, Timeline of CAR's, Conclusion)/ Comments, Responses and Questions 	All Auditor & Management PT Socfindo
10.00 – 12.00	PT SOCFIN INDONESIA (Bangun Bandar POM) → MEDAN	All Auditor
13.45 – 16.15	KUALANAMU → JAKARTA	All Auditor