

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

**[ ✓ ] Surveillance**

Name of Management Organisation : **Padang Halaban Palm Oil Mill – PT SMART Tbk subsidiary of Golden Agri Resources Ltd.**

Plantation Name : PT SMART Tbk – Padang Halaban Estate, Pernantian Estate and Adipati Estate  
PT MP Leidong West Indonesia – Kanopan Ulu Estate

Location : Perkebunan Padang Halaban Village, Aek Kuo Sub-District, Labuhanbatu Utara Regency, Sumatera North Province, Indonesia.

Certificate Code : **MUTU-RSPO/151**

Date of Initial Registration : **15 September 2011**

Date of Last Issued : 24 August 2022                      Date of License Issue : 24 October 2023

Date of Certificate Expiry : 23 August 2027                      Date of License Expiry : 23 August 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2.1	6 to 9 June 2023	Octo HPN Nainggolan (LA Witnessed), Affiffuddin (Lead Auditor Witnessing), Benli Manurung, Erika Lucitawati and Indra Abadi	Hasiholan Sihombing	Leonada

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

### TABLE OF CONTENT

#### FIGURE

Figure 1. Location Map of PT SMART Tbk – Padang Halaban Mill	1
Figure 2. Operational Map of PT SMART Tbk – Padang Halaban Estate	2
Figure 3. Operational Map of PT SMART Tbk – Pernantian Estate	3
Figure 4. Operational Map of PT SMART Tbk – Adipati Estate	4
Figure 5. Operational Map of PT MP Leidong West Indonesia – Kanopan Ulu Estate	5
Abbreviations Used	6

### 1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	8
1.2 Organization Information	8
1.3 Type of Assessment	8
1.4 Location of Mill and Plantations	8
1.5 Description of Area Statement	9
1.6 Planting Year and Cycle	9
1.7 Description of Mill and Supply Base	10
1.8 Estimate Tonnage of Certified Product	11
1.9 Other Certifications	12
1.10 Time-Bound Plan	12

### 2.0 ASSESSMENT PROCESS

2.1 Assessment Team	22
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	22
2.3 Stakeholder Consultation and Stakeholders Contacted	26
2.4 Determining Next Assessment	26

### 3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	27
3.2 Conformity Checklist of Certificate and Logo Use	81
3.3 Summary of RSPO Partial Certification	82
3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	103
3.5 Summary of Arising Issues from Public and Auditor Responses	107

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

4.1 Formal Signing of Assessment Findings	111
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### APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	112
2. Assessment Program	114

Figure 1. Location Map of PT SMART Tbk – Padang Halaban Mill



Figure 2. Operational Map of PT SMART Tbk – Padang Halaban Estate

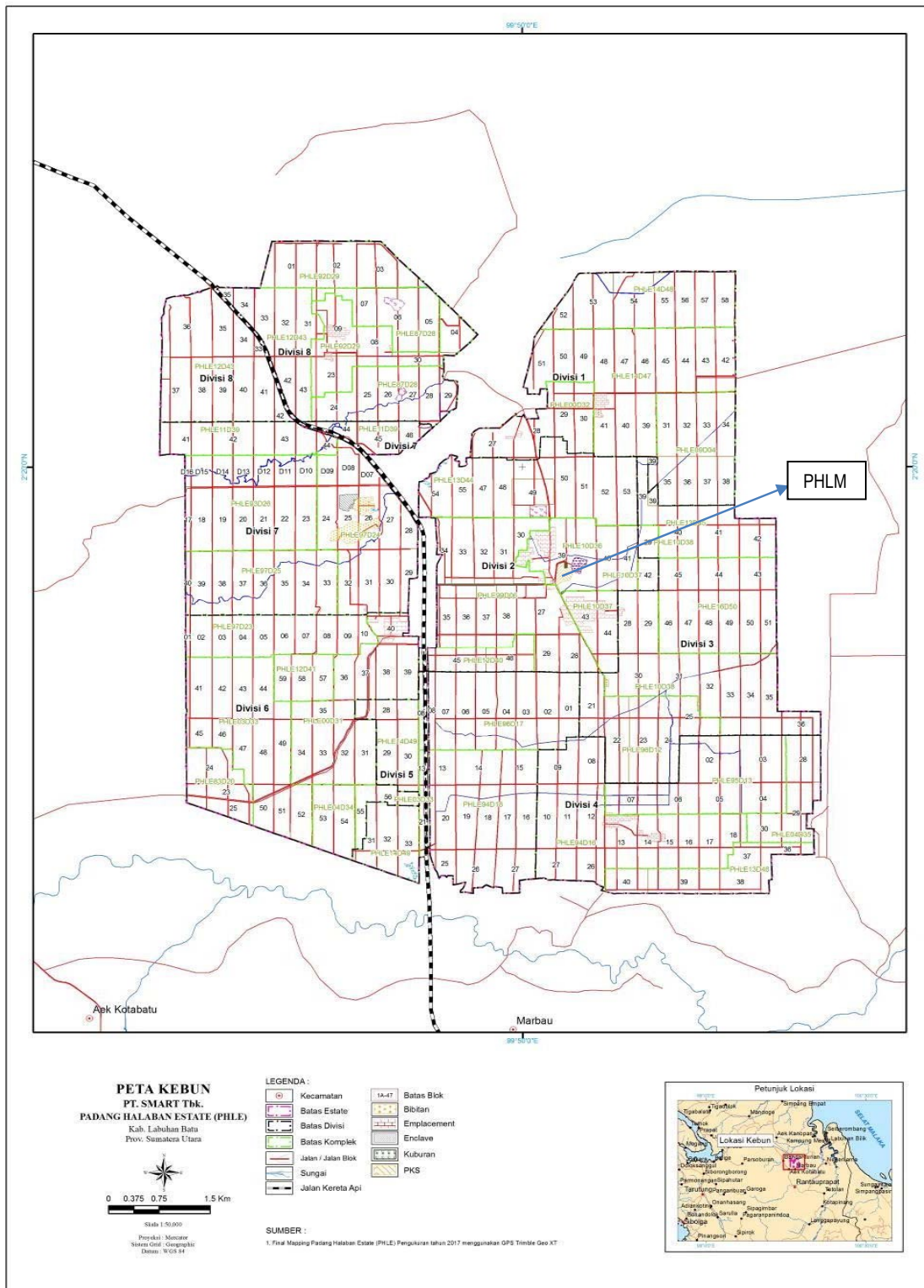




Figure 3 Operational Map of PT SMART Tbk – Pernantian Estate

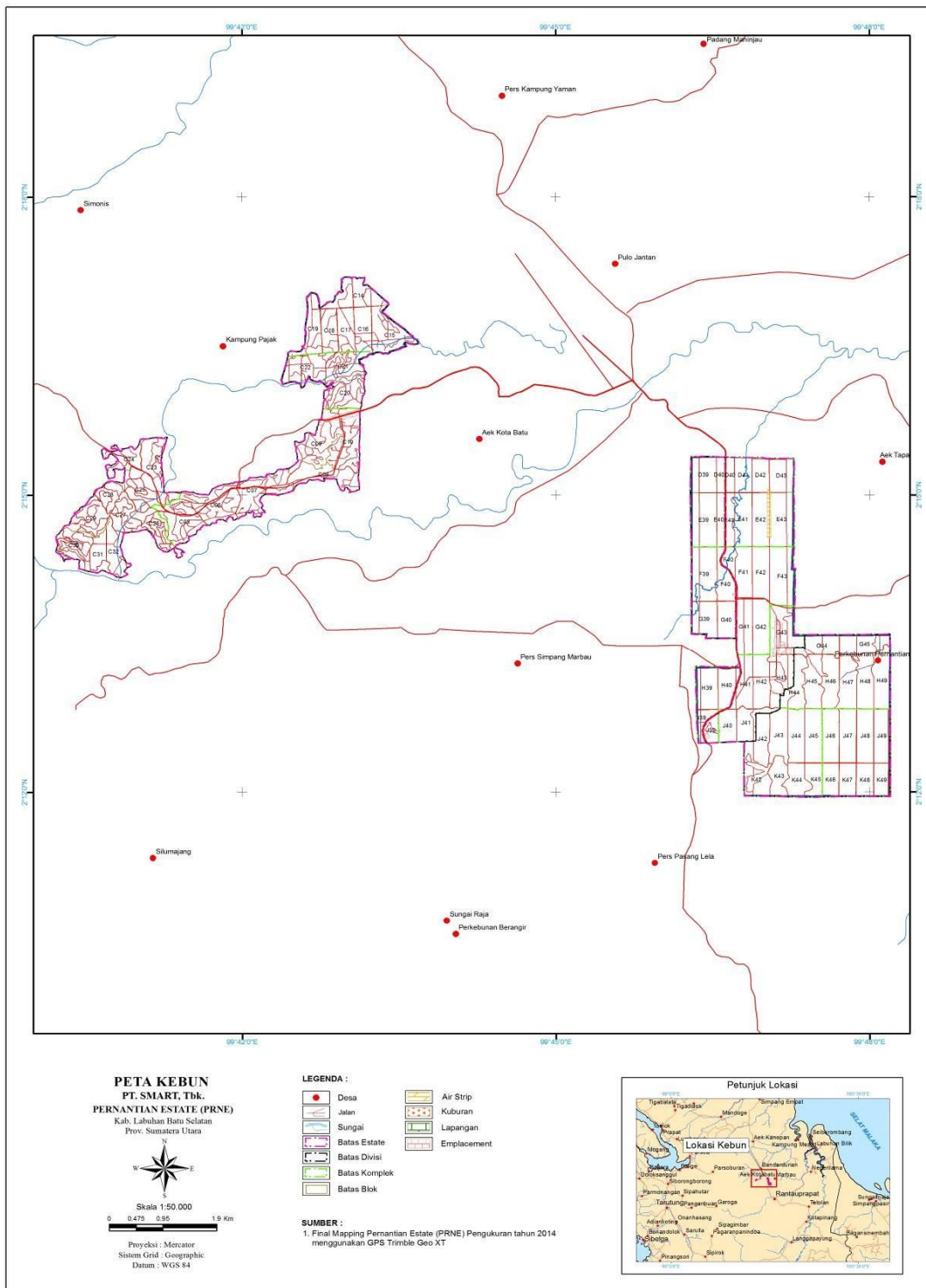
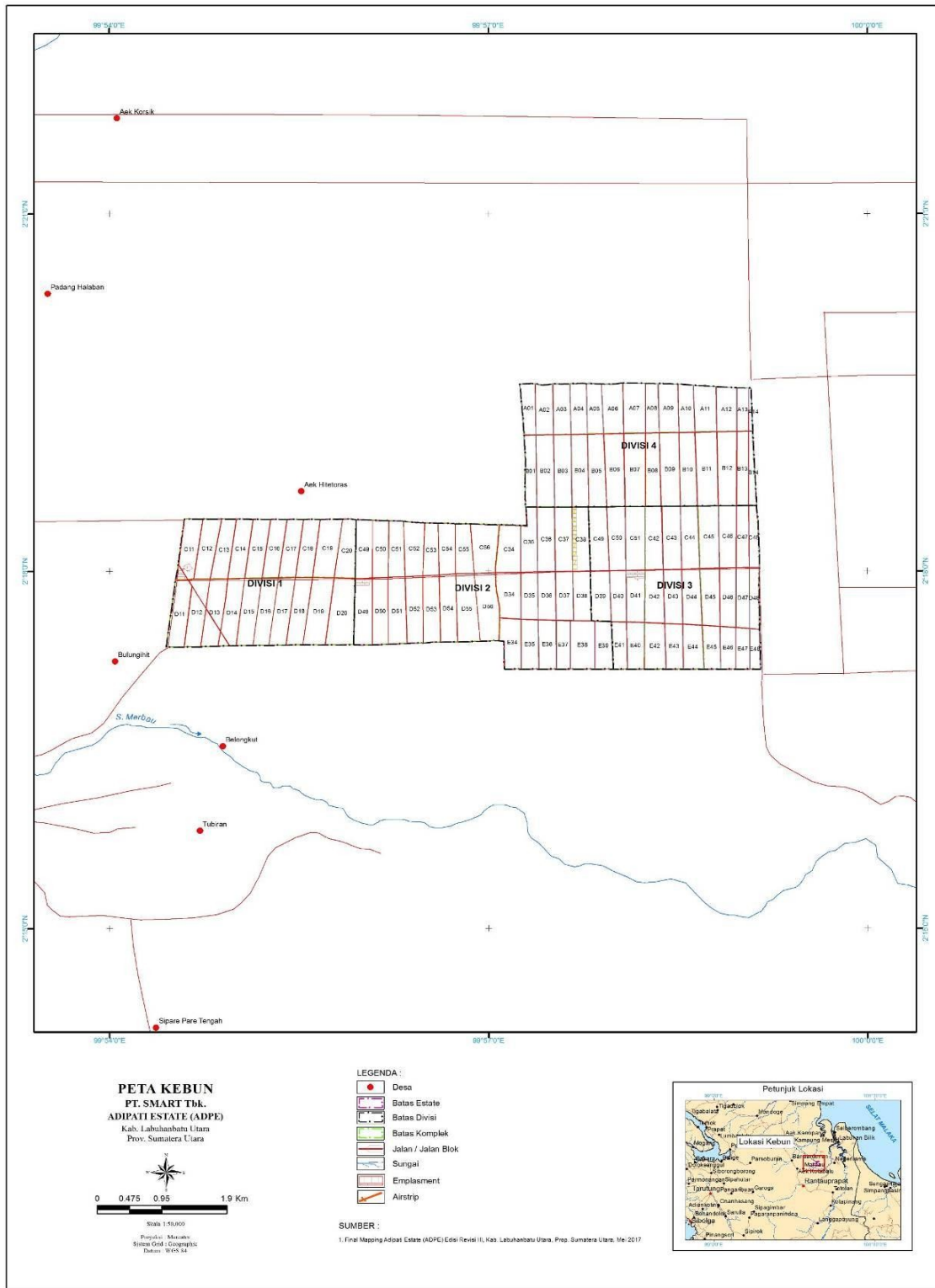
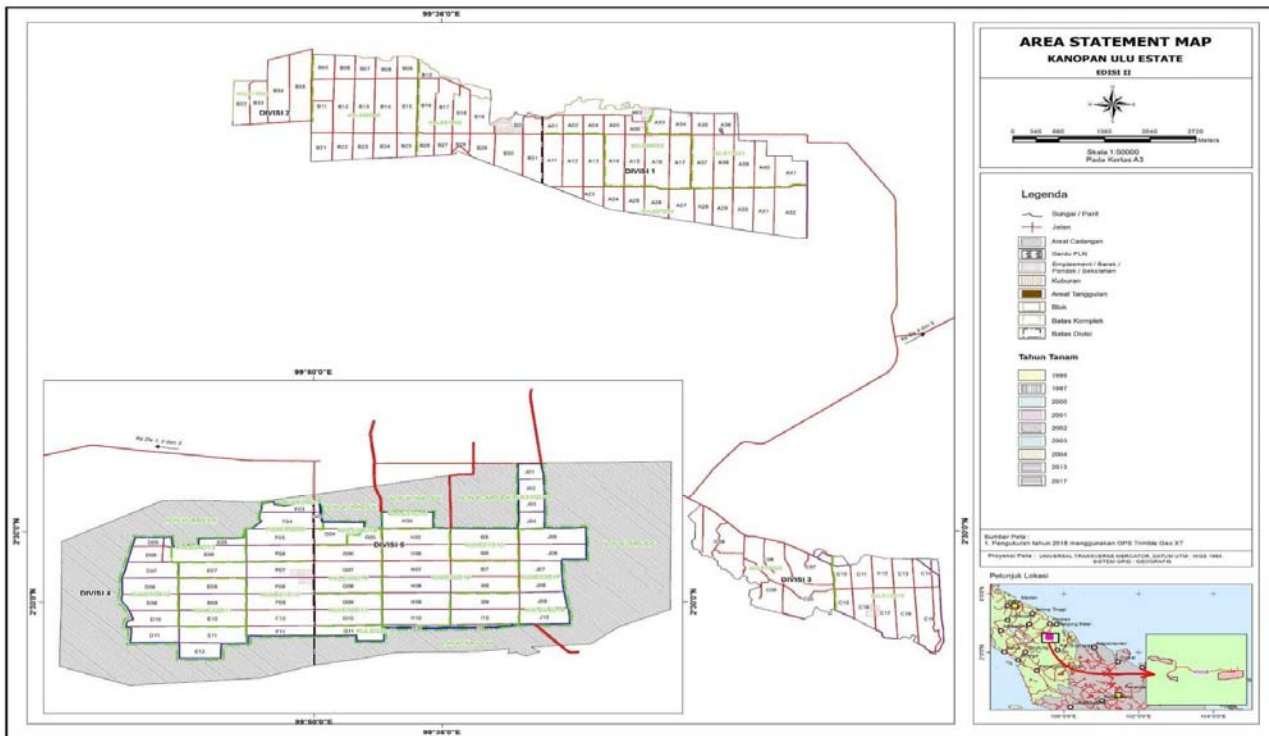


Figure 4. Operational Map of PT SMART Tbk – Adipati Estate



**Figure 5. Operational Map of PT MP Leidong West Indonesia – Kanopan Ulu Estate**



**Abbreviations Used**

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i>
BAPEDALDA	:	<i>Badan Pengendali Dampak Lingkungan Daerah</i>
BKSDA	:	<i>Balai Konservasi Sumber Daya Alam (Nature Conservation Agency)</i>
BLH	:	Environmental Agency
BOD	:	Biological oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
CEO	:	<i>Chief Executive Officer</i>
CFO	:	<i>Chief Financial Officer</i>
CLA	:	Collective Labor Agreement
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Commanditaire Vennootschap
DISNAKERTRANS	:	<i>Dinas Tenaga Kerja dan Transmigrasi</i>
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
GAPKI	:	<i>Gabungan Pengusaha Kelapa Sawit Indonesia</i>
GAR	:	Golden Agri-Resources
GESP	:	GAR Environment and Social Policy
GHG	:	Greenhouse Gases
GKME	:	Gunung Kombeng Estate
GMKM	:	Gunung Kombeng Mill
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i>
HIRAC	:	Hazard Identification Risk Assessment Control
HIRADC	:	Hazard Identification Risk Assessment Determining Control
IK	:	Work Instruction
ILO	:	International Labour Organization
IOPRI	:	Indonesian Oil Palm Research Institute
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
JHT	:	<i>Jaminan Hari Tua</i>
JKK	:	<i>Jaminan Kecelakaan Kerja</i>
JKM	:	<i>Jaminan Kematian</i>
JP	:	<i>Jaminan Pensiun</i>
KAN	:	<i>Komite Akreditasi Nasional / National Accreditation Committee</i>
KER	:	<i>Kernel Extraction Rate</i>
KLHK	:	<i>Kementerian Lingkungan Hidup Dan Kehutanan (The Ministry of Environment and Forestry)</i>
KUD	:	Koperasi Unit Desa
LA	:	Land Application
LD50	:	Lethal Dose 50
LPYE	:	Langga Payung Estate
LSU	:	Leaf Sampling Unit
MD	:	Managing Director
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Governmental Organization
OER	:	<i>Oil Extraction Rate</i>



OHS	:	Occupational Safety and Health
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>
PDBL	:	<i>Penyaluran Dana Bina Lingkungan – kind of CSR that managed by Head Office of PTPN V</i>
PERMENKES	:	<i>Peraturan Menteri Kesehatan</i>
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i>
POM	:	Palm Oil Mill
POME	:	<i>Palm Oil Mill Effluent</i>
PPE	:	Personal Protective Equipment
PT KDA	:	PT Kresna Duta Agroindo
RKL/RPL	:	Environmental Management Plan / Environmental Monitoring Plan
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, threatened and endangered species
SBU	:	<i>Satuan Bisnis Usaha</i>
SCCS	:	<i>Supply Chain Certification System</i>
SEL	:	Environmental Evaluation Study
SIA	:	Study Impacts Assessment
SK	:	<i>Surat Keputusan</i>
SMART	:	Sinar Mas Agro Resources and Technology
SOP	:	Standard Operating Procedure
SPK	:	<i>Surat Perjanjian Kerja (Agreement Letter)</i>
SSE	:	Sustainability and Stakeholder Engagement
SSU	:	Soil Sampling Unit
UHL	:	<i>Upah Hidup Layak</i>
UKL	:	<i>Upaya Pengelolaan Lingkungan Hidup</i>
UN	:	United Nation
UPL	:	<i>Upaya Pemantauan Lingkungan Hidup</i>
UPT	:	<i>Unit Pelayanan terpadu</i>
WHO	:	World Health Organization
WI	:	<i>Work Instruction</i>
WLTK	:	<i>Wajib Lapo Ketenagakerjaan</i>
WTP	:	Water Treatment Plan
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>RSPO Certifications Systems for Principles &amp; Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020)</li> </ul>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Organization name listed in the certificate	Padang Halaban Palm Oil Mill – PT Smart, Tbk subsidiary of Golden Agri Resources Ltd	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organization address and site address	<b>RSPO registered company:</b> 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  <b>Liaison Office:</b> Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 50338899	
1.2.5	Fax	(+62-21) 50389999	
1.2.6	E-mail	<a href="mailto:yahya-mustakim@sinarmas-agri.com">yahya-mustakim@sinarmas-agri.com</a>	
1.2.7	Web page address	<a href="https://goldenagri.com.sg/">https://goldenagri.com.sg/</a>	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of Sustainability Management System and Certification Operations Sustainability)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2011	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Padang Halaban Mill and 3 Estate from PT SMART Tbk (Padang Halaban Estate, Pernantian Estate and Adipati Estate) and 1 Estate from PT MP Leidong West Indonesia (Kanopan Ulu Estate)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Padang Halaban Mill	Perkebunan Padang Halaban Village, Aek Kuo Sub District, Labuhanbatu Utara District, Sumatera Utara, Indonesia.	2° 19' 03" N      99° 50' 21" E
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Padang Halaban Estate (PT SMART Tbk)	Perkebunan Padang Halaban Village, Aek Kuo Sub District, Labuhanbatu Utara District, Sumatera Utara Province,	2° 19' 03" N      99° 50' 10" E

	Indonesia.					
Pernantian Estate (PT SMART Tbk)	Pernantian Village, Marbau Sub-District, Labuhanbatu Utara District, Sumatera Utara Province, Indonesia.	2° 13' 22" N	99° 47' 08" E			
Adipati Estate (PT SMART Tbk)	Belongkut Village, Marbau Sub-District, Labuhanbatu Utara District, Sumatera Utara Province, Indonesia.	2° 17' 55" N	99° 54' 32" E			
Kanopan Ulu Estate (PT MP Leidong West Indonesia)	Kuala Hulu Village, Labuhanbatu Utara District, Sumatera Utara Province, Indonesia.	2° 34' 20" N	99° 37' 39" E			
<b>1.5 Description of Area Statement</b>						
1.5.1	Tenure					
	• State		<b>17,178.84 Ha</b>			
	• Community		- Ha			
1.5.2	<b>Area Statement</b>					
	• Total area		<b>17,178.84 Ha</b>			
	• Mature area		13,527.02 Ha			
	• Immature area		1,188.09 Ha			
	• Nursery		20.90 Ha			
	• Roads		414.38 Ha			
	• Buildings		143.19 Ha			
	• Ditches/ swamps/ rivers		202.43 Ha			
	• Occupation Area		1,615.69 Ha			
	• Cemetery/Grave		3.05 Ha			
	• Ditch Excavation		37.85 Ha			
	• PLN line		3.87 Ha			
	• Embankment		22.37 Ha			
	<i>*There's a conservation area of 202.40 ha, consisting of 180.56 ha in planting areas, 7.12 ha on roads, 12.67 ha in ditches/swamps/rivers and 2.05 ha in cemetery/ graves.</i>					
<b>1.6 Planting Year and Cycles</b>						
1.6.1	Age profile of planting year					
		<b>Hectarage (Ha)</b>				
	<b>Planting Year</b>	<b>PT SMART Tbk</b>			<b>PT MP Leidong West Indonesia</b>	<b>Total</b>
		<b>Adipati Estate</b>	<b>Padang Halaban Estate</b>	<b>Pernantian Estate</b>	<b>Kanopan Ulu Estate</b>	
	1992	-	290.17	-	-	290.17
	1994	-	330.15	-	-	330.15
	1995	-	233.28	-	-	233.28
	1996	-	468.75	-	-	468.75
	1997	-	635.63	167.89	-	803.52
	1999	-	344.16	-	-	344.16
	2000	-	381.14	95.93	260.41	737.48
	2001	-	-	-	237.04	237.04

2002	-	-	-	391.69	391.69		
2003	-	338.16	281.96	356.59	976.71		
2004	-	161.05	509.36	89.19	759.60		
2005	-	-	427.50	-	427.50		
2006	599.31	-	259.48	-	858.79		
2009	-	200.09	-	-	200.09		
2010	-	500.68	183.25	-	683.93		
2011	892.16	174.29	-	-	1,066.45		
2012	-	555.27	-	-	555.27		
2013	-	567.62	-	211.52	779.14		
2014	-	750.92	-	-	750.92		
2015	376.76	-	-	-	376.76		
2016	495.08	252.02	-	-	747.10		
2017	-	-	-	221.83	221.83		
2018	-	-	-	515.58	515.58		
2019	-	247.68	-	-	247.68		
2020	-	-	-	523.43	523.43		
<b>Mature</b>	<b>2,363.31</b>	<b>6,431.06</b>	<b>1,925.37</b>	<b>2,807.28</b>	<b>13,527.02</b>		
2021	-	631.19	253.97	302.93	1,188.09		
<b>Immature</b>	<b>-</b>	<b>631.19</b>	<b>253.97</b>	<b>302.93</b>	<b>1,188.09</b>		
<b>TOTAL</b>	<b>2,363.31</b>	<b>7,062.25</b>	<b>2,179.34</b>	<b>3,110.21</b>	<b>14,715.11</b>		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Padang Halaban	60	269,446.79	62,216.84	23.09	16,814.07	6.24
	<i>*Production data source from 12 months before assessment (June 2022 – May 2023)</i> <i>** FFB processed (269,446.79 tons) is more than total FFB supplied to Padang Halaban POM (268,506.91 tons) for the same period.caused FFB production in estates is currently peak crop, resulting in a spike in the amount of FFB processed from 25 April to 31 May 2022. In addition, there were receipts of FFB on holidays which were not processed and a boiler breakdown occurred on 31 May 2022.</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/h a/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Padang Halaban Estate (PT SMART Tbk)	7,464.92	6,431.06	120,694.03	18.77	119,261.66	98.81
	Pernantian Estate (PT SMART Tbk)	2,378.07	1,925.37	43,524.36	22.61	42,718.19	98.15
	Adipati Estate (PT SMART Tbk)	2,490.00	2,363.31	33,564.69	14.20	33,022.20	98.38
	Kanopan Ulu Estate	4,845.85	2,807.28	49,951.38	17.79	48,650.72	97.40

	(PT MP Leidong West Indonesia)						
	<b>TOTAL</b>	<b>17,178.84</b>	<b>13,527.02</b>	<b>247,734.46</b>	<b>18.31</b>	<b>243,652.77</b>	<b>98.35</b>
	<i>*Production data source from 12 months before assessment (June 2022 – May 2023)</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organization</b>	<b>Type of Organization</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>		
	Normark Estate (RSPO Certified)	Golden Agri Resources	-	2,195.10	24,854.14		
	<b>TOTAL</b>				<b>24,854.14</b>		
	<i>*Production data source from 12 months before assessment (June 2022 – May 2023)</i>						
1.7.4	Product categories	<b>FFB, CPO, PK</b>					
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (15 September 2022 to 23 August 2023) (MT)		Last Year Actual Certified Volume (June 2022 to May 2023) (MT)			
	FFB Processed	270,927.61		268,506.91			
	CPO Production	64,148.93		63,610.19			
	PK Production	17,215.47		17,084.34			
	<i>*License period is start from 15 September 2022 to 23 August 2023</i>						
1.8.2	Product selling						
	Type of selling product	Actual selling product for last year (June 2022 to May 2023) (MT)					
	CSPO sold as RSPO certified product	62,782.31					
	CSPK sold as RSPO certified product	16,599.78					
	CSPO sold under another scheme	0					
	CSPK sold under another scheme	0					
	CSPO sold as conventional	0					
	CSPK sold as conventional	0					
1.8.3	Estimate of Certified FFB Claim						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Padang Halaban Estate (PT SMART Tbk)	7,464.92	6,431.06	126,500	19.67		
	Pernantian Estate (PT SMART Tbk)	2,378.07	1,925.37	45,500	23.63		
	Adipati Estate (PT SMART Tbk)	2,490.00	2,363.31	35,500	15.02		
	Kanopan Ulu Estate (PT MP Leidong West Indonesia)	4,845.85	2,807.28	52,500	18.70		
	<b>TOTAL</b>	<b>17,178.84</b>	<b>13,527.02</b>	<b>260,000</b>	<b>19.22</b>		
	<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 (%)	
	Padang Halaban	60	260,000	61,100.00	23.5	15,600	6.00	IP
*Projected CSPO and CSPK production for 12 months of certificate								
<b>1.9</b>	<b>Other Certifications</b>							
	ISPO		ISPO certificate No. IDN 26200004 by PT Bureau Veritas Indonesia (RS-1) issued on 10 September 2020 valid until 9 September 2025. (PT SMART, Tbk)					
<b>1.10</b>	<b>Time Bound Plan</b>							
<b>1.10.1</b>	<b>Time Bound Plan for Other Management Units</b>							
Management Unit		Time Bound Plan	Estate (Supply Base)	Time Bound Plan	Location	Status		
Mill	Time Bound Plan							
Pangkalan Panji Mill (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	Sumatera Selatan Province	Certified			
		Sawit Mas Estate (HGU on progress – 2,291 Ha)	2024		-			
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	Sumatera Selatan Province	Certified			
		Bumi Sawit Estate (HGU on progress – 773.39 Ha)	2024		-			
Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	Sumatera Selatan Province	Certified			
		Muara Kandis Estate	2013		Certified			
		Muara Kandis Estate (HGU on progress – 418.49 Ha)	2023		-			
		Muara Tawas Estate (HGU on progress – 57.7 Ha)	2023		-			
		Smallholder (KKPA Pandawa)	2024		-			
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Kalimantan Tengah Province	Certified			
		Sungai Seruyan Estate	2013		Certified			
		Terawan Estate	2013		Certified			
		Tangar Estate	2013		Certified			
		Bukit Tiga Estate	2013		Certified			
Bukit Perak Mill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung Province	Certified			
		Bukit Permata Estate	2013		Certified			
		Bukit Permai Estate (PT Agrolestari Subur Sejahtera)	2024		-			
		Bukit Lestari estate (PT Agrolestari Hijau Sentosa)	2024		-			
Tanjung Kembiri Mill	2013	Tanjung Kembiri Estate	2013		Certified			

(PT Forestalestari Dwikarya)		Tanjung Rusa Estate	2013	Bangka Belitung Province	Certified
		Tanjung Rusa Estate (HGU on process 48.81 Ha)	2024		-
		Tanjung Sawit Estate (PT Palmindo Biliton Berjaya)	2024		-
		Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya)	2024		-
		Tanjung Rusa KKPA	2024		-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung Province	Certified
		Sungai Buaya Estate (HGU on process – 155.46 Ha)	2024		-
		Smallholder (KKPA Gedung Aji Lama)	2014		Certified
		Smallholder (KKPA Mesuji)	2014		Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung Province	Certified
		Sungai Merah Estate (HGU on process – 241.54 Ha)	2024		-
		Smallholder (KKPA Gedung Aji Baru)	2014		Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2023	Cendrawasih Estate	2023	Papua Province	ST-1
		Nuri Estate	2023		ST-1
		Rajawali Estate	2023		ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2023		ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2023	Kayung Estate	2023	Kalimantan Barat Province	ST-1
		Pekawai Estate	2023		ST-1
		Sungai Kelik Estate	2023		ST-1
		Nanga Tayap Estate	2023		ST-1
		Smallholder (Kayung Plasma)	2024		ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	Kalimantan Barat Province	Certified
		Cendana Estate	2015		Certified

		Kenanga Estate (PT Cahaya Nusa Gemilang)	2023		-
		Delima Estate (PT Kencana Graha Permai)	2023		-
		Smallholder (Kencana Plasma)	2024		-
		Smallholder (Kenanga Plasma)	2024		-
Perdana Mill (PT Binasawit Abadi Pratama)	2025	Perdana Estate	2025	Kalimantan Tengah Province	ST-1
		Langgana Estate	2025		ST-1
		Semandau Estate	2025		ST-1
		Muara Dua Estate	2025		ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2025	Bukit Santuhai Estate	2025	Kalimantan Tengah Province	ST-1
		Tajur Beras Estate	2025		ST-1
		Seranau Estate	2025		ST-1
		Sungai Sambon Plasma	2025		-
		Sapiri Estate (PT Buana Adhitama)	2025		ST-1
		Sapiri Plasma	2025		-
		Bukit Dua Estate (PT Buana Adhitama)	2025		-
Belian Mill (PT Paramitra Internusa Pratama) * <i>Main Audit December 2022</i>	2022*	Belian Estate * <i>Main Audit December 2022</i>	2022	Kalimantan Barat Province	RaCP in progress
		Tengkawang Estate * <i>Main Audit December 2022</i>	2022		RaCP in progress
		Muara Tawang Estate (PT Kartika Prima Cipta)	2023		ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2023		ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2023		ST-1
		Smallholder (Belian KKPA)	2024		-
		Smallholder (Muara Tawang KKPA)	2024		-
		Smallholders (Kapuas Hulu KKPA)	2024		-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2020	Sungai Kupang Estate	2020	Kalimantan Selatan Province	Certified
		Sungai Kupang KKPA	2024		-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2023	Sungai Kikim Estate	2023	Sumatera Selatan Province	-
		Sungai Pangi Estate	2023		-
		Sungai Musi Estate	2023		-

		Sungai Saling Estate	2023		-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2023		-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2023		-
		Sungai Bungur Estate (PT Prima Cipta Mandiri)	2023		-
		Sungai Lingsing Estate (PT Prima Cipta Mandiri)	2023		-
Tangar Mill (PT Mitrakarya Agroindo)	2025	Sulin Estate	2025	Kalimantan Tengah Province	-
		Sulin Plasma	2025		-
		Nahiyang Estate	2025		-
		Katayang Estate	2025		-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2023	Sungai Magalau Estate	2023	Kalimantan Selatan Province	-
		Senakin Estate	2023		-
		Sungai Manunggul Estate (PT Mitra Nusa Permata)	2023		-
Jalemo Mill (PT Agro Lestari Sentosa)	2025	Jalemo Estate	2025	Kalimantan Tengah Province	-
		Kajui Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing KKPA	2025		-
Sako Mill (PT Adi Tunggal Mahajaya)	2025	Mentaya Estate	2025	Kalimantan Tengah Province	ST-1
		Kuayan Estate	2025		ST-1
		Sako Plasma	2025		-
		Sungai Ayawan Estate	2025		-
		Sungai Nusa Estate	2025		-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	Sumatera Utara Province	Certified
		Pernantian Estate	2011		Certified
		Adipati Estate	2011		Certified
		Kanopan Ulu Estate	2011		Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	Kalimantan Selatan Province	Certified
		Batu Mulia Estate	2012		Certified
		Sungai Panci Estate	2012		Certified
		Sungai Panci KKPA	2012		Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	Kalimantan Selatan Province	Certified
		Kintapura Estate	2012		Certified
		Kintapura Estate (HGU on process - 636.33 Ha)	2024		-

Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	Sumatera Utara Province	Certified
		Paya Baung Estate	2012		Certified
		Normark Estate	2012		Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Kalimantan Tengah Province	Certified
		Tasik Mas Estate	2012		Certified
		Tanjung Paring Estate	2012		Certified
		Langadang Estate	2012		Certified
		Medang Sari Estate (PT Satya Kisma Usaha)	2025		-
Semilar Mill (PT Tapian Nadenggan)	2013	Semilar Estate	2013	Kalimantan Tengah Province	Certified
		Sei Rindu Estate	2013		Certified
		Mandang Estate (PT Buana Arta Sejahtera)	2013		Certified
		Puri Estate (PT Buana Arta Sejahtera)	2013		Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	Kalimantan Timur Province	Certified
		Jak Luay Estate	2015		Certified
		Jak Luay KKPA	2024		-
		Long Buluh Estate	2015		Certified
		Long Buluh Estate (HGU on progress - 329.66 Ha)	2024		-
		Bukit Subur Estate	2015		Certified
		Bukit Subur Estate (HCV identification on process - 569.62 Ha)	2024		-
		Bukit Subur KKPA	2024		-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung Province	Certified
		Leidong West Selatan Estate	2014		Certified
		Bukit Intan Estate (PT Bumipermai Lestari)	2014		Certified
		Bukit Mas Estate (PT Bumipermai Lestari)	2014		Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	Kalimantan Timur Province	Certified
		Gunung Kombeng	2014		Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2024	Gunung Kombeng KKPA	2024	Kalimantan Timur Province	-
Rantau Panjang (PT Kresna Duta Agroindo)	2023	Rantau Panjang Estate	2023	Kalimantan Timur Province	-
		Rantau Panjang KKPA	2024		-



Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi Province	Certified
		Batang Merangin Estate	2020		Certified
		Tiga Serumpun KKPA	2024		-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
		Batang Gading Estate (PT Satya Kisma Usaha)	2023		-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2024		-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi Province	Certified
		Sungai Bengkal Estate	2015		Certified
		Sungai Bengkal KKPA	2015		Certified
		Sungai Bengkal KKPA	2015		Certified
		Muara Kilis Estate	2015		Certified
		Muara Kilis Estate	2015		Certified
		Kilis KKPA	2024		-
Bukit Kapur Mill (PT SMART Tbk)	2025	Bukit Kapur Estate	2025	Kalimantan Selatan Province	ST-1
		Sungai Cantung Estate	2025		ST-1
Samsam Mill (PT Ivo Mas Tunggal)	2009	Samsam Estate	2009	Riau Province	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2024		-
		Kandista Estate	2009		Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2024		-
		Palapa Estate	2009		Certified
Libo Mill (PT Ivo Mas Tunggal)	2009	Libo Estate	2009	Riau Province	Certified
		Nenggala Estate	2009		Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2024		-
		Sei Rokan Estate	2009		Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2024		-
		Sungai Tapung Plasma	2009		Certified
Ujung Tanjung Mill (PT Ivo Mas Tunggal)	2009	Ujung Tanjung Estate	2009	Riau Province	Certified
		Kandis Sejahtera KKPA	2023		-

		Swadaya Mas Bersama KKPA	2023		-
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2024		Land Title in progress
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Riau Province	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2024		-
		Naga Sakti Estate	2010		Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2024		-
		Rama Bakti Estate	2010		Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Estate	2010	Riau Province	Certified
		Kijang Estate (HGU on process – 56.07 Ha)	2024		-
		Kijang Kencana Plasma	2010		Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Riau Province	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2024		-
		Amartajaya Plasma	2010		Certified
		Berkat Ridho KKPA	2023		-
		Produsen Rama Sawit KKPA	2023		-
		Smallholder (Ramarama KKPA)	2024		-
Indrasakti Mill (PT Meganusa Inti Sawit)	2011	Indralestari Estate	2011	Riau Province	Certified
		Indrasakti Estate	2011		Certified
		Indragiri Plasma	2011		Certified
		Mandiri Jaya Plasma	2022		Certified* 2022
		Indrasakti Plasma	2011		Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Riau Province	Certified
		Bumi Palma Estate	2012		Certified
		Bumi Sentosa Estate	2012		Certified
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2024		-
		Kharisma Estate (PT Kharisma Riau Sentosa Prima)	2024		-
		Kharisma Plasma (PT Kharisma Riau Sentosa Prima)	2024		-
Sawita Mill	2023	Sawita Estate	2023	Kalimantan Selatan Province	ST-1
		Pamukan Estate	2023		ST-1

(PT Sawitakarya Manunggul)		Sawita KKPA	2024		ST-1
Kenari Mill (PT Bangun Nusa Mandiri)	2025	Gaharu Estate (PT Bangun Nusa Mandiri)	2025	Kalimantan Barat Province	-
		Kenari Estate (PT Bangun Nusa Mandiri)	2025		-
		Keranji Estate (PT Bangun Nusa Mandiri)	2025		-
		Smallholder (Gaharu Plasma)	2025		-
		Smallholder (Kenari Plasma)	2025		-
Sungai Air Jernih Mill (PT Bahana Karya Semesta)	2023	Sungai Air Jernih Estate	2023	Jambi Province	-
		Sungai Mentawak Estate	2023		-
		Sungai Mentawak KKPA	2023		-
		Sungai Merak Estate	2023		-
		Sungai Badak Estate	2023		-
Sungai Perak Mill (PT Kruing Lestari Jaya)	2024	Sungai Perak Estate	2024	Kalimantan Timur Province	-
		Sungai Basung Estate	2024		-
		Sungai Pikan Estate	2024		-
		Sungai Pilos Estate	2024		-
		Sungai Pikan Plasma	2024		-
Sungai Kedang Mill (PT Harapan Rimba Raya)	2024	Sungai Kedang Estate	2024	Kalimantan Timur Province	-
		Sungai Tohan Estate	2024		-
		Kedang Pahu Estate	2024		-
		Sungai Pahu Estate (PT Rimba Rayatama Jaya)	2024		-
		Sungai Tohan Plasma	2024		-
		Sungai Pahu Plasma (PT Rimba Rayatama Jaya)	2024		-
<p><i>TBP revised on 19 May 2022 and approved by RSPO on 14 June 2022</i></p> <p>There is revision of timebound plan on 19 May 2022 made by Head of Operations Sustainability. There are justification for mills and estates that postpone, with explanation:</p> <ul style="list-style-type: none"> <li>• Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process.</li> <li>• Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 due to the SHM process.</li> <li>• Tanjung Sawit Estate dan Tanjung Sawit KKPA (PT Palmindo Biliton Berjaya) are postponed to 2024 due to still in process for HGU and land rights (SHM)</li> <li>• Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse</li> <li>• Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented</li> <li>• Kayung KKPA supply base of Pekawai Mill are postponed to 2024 due to still in process for land rights (SHM).</li> </ul>					

- Kenanga Estate (PT Cahaya Nusa Gemilang) dan Delima Estate (PT Kencana Graha Permai) are postponed to 2024 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM).
- Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Kuayan Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Belian KKPA, Muara Tawang KKPA and Kapuas Hulu KKPA supply base of Belian Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2024 due to still in process for land rights (SHM).
- Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.
- Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Sungai Magalau Mill and supply bases and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Sako Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 due to still in process for HGU.
- Jak Luay KKPA and Bukit Subur KKPA supply base of Jak Luay Mill are postponed to 2023 due to still in process for land rights (SHM).
- Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2023 due to still in process for land rights (SHM).
- Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2023 due to still in process for land rights (SHM).
- Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2024 due to still in process for land rights (SHM).
- Batang Gading Estate supply base of Langling Mill are postponed 2023 due to still in process for RaCP (LUCA review).
- Batang Gading KKPA supply base of Langling Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2024 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Rama-Rama KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Sawita Mill and supply bases are postponed to 2022 due to still in process for HGU.
- Sawita KKPA supply base of Sawita Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kenari Mill and supply bases are postponed to 2025 due to the process for RaCP (LUCA review).
- Sungai Air Jernih Mill and supply bases are postponed to 2023 due to still in process for legality documents.

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

- PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.
- PT Harapan Rimba Raya: Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.
- PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).
- PT Agrolestari Subur Sejahtera (previously the company name is PT Bumi Permai Surya Lestari): Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.

- PT Agrolestari Hijau Sentosa (previously the company name is PT Bumi Bangka Lestari): Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
- PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.
- PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).

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

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

- PT Sawit Mas Sejahtera (Sawit Mas Estate);
- PT Bumi Sawit Permai (Bumi Sawit Estate);
- PT Djuanda Sawit Lestari (Muara Kandis Estate & Muara Tawas Estate);
- PT Forestalestari Dwikarya (Tanjung Rusa Estate);
- PT Sumber Indah Perkasa (Sungai Merah Estate and Sungai Buaya Estate);
- PT SMART Tbk (Kinta Pura Estate);
- PT Tapian Nadenggan (Long Buluh Estate and Bukit Subur Estate);
- PT Ivomas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate);
- PT Buana Wiralestari Mas (Nagasakti Estate; Nagamas Estate and Kijang Estate);
- PT Rama Jaya Pramukti (Ramarama Estate);
- PT Satya Kisma Usaha (Sungai Bengkal Estate, Kilis Estate and Sungai Bengkal KKPA);
- PT Bumipalma Lestari Persada (Bumi Palma Estate);
- PT Tapian Nadenggan (Sei Rindu Estate);
- PT Kruing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.

1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	There are no smallholders on this certification scope.



2.0	<b>ASSESSMENT PROCESS</b>
2.1	<b>Assessment Team</b>
ASA 2.1	<ol style="list-style-type: none"> <li>1. <b>Octo HPN Nainggolan (Lead Auditor Witnessing)</b> 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.</li> <li>2. <b>Afiffuddin (Lead Auditor Witnessed)</b>. Indonesian Citizen, Diploma III majoring in Oil Palm Plantation, Bogor Agricultural Institute. Work experience for 5 years since 2010 in an oil palm plantation company in Indonesia as an agronomy operational staff and attended several trainings, namely: Basic Plantation Management Program, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, RSPO lead auditor training, K3 General Expert, System K3 Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering aspects Best Management Practices, aspects of occupational health and safety and aspects of worker welfare. In this assessment, he was assigned to verify legal aspects, land dispute, SCCS, Best Management Practice and OHS.</li> <li>3. <b>Benli Manurung (Auditor)</b>. 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 &amp; Safety Aspect and Best Management Practice. Has participated in several audit activities since 2016 in the field of Best Management Practice, Health &amp; Safety Aspect and Worker Welfare. During the audit, he verified worker welfare and smallholders' inclusion.</li> <li>4. <b>Erika Lucitawati (Auditor)</b>. Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During the audit, she verified social, environment, waste management, GHG and conservation aspect.</li> <li>5. <b>Indra Abadi (Auditor Trainee)</b>. Indonesian citizens. Bachelor of Forestry from Bogor Agricultural Institute with Forest Management. Have groundcheck freelance experience at Geolancer. Participate in ISO 9001:2015 and 14001 Auditor training in 2022, Lead Auditor Training course 9001: 2015 in 2022. Curriculum vitae (CV) of the members and assessment team is available at the PT office. Mutuagung Lestari. In this audit activity, verification of aspects of Best Management Practices is carried out under supervised by Lead Auditor.</li> </ol> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
2.2.1	<b>Figure of person days to implement assessment</b>
ASA 2.1	<p>Number of auditors: 3 auditors and 1 trainee auditor          Number of days for <b>ASA 2.1</b> onsite audit: 4 days          Number of working days for <b>ASA 2.1</b> onsite audit: 12 Working days</p>
2.2.2	<b>Assessment Process</b>
ASA 2.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the <b>PT SMART, Tbk – Padang Halaban POM</b> to the requirements of <b>RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, endorsed by the RSPO Board of Governors on 20th April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder</b></p>

**Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.**

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

Some opportunities for improvement of the results ASA-2.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-2.2.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.1.

The opening meeting was held on June 6<sup>th</sup>, 2023, at Meeting Room Office. As for the participants who attended the opening meeting included Sub Head Estate and Mill Sub Head, Support Team from Jakarta and other staff at Estate and POM. Closing meeting was held on June 9<sup>th</sup>, 2023, which was attended by the same participants as the opening meeting. Management PT SMART, Tbk accept all the ASA-2.1 audit results.

The assessment program please find Appendix 2.

**2.2.3 Locations of Assessment**

**ASA 2.1**

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:

**Padang Halaban POM**

- **St. Sterilizer.** Field observations related to BMP, OHS and Environmental aspects.
- **St. Loading Ramp.** Field observations related to BMP, OHS and Environmental aspects.
- **St. Boiler.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **St. Engine Room.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Hosting Crane.** Observation of FFB removal process according to the SOP, the application of OHS and environmental aspects.
- **Nut and Kernel Station.** Observation of kernel processing according to SOP, implementation of OHS and environmental aspects.
- **Press Station.** Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects.
- **St. Kernel.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment
- **Hydrant simulation.** Observation related emergency response, readiness of firefighting equipment.
- **WTP.** Observation and interview with worker related implementation of procedures, as well as OHS and environmental aspects.
- **WWTP.** Observation and interview with worker related to POME management, run off, testing of effluent, PPE, and recording of effluent and water debit.
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Fuel and Oil Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Workshop.** Observation and interview with worker related to workshop activity, OHS, environmental and worker

welfare aspect.

- **Chemical Storage.** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Empty Bunch Area.** Observation related to implementation of procedures, OHS and environmental aspects.
- **Security Post.** Observation of the FFB reception process at the security post, the use of PPE when entering the Mill.
- **Sorting Station.** Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects.
- **Weighbridge.** Observations and interviews regarding processed FFB sources and supply chain systems.

#### Padang Halaban Estate

- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel and Oil Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Pesticide and Chemical Storage.** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Workshop.** Observation and interview with worker related to workshop activity, OHS, environmental and worker welfare aspect.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Clinic.** Observation and interview with worker related to clinic condition, OHS, and environmental aspects.
- **Housing Area Division 1,2 and 6,7.** Observation related to availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Daycare.** Observation related to facility, OHS and worker welfare aspects.
- **Rinse House.** Observation and interview related work procedure, employment, safety, and environmental aspect
- **HCV Titi Panjang Riparian Block G31-32.** Observations regarding management of water body areas and HCV attributes.
- **Landfill Area.** Observation of domestic waste management and environmental aspect.
- **Land Application, Division 2 Block B38.** Observation and interviews with drainage workers related to wastewater drainage activities, OHS aspects and labor.
- **Barn Owl Box, Block 38 Div 2.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **Harvest, Block S2 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Harvest, Block C28 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Harvest, Block 45 Division 4.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Path Spraying, Block 58 Division 4.** Technical observation of work according to SOP and implementation of OHS aspects.
- **HGU Pole No. 17 Division 5.** Observation related to boundaries operational area.
- **HGU Pole No. 15 Division 4.** Observation related to boundaries operational area.
- **Barn Owl Box, Block B38 Div 3.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.

#### Pernantian Estate

- **Housing Area Division 3.** Observation related to availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Daycare.** Observation related to facility, OHS and worker welfare aspects.

- **Rinse House.** Observation and interview related work procedure, employment, safety, and environmental aspect
- **Spare part and PPE Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Agrochemical Storage** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Fuel and Oil Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Pesticide and Chemical Storage.** Observation and interview with worker related to chemical management, OHS, and environmental aspect.
- **Temporary Hazardous Waste Storage.** Observation for OHS, waste disposal, and environmental aspects.
- **Workshop.** Observation and interview with worker related to workshop activity, OHS, environmental and worker welfare aspect.
- **HGU Pole No. 4 Division 3.** Observation related to boundaries operational area.
- **Path Spraying, Block C39 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **HGU Pole No. 20 Division 3.** Observation related to boundaries operational area.
- **HCV Sungai Merah River Block 20 Divisi 3.** HCV management observations.
- **HGU Pole No. 3 Division 3.** Observation related to boundaries operational area.
- **Harvest, Block C15 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Barn Owl Box, Block C15 Div 3.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **Harvest, Block K46 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects.

### Kanopan Ulu Estate

- **Housing Complex Divisi I and II.** Observation related housing condition and domestic waste management.
- **Rinse House Division I and II.** Observing the availability of OHS facilities, water sources, and surrounding ditches.
- **Fertilizer Warehouse.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Pesticide Warehouse.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Oil Store.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Workshop** Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Hazardous Waste Warehouse** Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management.
- **Fire Warehouse.** Observation and interview related fire equipment and its management.
- **Herbicide Application, Block A39 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Harvest, Block A62 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Manuring, Block B80 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Barn Owl Box, Block B80 Division 2.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **HGU Pole No. I block A63 Division 1.** Observation related to boundaries operational area.
- **HGU Pole No. II block A41 Division 1.** Observation related to boundaries operational area.

### Adipati Estate

- **Housing Complex Divisi II.** Observation related housing condition and domestic waste management.

- **Rinse House Division II.** Observing the availability of OHS facilities, water sources, and surrounding ditches.
- **Fertilizer Warehouse.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Pesticide Warehouse.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding.
- **Oil Store.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Workshop** Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Hazardous Waste Warehouse** Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management.
- **Fire Warehouse.** Observation and interview related fire equipment and its management.
- **Fire Simulation** Observation related emergency response, readiness of firefighting equipment
- **Herbicide Application, Block D55 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **HGU Pole No. 10 block D56 Division 2.** Observation related to boundaries operational area.
- **HGU Pole No. 06 block E45 Division 3.** Observation related to boundaries operational area.
- **HGU Pole No. IV block D56 Division 2.** Observation related to boundaries operational area.
- **HCV Nepenthes Block E58 Divisi 3.** HCV management observations.
- **Barn Owl Box, Block E36 Division 2.** Observations regarding the condition of the owl cage, the effectiveness of the owl cage for rat control.
- **Peat subsidence pole, Block E36 Division 2.** Observations monitoring of peat land subsidence.
- **Data logger, Block D20.** Observations monitoring of ground water level.
- **Harvest, Block C53-55 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA 2.1</b>	<p>Summary of stakeholder consultation process            Consultation of stakeholders for PT SMART, Tbk was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website PT Mutuagung Lestari on May 22, 2023</li> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 30 May 2023</li> <li>• Public consultation with government agencies of Labuhanbatu Utara District (Manpower Agency, Plantation Agency, Land Agency and Environmental Agency) on 6 June 2023</li> <li>• Public consultation by interview with locals of the nearby village on 6 June 2023</li> <li>• Public consultation and interview with Internal (labor union and gender committee) and External Stakeholder (contractor) on 6 June 2023.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT SMART Tbk.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-2.2</b> ) will be conducted eight (8) months until twelve (12) months after date of annual license.



3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Padang Halaban POM – PT SMART, Tbk, Subsidiary of Golden Agri Resources Ltd operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there is no non-conformity (major/minor), only four (4) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Padang Halaban POM – PT SMART, Tbk, Subsidiary of Golden Agri Resources Ltd complied with the requirements of Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20<sup>th</sup> 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	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>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.</b>		
<p><b>1.1.1</b>            Certification Unit has procedure and has appointed person in charge in the requests for information from stakeholders (SOP/SMART/UMUM/SADVI/004). The Certification Unit also responded to information requests with maximum time of 3 days since mail received. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 3 working days.</p> <p>The types of documents that can be accessed and given to stakeholders are included in the information list for stakeholders, such as public documents, legal document, environmental documents (environmental policy, environmental management, and monitoring report, etc.), social document, OHS policy and program, and manpower documents. These documents are available in Estate and Mill office. The company has provided information that can be accessed by the public according to relevant stakeholders such as land use rights, EHS documents, environmental documents, HCV documents, waste management documents, environmental management, employment etc. For example, periodically, unit certification sends monitoring and management documents to the related institutions such as Environment Agency, <i>BKSDA</i>, and Manpower Office.</p> <p>BMP Aspects:</p> <ul style="list-style-type: none"> <li>The 2022 PHLE fire report for Semester 2 was submitted to the North Labuhanbatu Regency Plantation Office and the North Sumatra provincial plantation service on January 20, 2023.</li> <li>The 2022 KULE fire report for Semester 2 was submitted to the North Labuhanbatu Regency Plantation Office and the North Sumatra provincial plantation service on February 15, 2023.</li> </ul> <p>Environmental aspect. For example, on the latest related report, as follows:</p> <p>PT SMART</p> <ul style="list-style-type: none"> <li>Proof for reporting RKL-RPL document and Land Application for Semester II 2022 to DLH of North Labuhanbatu Regency and North Sumatra Province, on April 14, 2023.</li> <li>E-reporting (ID:2203) PT SMART Tbk's RKL RPL Semester II 2022 report dated April 13, 2023, to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.</li> <li>E-reporting (ID:640) PT SMART Tbk Hazardous Waste report on March 20, 2023, Q1 of 2023 to DLH Labuhanbatu Utara</li> </ul>		

Regency, DLH North Sumatra Province, and KLHK.

- Proof for reporting PT SMART's KBKT Management and Monitoring Implementation report for the 2022 period to the BKSDA of North Sumatra Province on April 18, 2023.

PT MP Leidong West

- E-reporting (ID: 3967) RKL RPL report for Semester II 2022 period PT MP LWI (KULE) dated 12 March 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- E-reporting (ID: 3549) PT MP LWI (KULE) Hazardous Waste report on 08 April 2023 Q1 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- Proof for reporting PT MP LWI's KBKT Management and Monitoring Implementation report for the 2022 period to BKSDA of North Sumatra Province on 18 April 2023.

OHS Aspects:

Mandatory reports related to K3, including the Minutes of Submission of the 2022 Quarter IV P2K3 Report, January 16, 2023, to the North Sumatra Provincial Manpower Office, *UPT* Labor Inspector Region IV Sumatera Utara.

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.

#### 1.1.2

The unit of certification has list of documents that can be accessed publicly listed in Procedure of Communication, Participation, and Consultation (SOP/SMART/UMUM/SADVI/004) 1 Juli 2014. The submission period for suggestions is no later than 1 week after the letter is received (from the Unit Head to the relevant Department). Respond no later than 3 weeks after the letter is received. Unit of certification can show records of providing information to relevant agencies in the form of routine reports. All available documents are information that can be accessed by the public by submitting an official letter of request for information. All information is provided in Bahasa.

#### 1.1.3

The unit of certification has list of documents that can be accessed publicly listed in Procedure of Communication, Participation, and Consultation (SOP/SMART/UMUM/SADVI/004) 1 Juli 2014. The submission period for suggestions is no later than 1 week after the letter is received (from the Unit Head to the relevant Department). Respond no later than 3 weeks after the letter is received. Unit of certification can show records of providing information to relevant agencies in the form of routine reports. All available documents are information that can be accessed by the public by submitting an official letter of request for information. All information is provided in Bahasa.

#### 1.1.4

Based on the results of the document review on the recording of incoming and outgoing mail logs in 2023, there were no requests for information from stakeholders. However, there are several requests for funds through proposals, for example Proposal for the North Labuhanbatu National Press Day in January 2023 which was responded to on January 31, 2023.

Based on interviews with representatives of surrounding villages (Head of the Brussels Village and Padang Halaban Village) and representatives from Agencies in Labuhanbatu Utara, 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 is Public Relations Staff.

#### 1.1.5

The unit of certification has compiled a list of contacts and detailed information on stakeholders explaining the name, institution/position, location, category, contact person number and other information.

The following is an example of a stakeholder list of Padang Halaban Mill:

- 18 Government Agencies
- 8 local community representatives
- 6 Contractors
- 1 Worker Union

- 5 FFB Suppliers
- 4 Transporter FFB, CPO and PK
- 2 Gender Committee
- 1 NGO
- 2 Bank
- 1 Employee cooperative.

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**

Organization has established the policy "Principles of business ethics" date on 01 August 2014. The company committed to continue practicing responsible business ethics referring to the shared values of the company i.e. integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, a proper disclosure of information in accordance with applicable regulations and accepted industry practices, principles and criteria of the SPO. It's consists of 5 policy can be summarized in:

- Corporate practice and disseminating the shared values to all employees in the conduct of all business activities.
- Support the implementation of the 10 principles of UNGC – United Nation Global Compact, in which there is a core value of the device i.e. human rights, labour, environment and anti- corruption
- The Company does not provide for any tolerance of corruption in business practices undertaken by employees.
- The Company is committed to the ethical standards of behavior in the management of all activities of business practices including.
- Company implements good corporate governance and respect fair conduct of business.

Unit of certification has shown implementation of business ethic in for example on contract agreement. For example, Unit of certification has also shown agreement with number No. 001/PHLE/JKTO/02/2023 on 1 February 2023 between PT SMART TBK and PT Tiga Mustika Agung for Employee Housing Development which is valid until 25 December 2023. PT Tiga Mustika Agung has also signed Ethical Code on 1 February 2023 which has contained statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker.

**1.2.2**

Code of ethics policy implementation mechanism, among others, is through Internal Audit checks and due diligence in the selection of third-party contractors/suppliers, which states in the agreement that the parties must comply with applicable regulations such as no forced labour and child labour. In addition, the involvement of stakeholders in monitoring in this implementation, SOP for Handling Complaints and Dissatisfaction (No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022).

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. Besides, unit of certification has also monitored the compliance through internal audit including contractor evaluation. Contractor evaluation/inspection is available every month, for example the contractor evaluation document with contract number 001/SMART/JKTO-I/XII/2020 on April 28, 2023, with GOOD evaluation results.

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 company has list of regulations of 2022 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

**Legal Aspect**

In term of legal and permit regulation compliance, company are able to shown several documents, such as Plantation Business Permit and Land Tenure or Land Use Right (HGU). Compliance with the regulation on the licensing for plantation business, based on Plantation Business Registration Letter by the Directorate General of Plantation Production Development, Ministry of Agriculture (No.: HK.350/253/Dj.Bun.5/III/2001, dated March 30, 2001) with an area of 10,749.46 ha and a product processing unit with permit capacity of 60 tons FFB/hour.

**Manpower Aspect**

- Employment Report for Pernantian Estate (No. 21452.20221229.0001) in 2022 via online on 22 December 2022.
- Employment Report for Padang Halaban Estate (No. 21455.20230508.0003) in 2022 via online on 08 May 2023.
- Contract Worker Record as many as 72 workers (loose fruit pick worker) on 05 May 2022 in PHLE to Manpower Agency of Labuhanbatu Utara Regency.

**BMP Aspect**

- The company doesn't use fire for pest control.
- The company does not use invasive species that are introduced according to the regulations in force in the managed area.
- The company has used registered pesticides.
- The company has used certified seeds.

**Compliance with Social and Environment Regulation**

- Extension of Groundwater Concession Permit to PT Sinar Mas Agro Resources and Technology Tbk with No. 546/784; No. 546/776; No. 546/779; No. 546/777; No. 546/780; and No. 546/782 dated 01 April 2021 which is valid for 3 years from the date of stipulation.
- Permit for Utilization of POME for Land Application (LA) based on Decree of North Labuhanbatu Regent No. 660/277/DLH/2017 dated 12 June 2017.
- Permit for the Temporary Storage of Hazardous Waste for units; PHLM (No. 660/275/DLH/2017 dated 12 June 2017), PHLE (No. 660/273/DLH/2017 dated 12 June 2017), ADPE (No. 660/274/DLH/2017 dated 12 June 2017), PRNE (No. 503/02/DPM-PPTSP/IPSLB3/2019 dated 22 May 2019), and KULE (No. 503/03/DPM-PPTSP/IPSLB3/2019 dated 22 May 2019).
- Documented Environment and Social Impact Assessment Environmental Evaluation.

**OHS Aspect**

The company in general has complied with OHS regulation, including:

- Occupational Health and Safety Committee (P2K3): has a P2K3 organizational structure and emergency response that has been approved by the *Dinas Tenaga Kerja Provinsi Sumatera Utara*, has a P2K3 program, organizes Occupational Health and Safety training programs, quarterly P2K3 reports, has procedures related to Health, Security and environment (OHS) and Emergency Response, etc.
- Provision of Personal Protective Equipment (PPE) from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC. Provision of PPE from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC.
- Conduct a general medical check-up (Medical Check Up) every year for all workers and special examinations (cholinesterase, spirometry and audiometry) according to the level of risk / danger for a particular job.
- Having a license/competence for several special jobs that require more expertise such as OHS experts, hyperkes, boiler operators, diesel engine operators, welders, wheel loader operators and others in accordance with the requirements contained in

the legislation.

- Giving Insurance and social security facilities for all workers.
- Conduct an internal audit of the Occupational Health & Safety Management System.

**Opportunity for Improvement**

- Based on the results of the study of the Checklist and Testing Machinery and Work Equipment Licensing List for PHLM documents, it is known that there are several types of permits that have passed the re-examination period, such as Sterilizer No. 4 (1 April 2023), Diesel Genset No. 2 (17 April 2023) and others.
- The company shows a certificate from PT Samudra Karya Mustika PJK3 Development and Certification of K3 Specialist Fire Fighting Experts, dated 29 November 2022, which among other things explains that on behalf of Budi Setiawan he has attended guidance and IHT on 29 October – 12 November 2022 and the license and certificate are still in process at the Ministry of Manpower of the Republic of Indonesia.
- The company showed a Certificate from PT Tranindo Pratama Mulia, dated December 14, 2022, which among other things explained on behalf of Ona Suharto Tamarshi the extension of the SKP and General AK3 Authority Card was still being processed at the Indonesian Ministry of Manpower.

Companies have the opportunity to ensure that factory machine inspections are carried out and K3 Expert certificates/licences are issued by the Indonesian Ministry of Manpower.

**2.1.2**

Procedure of legal requirement which presented in document SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update laws and/or regulations, the sustainability officer is required to actively check and make coordination with Government Agencies or Institutions. Based on document review found that a documented system for ensuring legal compliance is in place.

The unit of certification also conducts work evaluations for contractors in the company's operational area regarding compliance with applicable laws and regulations in Indonesia, as described in indicator 2.2.2.

**2.1.3**

The company has procedures for monitoring and maintaining HGU boundary markers as stated in the *SOP Pemeliharaan Patok HGU 2020*, Document Number SOP/SMART/MCAR/XVII/TA-PPH, Revision Number 1.0, dated 15 July 2020. The procedure states that maintenance is carried out by pole monitoring officers' division where monitoring of HGU boundaries is carried out every 4 months.

The company also shows documents monitoring HGU poles which will be carried out in 2023. The pole maintenance report has provided complete information regarding pole numbers, plans and realization of pole maintenance, pole locations, pole coordinates, and photo documentation of pole conditions. In the monitoring report it is known that all HGU poles are in a well-maintained condition.

Field observations of several samples of HGU boundary markers in the Padang Halaban Estate (Pole No. 17 and 15), Kanopan Ulu Estate (Pole No. I and II), Adipati Estate (Pole No. 10, 06 and IV) and Pernantian Estate (Pole No. 20 and 3) show that the sampled HGU boundary markers are available in the field and are in well-maintained condition.

**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**

Unit certification shows a list of contractors for the 2022. Unit certification has cooperation with contractor in several fields such as CPO and PK transporter, mounding palm oil, mechanical work, FFB transporter and road maintenance in unit of PHLM, PHLE, ADPE, PRNE, and KULE such as below:

- Agreement with number 001/SMART/JKTO-I/XII/2020 – ATBS dated 02 December 2020 between PT Smart Tbk and PT Universal Transindo Mas regarding the Transportation of FFB which is valid until 31 December 2024.



- Agreement with contract number 001/PHLE/JKTO/02/2023–Bangunan dated 01 February 2023 between PT Smart Tbk and PT Tiga Mustika Agung regarding the Housing Development which is valid until 25 December 2023.

**2.2.2**

In managing contractor, Unit of Certification has copy of collaboration agreement with each contractor. For example, Unit of Certification has shown its agreement which has shown that there were several separate clauses on the work agreement between Unit of Certification and contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to registration of workers' health and social security insurance, provision of minimum wages, obligation to use PPE, other permits such as tax payment and others. For example, Unit of Certification has shown agreements between two parties as follows:

- Agreement with number 001/SMART/JKTO-I/XII/2020 – ATBS dated 02 December 2020 between PT Smart Tbk and PT Universal Transindo Mas regarding the Transportation of FFB which is valid until 31 December 2024. The agreement has explained the rights and obligations of both parties such as the value of the contract, wages, OHS, insurance (BPJS Kesehatan and BPJS Ketenagakerjaan) etc. Contract evaluation/inspection is available which is carried out every month, for example inspection documents on April 28, 2023 with GOOD evaluation results. The company shows a list of 55 contractor employees, proof of payment for Health Insurance for the period May 2023 for 55 people paid through Bank Mandiri on May 5 2023, proof of payment for Employment Insurance for the period May 2023 for 55 people paid through Bank Mandiri on May 5 2023 .Proof of payment of wages for contractor workers in May 2023 with the lowest salary of IDR 3,278,000 and the highest of IDR 3,488,475 and examples of contractor work agreements with their employees.
- Agreement with contract number 001/PHLE/JKTO/02/2023–Bangunan dated 01 February 2023 between PT Smart Tbk and PT Tiga Mustika Agung regarding the Housing Development which is valid until 25 December 2023. The agreement has explained the rights and obligations of both parties such as the value of the contract, wages, OHS, insurance (BPJS Kesehatan and BPJS Ketenagakerjaan) etc. Contract evaluation/inspection is available which is carried out every month, for example inspection documents on April 29, 2023, with GOOD evaluation results. The company shows A list of 12 workers is available, proof of health insurance cards for 12 people, for example number 0007369121183 in the name of Wira Rahmadani. Proof of payment for employment insurance paid on May 24, 2023, through Bank Mandiri. Proof of payment of wages for contractor workers in May 2023 with the lowest salary of IDR 3,375,000 and the highest of IDR 4,200,000 and examples of contractor work agreements with their employees.

**2.2.3**

All contractors have already signed the Fact of Integrity, for example:

- PT Universal Transindo Mas signed contract number 001/SMART/JKTO-I/XII/2020 – ATBS dated 02 December 2020 regarding the Transportation of FFB which is valid until 31 December 2024.
- PT Tiga Mustika Agung signed contract number 001/PHLE/JKTO/02/2023–Bangunan dated 01 February 2023 regarding the Housing Development which is valid until 25 December 2023.

The Fact of Integrity stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

**Status: Comply**

**2.3**

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

**2.3.1**

Padang Halaban Mill did not receive FFB from direct and indirect supplier nor collector, it is known that company only received from their own estate.

**2.3.2**

Padang Halaban Mill did not receive FFB from direct and indirect supplier nor collector, it is known that company only received from their 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**

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

		2022	2023	2024	2025	2026	2027
Total	FFB	371,165	377,344	365,646	347,100	324,651	321,287
Processed (ton)							
	CPO (ton)	73,715	75,416	74,453	70,364	65,364	66,767
	OER (%)	19.9	20.0	20.4	20.3	20.1	20,8
	PK (ton)	17,628	18,035	17,804	16,827	15,631	15,224
	KER (%)	4.7	4.8	4.9	4.8	4.8	4,8
	Replanting (Ha)	620.32	-	763.03	671.61	344.16	-

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

**3.1.2**

The company already has a replanting plan for the 2020-2029 period which is listed in the table as follows:

ESTATE	Replanting Program (Ha)									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
PHLE	571.81	0	620.32	0	499.21	671.61	344.16	547.98	0	499.21
PRNE	0	253.97	0	0	263.82	0	0	0	0	0
ADPE	0	0	0	0	0	0	0	0	0	0
KULE	302,93	0	0	0	0	0	0	294.42	243.96	576.83
TOTAL	874.74	253.97	620.32	0	763.03	671.61	344.16	84.240	243.96	107.604

The company has carried out an annual evaluation regarding the replanting program for the 2020-2029 period as stated in the management review meeting, North Sumatra Region Management Review Meeting for 2022 and 2023 which was ratified on April 1, 2023, by the North Sumatra Regional Controller.

**3.1.3**

The company has procedures for conducting management reviews with the number SOP/SMART/GENERAL/SADV/II/010. Management reviews have been carried out at least once a year, for example the company shows records of the implementation of management reviews to carry out periodic evaluations which are contained in the Minutes of Meeting of the North Sumatra Region Management Review Meeting for 2022 and 2023 which were ratified on April 1, 2023, by the North Sumatra Regional Controller. In the Minutes of the Management Review Meeting, a discussion has been made of internal audit/external audit reports, evaluation of internal/external communications, evaluation of requested corrective and preventive actions, evaluation of achievement of Program Objectives, changes to the scope of system planning, changes to organizational policies, organizational performance and recommendations for improvement.

Status: Comply

**3.2**

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

**3.2.1**

The unit of certification has proof of implementation for continuous improvement. some of which are shown as follows:

- Records of the implementation of management reviews to carry out periodic evaluations contained in the Minutes of North Sumatra Region Management Review Meetings for 2022 and 2023 which were ratified on April 1, 2022, by the North Sumatra Regional Controller. In the Minutes of the Management Review Meeting, a discussion has been made of internal audit/external audit reports, evaluation of internal/external communications, evaluation of requested corrective and preventive actions, evaluation of achievement of Program Objectives, changes to the scope of system planning, changes to organizational policies, organizational performance and recommendations for improvement.
- Records of the results of PT SMART's RSPO internal audit which was carried out on March 13 – 17 2023, with the result that there were no discrepancies in the RSPO internal audit.

**Environmental Aspects**

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

- 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.
- Internal audits.

**3.2.2**

Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

Name of RSPO Member	:	Golden Agri-Resources
RSPO Membership Number	:	1-0096-11-000-00
Name of Certified Unit	:	PT SMART Tbk – Padang Halaban Mill
Name of Certification Body	:	PT Mutuagung Lestari
RSPO Palmtrace ID Number	:	RSPO_PO10000001079
Number of Mills	:	1
Number of Estates	:	4
Production Area (ha) - Estate	:	13527
Certified Area (ha) - Estate	:	17179
High Conservation Value (HCV) Area (ha)	:	202
Peatlands - Planted (ha)	:	2363
Peatlands – Unplanted (ha)	:	
Freshwater Usage per PO produced tonne	:	5,01

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.

Status: Comply

**3.3**

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

**3.3.1**

The company has a Technical SOP-IK document for Oil Palm Cultivation starting from land preparation to harvesting which was prepared by the MCAR (Management Committee Agronomy and Research) team in 2012. The SOP document referred to includes planning for planting new areas, Replanting Planning, Nursery, New Land Opening, Planting, Replanting, Pest and Disease Control, Weed Control, Fertilization, Maintenance of Immature Plants, Preparation Before Harvest, Harvest, FFB Loading and Transportation, and Measurement of Rainfall with an Ombrometer.

The company also has a complete SOP related to the processing of palm oil into CPO and PK at the Palm Oil Mill which is contained in SOP for Processing of Palm Oil Mills No. SOP/SMART/MCMD//TM-PKS. SOP made by the Chairperson of MCMD and approved by the Head of Upstream came into effect on December 6, 2013. The SOP includes standard operating procedures at PKS including: FFB Receiving Station, Stewing Activity (Sterilization), *Bantingan* Station (Threshing), Press Station, Clarification Station (clearing), Nut and Kernel Station, Boiler Station and Machine Room, Water Treatment Station and Fresh Waste Treatment.

**3.3.2**

The certification unit already has a mechanism to check the consistent implementation of procedures through the Internal Audit SOP based on number (SOP/SMART/UMUM/SADV//009). Ensuring consistency in the implementation of procedures, the company routinely conducts internal audits for both agronomists and mills. This is held by the Operational Internal Audit Department (OIA) every semester and internal compliance verification once a year. Each unit has documented plantation and mill production operations such as daily reports, supervisory workbooks, etc.

**3.3.3**

The company submitted an Operational Internal Audit Report which was carried out on 13 – 17 March 2023, with the result that there were no discrepancies in the RSPO internal audit. Discuss findings, action plans, Regional Controller responses, Person In Charge and target date. The company also monitors the performance of contractors through compliance audits/internal audits, the company monitors and evaluates contractors through contractor evaluation activities which are conducted once a year. All records of monitoring and actions taken by the company are available and well managed and are in accordance with document control procedures and records with procedure number SOP/SMART/UMUM/SADV//001.

Thus it can be concluded that the company shows evidence of documentation related to monitoring and follow-up that has been maintained.

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 is still in the same period from the previous assessment and carried out independently in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage, and the post-operation stage. Some of the documents held by the certification unit include:

**Environmental Impact Assessment**

- **PT SMART – (Padang Halaban Estate, Adipati Estate, Pernantian Estate, Padang Halaban Mill)**  
In 1993, PT SMART Tbk has prepared an Environmental Evaluation Study (SEL) document which was approved by the Ministry of Agriculture on July 28, 1993 with No. RC.220/1262/B/VII/1993 for a total concession area of 7,660 ha with a factory capacity of 60 tons/hour. Therefore, the Pernantian and Adipati unit plantations located in Marbau District are not included in the PT SMART Tbk SEL document.

With the issuance of the Decree of the State Minister of Environment No. 12 of 2007 concerning DPPLH for businesses and/or activities that do not have an Environment Management Document on March 25, 2007, with a reply to letter No. B-5502/Dep.I/1h/07/2008 regarding the fulfilment of completeness of PT SMART Tbk's DPPL document data. The certification unit has environmental documents in the form of Environmental Management and Monitoring Documents (DPPL) of PT SMART Tbk's Oil Palm Plantation and Processing Factory in 2009 in Aek Kuo District, NA IX-X, Marbau, Bilah Hilir, Labuhanbatu Utara Regency, North Sumatra Province. Through Governor Decree No. 1888.44/506/KPTS/2010 dated August 16, 2010. With a total area of 12,332.99 ha which is divided into 3 units, namely Padang Halaban, Pernantian and Adipati Units, which are located in 4 different stretches. The Palm Oil Mill is located in the Padang Halaban unit with a processing capacity of 60 tons of FFB/hour. RKL RPL Matrix, including;

- Air quality
- Noise
- Soil Quality
- Surface water quality
- Ground water quality
- Flora and fauna
- Job and business opportunities
- People's attitudes and perceptions
- Public health

• **PT MP Leidong West Indonesia (Kanopan Ulu Estate)**

Environmental Management and Monitoring Documents PT MP Leidong West Indonesia Palm Oil Plantation, in the Districts of Kualuh Hulu and Kualuh Hilir, Labuhanbatu Utara Regency, North Sumatra Province in 2009. Through the Decree of the Governor of North Sumatra No. 188.44/424/KPTS/Tahun 2010 dated June 23, 2010. The area of Kanopan Ulu plantation based on the HGU permit is 4,845.85 ha. However, the area managed by the plantation is currently only 3,319.56 ha, because there are several areas that are still controlled by the community. RKL RPL Matrix, including;

- Air quality
- Noise
- Soil Quality
- Surface water quality
- Groundwater quality
- Flora and fauna
- Employment and business opportunities
- People's attitudes and perceptions
- Public health.

Identification of High Conservation Values (HCV) at PT SMART Tbk in Labuan Batu Regency with a total conservation area of 399.25 ha and for Kanopan Ulu Estate unit area of PT MP Leidong West Indonesia in Kanopan Ulu Plantation Village, Kualuh Hulu District, North Labuhanbatu Regency with total conservation area is 4.75 ha. HCV assessed by HCV Identification Team PT SMART Tbk Environmental Department's in 2011 consist of protected and endangered species areas, river riparian, and cemetery. HCV areas was mapped by 1:100,000 scale and this HCV identification covered all estates/mill operational areas including surrounding landscape and RTE species.

**Social Impact Assessment**

• **PT SMART – (Padang Halaban Estate, Adipati Estate, Pernantian Estate, Padang Halaban Mill)**

Study Report on Identification of Social Impacts of Oil Palm Plantation of PT SMART Tbk Padang Halaban Estate & Mill in Aek Kuo District, Labuhanbatu Utara Regency, North Sumatra Province in 2010 by SMART Research Institute. Assessing the evaluation of the social impacts caused through the aspects of population, economy, and socio-culture.

The SIA document contains evidence of the participation of affected villagers, as well as internal stakeholders. Participation was carried out through interviews and focus groups involving village and community leaders (Perkebunan Padang Halaban Village, Aek Korsik Village, Perkebunan Paningoran Village, Karang Anyar Village, Sidomulyo Village, and Purworejo Village), traditional leaders, youth leaders, and others. The results of the consultation meetings have been summarized in the SIA report. As part of

social impact management, the company has carried out Corporate Social Responsibility (CSR) alignment by considering the results of the AMDAL study and Social Impact Analysis. The results of the social impact study explain the impacts, proposed action plans and targets achieved, among others related to:

Positive impact:

- Socio-cultural sector: mass circumcision, compensation for orphans and the elderly, cheap basic necessities, social activities for residents assisted by companies such as; sports, commemoration of national holidays, religious holidays), residents have no difficulty in taking care of those who are grieving because there is a death fund, orphanage funds every year, and repair of worship facilities.
- Economic sector: employment opportunities, shepherding in the estate area, new business opportunities for community, and economic improvement and development of the village area around the plantation.
- Health sector: free medical treatment, construction of culverts, community getting access to clean water during special events, cleaning of ditches separating estates and communities by the company.
- Education sector: improvement of facilities, additional extracurricular activities at school.
- In the field of public facilities and infrastructure: road repairs, easy access to roads if the community is harvesting in private plantation.

Negative impact:

- PHLE: unequal distribution of labor from certain villages as plantation employees, noise from transporting FFB, a lot of dust due to estate transportation, and aid being distributed unevenly or on target.
- PHLM: empty beds with the smell of animals around them which disturbs residents, workers from the village have not been evenly distributed as estate employees, noise from transporting FFB, and a lot of dust due to estate transportation.

• **PT MP Leidong West Indonesia (Kanopan Ulu Estate)**

Study Report on Identification of Social Impacts of Palm Oil Plantation of PT MP Leidong West Indonesia in 2010 by SMART Research Institute. The SIA document contains evidence of the participation of affected villagers, as well as internal stakeholders. Participation was carried out through interviews and focus groups involving village and community leaders (Damuli Pekan, Sialang Taji, Pulo Dogom, Kanopan Ulu, Perpaudan, Aek Kanopan), traditional leaders, youth leaders, and others. The results of the consultation meetings have been summarized in the SIA report. As part of social impact management, the company has carried out Corporate Social Responsibility (CSR) alignment by considering the results of the AMDAL study and Social Impact Analysis.

Positive impact:

- Opportunity to work
- The development of the area and the economy of the population around the village increases
- Residents are free to heard, to take sticks (*lidi*), and use the main road (residents access to their private estate)
- Construction of worship facilities
- Road facilities and infrastructure are built and maintained
- There are social activities that help the community
- Residents' access to estate facilities (football field, and construction of a motorcross arena by the estate).

Negative impact:

- Uneven distribution of labor in the villages around the plantation
- Completion with employee recruitment also considers the village origin of the prospective employee so that employee acceptance based on village origin can be more evenly distributed.
- Roads that have not been repaired, and dust pollution from the transportation of plantations and mills around the plantations.
- The solution is to repair roads in Pulo Dogom and water the roads during the dry season in the village of Silang Taji.

Based on document review, there are several impacts which has been identified including negative and positive impacts. Based on result of interview with representatives of community (e.g Brussels Village and Padang Halaban Village), governmental institutions, and internal stakeholders of PT SMART and PT MP Leidong there is no issue which has not been identified in SIA document.

### 3.4.2

#### **Environmental Impact Assessment**

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

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

- Proof for reporting RKL-RPL document and Land Application for Semester II 2022 to DLH of North Labuhanbatu Regency and North Sumatra Province, on April 14, 2023.
- E-reporting (ID:2203) PT SMART Tbk's RKL RPL Semester II 2022 report dated April 13, 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- E-reporting (ID:640) PT SMART Tbk Hazardous Waste report on March 20, 2023, Q1 of 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- Proof for reporting PT SMART's KBKT Management and Monitoring Implementation report for the 2022 period to the BKSDA of North Sumatra Province on April 18, 2023.
- E-reporting (ID: 3967) RKL RPL report for Semester II 2022 period PT MP LWI (KULE) dated 12 March 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- E-reporting (ID: 3549) PT MP LWI (KULE) Hazardous Waste report on 08 April 2023 Q1 2023 to DLH Labuhanbatu Utara Regency, DLH North Sumatra Province, and KLHK.
- Proof for reporting PT MP LWI's KBKT Management and Monitoring Implementation report for the 2022 period to BKSDA of North Sumatra Province on 18 April 2023.

### **Social Impact Assessment**

The social impact monitoring and management plan has been managed and monitored through the SIA Implementation Report PT SMART Tbk (2021-2022 period) and PT MP Leidong West Indonesia Kanopan Ulu Estate (2022 period), Labuhanbatu Utara Regency, North Sumatra Province, Meanwhile, for 2023 period is still on drafting process, although social issues have been managed in each of the departments involved. For example;

- Improving the local community's economy from the presence of contractors.
- Improving the quality of road access by the company.
- Provision of routine social assistance to the surrounding community.
- Absorption of local manpower.

Social program from companies related to community development, economic improvement of the surrounding community, strengthening communication and networks with stakeholders, environmental improvement programs, and reforming the workforce. The program is equipped with activities to be carried out, challenges, opportunities, implementation strategies, expected outcomes, and implementation timelines. The planned program comes from the results of the Focus Group Discussion carried out in SIA activities that have been carried out in villages around company is added with the results of the analysis. The program is a general plan that will be implemented by the company based on the analysis of stakeholder needs and mapping of stakeholders related to company either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication, and cooperation with all stakeholders in order to achieve the company's goals. Activities are derivatives of programs that have been planned and are technical activities that will be carried out by the company in the context of implementing the planned program.

Based on interviews with surrounding villages (e.g Brussels Village and Padang Halaban Village), it is known that the social impact of the existence of companies such as partnerships with efforts to provide scholarships and CSR. Both impacts have been covered in the SIA study document.

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

### **3.4.3**

#### **Environmental Impact Assessment**



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.

**Social Impact Assessment**

The social management and monitoring plan is implemented, monitored and updated periodically in a participatory manner. In general, the social management plan of PT SMART Tbk and PT MP LWI are grouped into the social community, strengthening stakeholders, social culture and employment. The planned program is derived from the results of the Focus Group Discussions held in SIA 2022 activities that have been carried out in villages around company and the workers/employees within the company (already explain in 3.4.1).

Based on the results of the study of the SIA document, The company has a Social Impact Assessment Management and Monitoring Plan (SIA) which is prepared every 2 years, by collecting data related to community perceptions which is carried out periodically every year. Information was obtained that the last public perception data collection already carried out as shown in the minutes of the event held on June 9-10, 2022.

Status: Comply

**3.5**

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

**3.5.1**

Unit of Certification has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labour Agreement 2022-2024 written in Bahasa. In general, these procedures describe:

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

In addition to being publicly listed in letter of agreement, Unit of Certification has other procedures in the form of Policies, SOPs, Internal Memorandums and others related to recruitment, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives.

For example, Unit of Certification has also shown temporary workers agreements in estates which is such as Contract agreement (PKWT) number 001/PHLE/PKWT/05/2023 dated 02 May 2023 on behalf ADN which is valid until 31 October 2023 with a wage of IDR 3,275,000. The contract has explained the rights and obligations of both parties, including PPE, OHS etc.

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

**3.5.2**

Unit of Certification has documented all labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. For example, Unit of Certification has shown labor procedures that have been implemented and are well documented as shown below:

**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.

**Termination due to retirement**

Termination document such as the management decree of employment's termination number 93/MM/PHLM/V/2023 May 22 2023 on behalf of SMR (initial). The company also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.

**Promotion**

Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MWP (initial) who was promoted from PT-4A to PT-3 in accordance with the KULE Manager Decree number 001/SK-MGR/IX/2022 dated 01 September 2022.

Based on interviews with workers (harvesting, spraying and mill operators) in note that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion, and retirement procedures in accordance with existing regulations, as well as all the application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received promotion / class promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During past year there were no labor issues that occurred at certification unit, this was strengthened by the results of consultations with the workers union, the Manpower and Transmigration Agency of Labuhanbatu Utara Regency which stated that the application of existing labor procedures certification unit is in accordance with the regulations and since 2022 until now there have been no labor issues.

Status: Comply

**3.6**

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

**3.6.1**

Mitigation plans have been implemented, including the availability of workers assigned to the field and other work locations and have received training in First Aid in Accidents and providing emergency and OHS control facilities (described in indicator 6.7.2), providing personal protective equipment for workers (explained in indicator 6.7.3) and others.

In addition, the company also monitors the implementation of mitigation plans and issues related to OHS, which are carried out routinely in P2K3 meetings (explained in indicator 3.6.2).

The company has also reported the implementation and monitoring results of the mitigation plan in the P2K3 quarterly report to the Manpower Office.

The unit of certification has carried out a risk assessment to identify Occupational Health & Safety issues in all operations, which is documented in the document Hazard Identification, Risk Assessment and Risk Control (HIRARC), for example in PHLM period 2023, which was approved by the chairman of P2K3 on 30 March 2023, which was made by the Secretary of P2K3. The document describes the type of work, potential hazards/risks that will arise, effects and risk categories, as well as risk controls. Explains the results of hazard identification and its control in FFB weighing operations, loading ramp stations, sterilizer station operations, thresher stations, press station operations, boiler station operations and so on.

**Opportunity for Improvement**

Based on the results of observations at the POM, it was found that third-party drivers were wearing *Gambir* shoes and loafers when weighing FFB at the weighbridge. Then the company has conducted socialization and given warnings to third parties regarding the orderly use of PPE in the mill area. Then, the company also provides special PPE inventory for third parties who will enter the factory area if found not using PPE in accordance with the risk analysis and control at the mill.

The company has the opportunity to ensure that the implementation of risk analysis and control in the mill is in accordance with the stipulated conditions.

**3.6.2**

The Company's OHS plan compiled in 2022-2023 has been evaluated with the results of the OHS program having all been realized/closed. The company also monitors the effectiveness of the OHS program periodically which is carried out in OHS Committee meetings which have also been held routinely every month with discussions of OHS issues and their follow-up.

The following is an example of an OHS plan and realization in 2022-2023:

- Building and Land Fire Control Simulation Training and Work Accident Management on February 3, 2023, which was attended by 26 workers at ADPE.
- Fire Simulation Training on February 27, 2023, which was attended by 23 workers at PRNE.
- Training on spray and fertilizer applications, B3 and LB3 control, and PPE on March 28 and 29 2022 attended by maintenance foremen, division clerks, warehouse employees, and maintenance employees (Division 1,2,3,4.) and (Division 5) ,6,7,8) with a total of 199 participants in PHLE.
- Regular OHS committee management meetings are planned and implemented every month.

Based on the evidence above, it is concluded that the company has an effective OHS plan and realization.

Status: Comply

**3.7**

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

**3.7.1**

The unit of certification has an identification and training program for 2022-2023 to improve the competence and expertise of all employees, including contractors. The company has identified the need for competency standards and training proposals for each employee, for example:

- Firefighting simulation training for emergency response team.
- First aid training
- Pesticide application training for pesticide application workers.
- Training on the use of PPE for harvesting, pesticide application, and warehouse workers.

The following is an example of training/socialization documentation that has been carried out, for example:

- Training on spray and fertilizer applications, B3 and LB3 control, and PPE on March 28 and 29 2022 attended by maintenance foremen, division clerks, warehouse employees, and maintenance employees (Division 1,2,3,4.) and (Division 5) ,6,7,8) with a total of 199 participants in PHLE.
- Socialization of GSEP, Human Rights, K3, HCV, Environment, Employment Policy on June 2, 2023 which was attended by Employees and Spray Foremen, with a total of 11 participants at KULE.
- Building and Land Fire Control Simulation Training and Work Accident Management on February 3, 2023 which was attended by 26 workers at ADPE.
- Fire Simulation Training on February 27, 2023, which was attended by 23 workers at PRNE.

**3.7.2**

The Unit of Certification also shows that they have properly documented every training and outreach activity that has been carried out to all workers, contractors, smallholders and related stakeholders. The following is an example of training/socialization documentation that has been carried out, for example:

- Training on spray and fertilizer applications, B3 and LB3 control, and PPE on March 28 and 29 2022 attended by maintenance foremen, division clerks, warehouse employees, and maintenance employees (Division 1,2,3,4.) and (Division 5) ,6,7,8) with a total of 199 participants in PHLE.
- Building and Land Fire Control Simulation Training and Handling Work Accidents on February 3, 2023 which was attended by 26 workers at ADPE.
- Socialization of GSEP, Human Rights, K3, HCV, Environment, Employment Policy on June 2, 2023 which was attended by Employees and Spray Foremen, with a total of 11 participants at KULE.
- Building and Land Fire Control Simulation Training and Work Accident Management on February 3, 2023 which was attended by 26 workers at ADPE.
- Fire Simulation Training on February 27, 2023, which was attended by 23 workers at PRNE.

Based on field observations and interviews with workers (harvesters, maintenance workers, warehouse staff, and factory operators), it is known that the company provides several training programs to improve workers' skills and competencies. All workers also demonstrate a fairly good understanding of the duties and responsibilities of each job.

**3.7.3**

The SCCS training was conducted on May 23, 2022, which was attended by Managers, Askep, KTU, Process Assistants, SPO Officers, M&R Assistants and Lab Assistants through online training conducted by the OSDV team. Then, training for all employees related to traceability will be carried out on June 25, 2022.

Based on interview to the workers involved in SCCS operations, such as security (for FFB receiving verification), weighbridge operator, and Administration Head (for recording and monitoring the IP data), known that the workers understood the SCCS mechanism, and the IP record has conducted and monitored well.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1, 3.8.2 & 3.8.15**

Padang Halaban Mill was used RSPO supply chain of Identity Preserved module because mill only received certified FFB.

**3.8.3**

Estimated certified product recorded in the last assessment report. Actual certified produced has been verified during this assessment and not exceed the estimate. The estimates of certified production for the next license period describe at ASA-2.1 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected Certified Volume (15 September 2022 to 23 August 2023) (MT)	*Actual (MT)
FFB Certified	270,927.61	268,506.91
CSPO	64,148.93	63,610.19
CSPK	17,215.47	17,084.34

*\*Actual production 12 months before audit (June 2022 – May 2023)*

**3.8.4**

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

- Member Name: PADANG HALABAN PALM OIL MILL - PT SMART Tbk.
- License ID: CB137867
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000001079
- RSPO Membership Number: 1-0096-11-000-00 (Golden Agri-Resources Ltd)
- Type of Business: Oil Mill
- Supply chain model: Identity Preserved

**3.8.5**

Padang Halaban Mill had procedure for SCCS with MB or IP model in SOP of FFB Processing (No. SOP/SMART/MCMD/II/TM-PKS), SOP of Reporting of Certified Product (No. SOP/SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP/SMART/UMUM/SADV/II/001). The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Auditors conduct interviews with workers who are responsible for the delivery of certified products, namely weighing operators. Operators are able to explain the technical acceptance of certified FFB, sales of CPO/PK and also the reporting mechanism if there is an error in recording information.

**3.8.6**

Procedures regarding internal audit are listed in the Internal Compliance Verification SOP document number SOP/SMART/SUST/II/009 dated 1 July 2014. In point 4.6.1, it is explained that the internal audit is conducted once a year.

Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 13-17 March 2023. Management Review of RSPO SCCS implementation conducted on 1 April 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process perform and product compliance, follow up of previous management review, actions taken regarding the findings 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 June 2022 to May 2023:

Period	FFB (ton)		Total
	Certified	Non-Certified	
June 2022 to May 2023	268,506.91	0	268,506.91

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

Products	Last Year Projected	Last Year Actual
	Certified Volume (15 September 2022 to 23 August 2023) (MT)	Certified Volume (June 2022 to May 2023) (MT)
FFB Certified (MT)	270,927.61	268,506.91
CSPO (MT)	64,148.93	63,610.19
CSPK (MT)	17,215.47	17,084.34

Related for handling non-conforming oil palm products, has been set in the SOP for Handling Complaints and Dissatisfaction with the Sustainability and Strategic Stakeholder Engagement Directorate 2017, document number SOP/SMART/GIMS-SCMD/USDV/II/001, Rev.2.0. This procedure is generally applied to all complaint's aspects, including complaints and non-conforming products from customers/buyers.

### 3.8.8

The mill has product information provided in such as document of contract agreement, delivery order, delivery ticket, report of loading, weighbridge ticket and other invoices, as example at invoices of CSPO certified delivery on 19 May 2023 for 29.18 ton. The information provided on invoices are:

- The name and address of the buyer (PT SMART Tbk – Belawan);
- The name and address of the seller (PT SMART Tbk – Padang Halaban Mill Labuhanbatu Utara)
- The loading or shipment / delivery date (19 May 2023);
- A description of the product supply chain model (Identity Preserved)
- The date on which the documents were issued (19 May 2023);
- The quantity of the products delivered (29.18 ton);
- Any related transport documentation (transport by PT Kereta Api Indonesia);
- A unique identification number (23050668);
- RSPO certificate number (MUTU-RSPO/151);
- Etc.

### 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, as shows through several Work Agreement as follows:

- CSPO Transporter of CV Sejahtera Abadi No. 157/SMART-SPK/DT/P/05/23 dated 26 May 2022, valid thru 2 June 2023.
- CSPO and CSPK Transporter of PT KAI (Kereta Api Indonesia) with number Addendum II: KL.701/XII/7/KA-2020 with PT. SMART Tbk dated 15 December 2020 with period valid for 5 years from the date of agreement.

To ensure contractors comply with the RSPO Supply Chain, the document contains a clause governing transport allowing the certification body to conduct an audit to the location of transport.

**3.8.10 & 3.8.11**

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:

1. CV Sejahtera Abadi (CPO transporter)
2. PT KAI (Kereta Api Indonesia) (CPO & PK transporter)

**3.8.12**

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

The Mill has SOP of Record and Document Handling No. SOP/SMART/UMUM/SADV/1/001, dated 1 July 2014, stated that all records shall be kept within 10 (ten) years. To the auditors the company can show all the required documents covering all aspects of this RSPO Supply Chain Certification Standard requirements such as record of certified product shipping, sales contract, delivery order / invoice, production report and product sales. Based on document review known that the mill still kept the document according to the procedure.

Record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of June 2022 to May 2023:

Period	CPO (ton)		Total
	Certified	Non Certified	
June 2022 to May 2023	63,610.19	-	63,610.19

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme	Non Certified	
Total	62,782.31	-	-	62,782.31

Period	PK (ton)		Total
	Certified	Non Certified	
June 2022 to May 2023	17,084.34	-	17,084.34

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non Certified	
Total	16,599.78	-	-	16,599.78

**3.8.13 and 3.8.14**

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for June 2022 until May 2023 i.e OER 23.09% and KER 6.24%. Periodically update of extraction is actual extraction.

**3.8.16**

RSPO IT Platform member registration number for Padang Halaban Palm Oil Mill is RSPO\_PO1000001079. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers and traders not more than three months after dispatch. For example:

- Certified PO sold to PT Maskapai Perkebunan Leidong West Indonesia dated 23 December 2022 for 407,01 MT and transaction creates in IT Palm Trace (number of transaction ID TR-99c230a8-70af) dated 29 December 2022.
- Certified PK sold to PT Maskapai Perkebunan Leidong West Indonesia dated 23 November 2022 for 91,5 MT and transaction creates in IT Palm Trace (number of transaction ID TR-08b07f68-fa09) dated 28 November 2022.

**3.8.17**

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

**Status: Comply**



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

**4.1**

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

**4.1.1**

Unit of Certification has already Sinarmas Agri Business and Food Human Rights and Business Policy which was passed on 12 December 2019 by Head of Policy Compliance Division. In this document, Golden Agri Resource (GAR) commitment to respect human rights (HAM) in all lines of operations is manifested in GAR's Social and Environmental Policy. In implementing human rights policies and running a responsible business GAR is committed to:

- Respect workers' rights and dignity in accordance with legal provisions, treat them fairly without discrimination and build harmonious industrial relations
- Respect workers' rights in terms of freedom of opinion, collective bargaining, and forming and joining trade unions / labor unions
- Prevent forced labor practices and do not use workers resulting from human trafficking
- Ensure that child labor is not employed in all lines of operation
- Ensuring the safety of the work environment and company operations
- Recognizing the equal rights and participation of women around the operating unit
- Creating a working area that is safe and healthy and provides environmental protection
- Respect the rights of local and customary communities in which the company operates
- Respect and protect the rights of whistle-blowers and human rights defenders
- Comply with legal provisions regarding the prevention of bribery and corruption
- Take steps to recover and resolve negative impacts if there are human rights violations through a transparent and legal process.

This policy is routinely communicated to all levels of the workforce, operations, supply chain and local communities. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of Human Rights Policy to representatives of surrounding community on 9-10 June 2022 which was attended by 15 participants and socialization at PHLM on 27 February which was attended by 88 participants.

Based on complaint record review and interview with gender committee, labor unions and Manpower Agency of Labuhanbatu Utara Regency, it could be concluded that relationship between Unit of Certification, its employee and external stakeholder was considered in conducive situation. There was no violation case of human rights contributed by PT Tapan Nadenggan. Furthermore, issues and report data from NGO was not available.

**4.1.2**

Based on the interviews with surrounding communities and workers, it showed that up until this assessment, if there was not any conflicts or disputes with Unit of Certification. Resolution action taken was deliberation without involving any violence's or mercenaries. Resolution of conflicts/problems using these deliberations has been quite effective and during past year there have never been any conflicts/problems in operational area.

**Status: Comply**

**4.2**

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

**4.2.1**

Unit of Certification has mechanisms and complaint handling system is described in SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. The protection for whistle-blowers is contained in document point 2.2.1. GAR Social & Environmental Policy (GSEP) been socialized to internal and external stakeholders. Unit of Certification also showed record of socialization for internal and external stakeholders. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of GSEP and Complaint Procedure to representatives of surrounding community on 9-10 June 2022 which was attended by 15 participants and socialization at PHLM on 27 February which was attended by 88 participants.

Based on interviews with workers, smallholders, contractors and representative communities (Head of the Brussels Village and Padang Halaban Village), it revealed that they had good understanding of grievance mechanism and personnel who served as

communicators between unit certification and community so that illiterate people can be informed by related communicators. In addition, during past year, there were no complaints or disputes that occurred between company and surrounding communities.

Based on this explanation, it can be concluded that the certification unit has procedures/communication systems, complaints and conflict resolutions available for all affected parties, can resolve disputes effectively, in a timely and appropriate manner, and ensure the protection of the identity (anonymity) of the complainant, human rights defenders, community representatives, whistleblowers, if requested, as long as the report is supported by sufficient preliminary evidence.

#### **4.2.2**

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response.

The procedure states that parties who cannot read and write can be accompanied by a trusted representative or carried out by displaying the procedure in writing or by showing pictures to explain related procedures that are owned. Based on interviews with representative communities ((Head of the Brussels Village and Padang Halaban Village), it was explained that community representatives had understood the complaint procedure.

#### **4.2.3**

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response. Other than that, the mechanisms of complaints and grievances of workers described in Chapter XXII of CLA Article 3. In the event of employee complaints of employment, worker may submit the matter to the Labor Union to discuss with the company; if it cannot be resolved, settlement efforts are channelled through the procedure of Law No. 2 in 2004 regarding to industrial relation dispute settlement.

To ensure that the procedure can be understood by employees and surrounding community who cannot read and write, Unit of Certification has conducted socialization directly to employee and surrounding community. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of GSEP and Complaint Procedure to representatives of surrounding community on 9-10 June 2022 which was attended by 15 participants.

Based on verification of logbook of complaints, known that there are only internal complaints that submitted to the company and no complaints from external parties. Based on interview with internal stakeholder such as workers and labor union, known that all complaints have been responded by company. Based on interview with external stakeholder such as village representatives (Head of the Brussels Village and Padang Halaban Village), government agency, previous landowner also known that there are no complaints to the company.

#### **4.2.4**

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or

according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response. Other than that, the mechanisms of complaints and grievances of workers described in Chapter XXII of CLA Article 3. In the event of employee complaints of employment, worker may submit the matter to the Labor Union to discuss with the company; if it cannot be resolved, settlement efforts are channelled through the procedure of Law No. 2 in 2004 regarding to industrial relation dispute settlement.

To ensure that the procedure can be understood by employees and surrounding community who cannot read and write, Unit of Certification has conducted socialization directly to employee and surrounding community. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of GSEP and Complaint Procedure to representatives of surrounding community on 9-10 June 2022 which was attended by 15 participants.

Based on verification of logbook of complaints, known that there is only internal complaints that submitted to the company and no complaints from external parties. Based on interview with internal stakeholder such as workers and labor union, known that all complaints have been responded by company. Based on interview with external stakeholder such as village representatives ((Head of the Brussels Village and Padang Halaban Village), government agency, previous landowner also known that there are no complaints to the company.

Status: Comply

**4.3**

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

**4.3.1**

Unit of certification carries out strategic planning and community development plans by involving the community through FGD activities to discuss community development work plans which are attended by the Village government, elderly and community representatives. In the preparation activity, there were several discussions related to community development work plans, including in the fields of cultural aspect, social aspect, and community development aspect. During the audit the company has shown the realization of the CSR program for the period of 2022, for example:

- Social: youth and sports event donation
- Education: honorariums to local teachers and scholarships
- Health: *posyandu* for toddlers, blood donors, and general examination
- Infrastructure: road maintenance, tree planting in village around
- Economy: donation for Old Widows, local contractor empowerment program, bazar
- Religion: donation for MTQ event in Aek Kuo District, Simpang Empat Village
- Etc.

The results of interviews with representatives of the surrounding community (Head of the Brussels Village and Padang Halaban Village), known that the company has been realized assistances or CSR as a form of community development contribution and was carried out based on consultation with the community.

Status: Comply

**4.4**

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

**4.4.1**

The company has land rights in the form of HGU in accordance with Government Regulation no. 40 of 1996 with a total area of 17,178.84 Ha. The land rights consist of:

**PT SMART Tbk**

**Padang Halaban Estate**

- HGU No.1 covering an area of 5,509.39 ha in Padang Halaban Village, Aek Natas District, Labuhanbatu Regency with an end date of 22 April 2024 for PT Smart, tbk based on HGU Decree No. 95/HGU/BPN/1997.
- HGU No.43 covering an area of 372 ha in Panigoran Village, Aek Kuo District, North Labuhanbatu Regency with an end date of

31 December 2037 for PT Smart, Tbk based on HGU Decree No.31-VIII-1994.

- HGU No.2 covering an area of 1,583.53 ha in Panigoran Village, Aek Natas District, Labuhanbatu Regency with an end date of 22 April 2024 for PT Panigoran based on the Decree of the Minister of ATR No.99/HGU/BPN/1997. Equipped with proof of the rental agreement (No. 001/SPK/PPP-SMART/I/2021-SEWA TANAH) which was stipulated on January 4, 2021, between PT PP Panigoran and PT Smart, Tbk. In the agreement, PT PP Panigoran promised and bound itself to lease the land to the company in good condition. The agreement is valid for a period of 5 years ending on December 31, 2025.

**Pernantian Estate**

- HGU No.1 covering an area of 1,462.07 ha in Pernantian Village, Marbau District, Labuhanbatu Regency with an end date of 22 April 2030 for PT Smart, Tbk based on the Decree of the Head of BPN No. 97/HGU/BPN/1997.
- HGU No.1 covering an area of 916 ha in Silumajang Village, NA IX-X District, Labuhanbatu Regency with an end date of December 31, 2031, for PT Smart, Tbk based on the Decree of the Minister of Home Affairs No. 14/HGU/DA-/1976.

**Adipati Estate**

- HGU No.1 covering an area of 896 ha in Aek Hite Toras Village, Gaya Baru Marbau District, Labuhanbatu Regency with an end date of 31 December 2080 for PT Smart, Tbk based on the Decree of the Head of BPN No. SK.8/HGU/BPN/1991.
- HGU No.5 covering an area of 1,594 ha in Negeri Lama Seberang Village, Bilah Hilir District, Labuhanbatu Regency with an end date of 31 December 2080 for PT Smart, Tbk based on the Decree of the Head of BPN No. 109/HGU/BPN/2004.

**PT MP Leidong West Indonesia****Kanopan Ulu Estate**

- HGU No.1 covering an area of 1,408.21 ha in Kanopan Hulu Village, Kualah Hulu District, Labuhanbatu Regency with an end date of 22 April 2024 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No.118/HGU/BPN/1997.
- HGU No.1 covering an area of 2,980.14 ha in Tanjung Pasir Village, Kualah Hulu District, Labuhanbatu Regency with an end date of 31 December 2030 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No.45/HGU/BPN/95.
- HGU No.1 covering an area of 354.10 ha in Damuli Village, Kualah Hulu District, Labuhanbatu Regency with an end date of April 1, 2023 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No. 122/HGU/BPN/1997.
- HGU No.18 covering an area of 103.4 ha in Damuli Pekan Village, Kualuh Selatan District, Labuhanbatu Regency with an end date of 22 July 2043 for PT MP Leidong West Indonesia based on the Decree of the Regional Head of the National Land Agency of North Sumatra Province No.01-540.2.22-2007.

The company already has a plantation business license, here's the detail:

- Plantation Business Registration Letter by the Directorate General of Plantation Production Development, Ministry of Agriculture (No.: HK.350/253/Dj.Bun.5/III/2001, dated March 30, 2001) with an area of 10,749.46 ha and a product processing unit with permit capacity of 60 tons FFB/hour.
- Plantation Business Registration Letter by the Ministry of Forestry and Plantations of the Republic of Indonesia (No. 761/Menhutbun-VII/2000, dated June 29, 2000) with an area of 1,583.53 ha.
- Plantation Business Registration Certificate by the Director General of Plantations, Ministry of Forestry and Plantations (No. 762/Menhutbun-VII/2000, dated June 29, 2000) with an area of 1,408.21 ha.
- Plantation Business Permit by the Head of Plantation Office of North Sumatra Province (No. 503/683/F, April 17, 2002) with an area of 103.4 ha.
- Cultivation Plantation Business Permit (IUP-B) for Palm Oil Plantation PT MP Leidong West Indonesia Kanopan Ulu Plantation – Tanjung Pasir Estate by Decree of the Regent of North Labuhanbatu (No. 503/629/TAPEM/2013, April 22, 2013) with an area of 2,980.14 ha.
- Cultivation Plantation Business Permit (IUP-B) for Palm Oil Plantation PT MP Leidong West Indonesia Kanopan Ulu Plantation – Siranggong Estate by Decree of the Regent of North Labuhanbatu (No. 503/630/TAPEM/2013, April 22, 2013) with an area of 354.10 ha.

The average actual processing capacity for the past one-year period is still below the stipulated permit, which is below 60 tons/hour (58,39 ton/hour).

Based on interviews with the Head of Padang Halaban Village and the Labuhanbatu Utara District Land Office, information was obtained that there were no land disputes.

**4.4.2**

Based on latest assessment, no additions are made to the company's operations. Land clearing has been carried out previously before 2000. Land compensation documents along with the negotiations have been well documented in the D&L section stored in the Sumatra Utara Regional Office. The documents stored are, documents related to the process of land compensation, proof of payment, documentation of activities, to a participatory map between the seller and the company.

**4.4.3**

The CH has had SOP related land identification and compensation (No. SOP/NP/SMART/VII/D&L002, dated 01 July 2010) which set land identification, calculation and compensation for land acquisition mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

Based on document review, known that previous land acquisition did not diminish community's legal rights. Based on land acquisition documents, known that the documents made in Indonesia language, has include the maps, price agreement, evidence of payment, and signed by both party as well as Village Officials. The latest land compensation has been conducted before 2000. Based on management interviews, it is known that the CH has no plans to expand the land by legal compensation for community.

**4.4.4, 4.4.5 & 4.4.6**

Based on latest assessment, there was no increase in the company's operational area. The last land compensation process was carried out before 2000. During the release of land, in general, the owner of the land acts as a representative for himself. Regular reviews of the FPIC process are embodied in the SIA document which functions to highlight the social issues of the affected people including land issues. All records were made in Indonesian, clear proof of payment and signed by both parties between the company and the land seller (local community) without coercion.

Status: Comply

**4.5**

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

**4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7 & 4.5.8**

Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional *GRTT* records before 2000. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The documents for the compensation process have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses. Existing and well-documented agreements are one that the FPIC process has implemented.

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

Status: Comply

**4.6**

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

**4.6.1, 4.6.2**

The certification unit shows the Technical Guidelines for Land Preparation: Land / Land Compensation Document Number: SOP / NP / SMART / VII / D & L002 dated 1 July 2010. Procedures include explaining the land identification process, outreach to the community, physical inventory, to the compensation process.

Completeness of compensation payment documents: receipts, documentation, identification cards (*KTP*), minutes of land over and compensation, certificates of land ownership, statement letters, detailed maps of land and attendance lists of land measurements /



<p>percil.</p> <p><b>4.6.3</b>          Until the latest assessments were carried out there were no new GRTTs. The last land acquisition was carried out before 2000. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community takes into account gender, community leaders, local or transmigrant communities, ethnic groups, etc.</p> <p><b>4.6.4</b>          Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional <i>GRTT</i> records out before 2000. The certification unit can show land compensation documents which include informing about news. measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The compensation process documents have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses.</p> <p>Based on the results of interviews with representatives of surrounding Villages, there are no issues of dispute or other land issues with the company.</p>	
	<b>Status: Comply</b>
<p><b>4.7</b>  <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b></p>	
<p><b>4.7.1; 4.7.2; 4.7.3</b>          The land compensation process was completed by the company in 1990. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that the identification of participatory maps related to legal ownership of the community takes into account gender, community leaders, local or transmigrant communities, ethnic groups, etc.</p> <p>As the results of public consultations with community representatives from surrounding Villages, one of the positive impacts of opening a company is the opening of road access. They stated that prior to the existence of the company, the community's access to interact with other areas was only through rivers. After the company exists, the community can access the company's roads for daily activities.</p> <p>Representative of surrounding villages also stated that the company's existence also provided access to recruitment and use of local contractors. Until the time of the audit, the company has not carried out any new land clearing activities or extension. Currently, the company is only carrying out replanting activities on existing operational areas.</p> <p>Based on the results of interviews with representatives of surrounding villages, there are no issues of dispute or other land issues with the company.</p>	
	<b>Status: Comply</b>
<p><b>4.8</b>  <b>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.</b></p>	
<p><b>4.8.1; 4.8.2; 4.8.3; 4.8.4</b>          The certification unit has SOP for Social Conflict Handling Document No SOP / SMART / SENS-CSR / SADV / I / 002, dated 1 July 2014, revised Mei 18, 2016. The procedures include explaining the conflict information, conflict analysis, coordination of conflict handling, and preparation of reports on handling progress carried out periodically at least every one month.</p> <p>Based on field observation, document review and public consultation with relevant stakeholder (National Land Agency Labuhanbatu Utara District and Padang Halaban Village), there's no issue related to land conflict.</p> <p>Regarding the area of 1,526.78 ha in the Kanopan Ulu Estate and 88.91 ha in Padang Halaban Estate (total 1,615.69 ha), the company explained that the area in the HGU certificate had never been compensated by the company. The community and the company respect each other's boundaries and there are no negative indications in the field. Related to this, it has been confirmed with the</p>	



<p>relevant BPN office, where indeed the company has not carried out any compensation activities or land purchases in the area. In addition, based on interviews with representatives of workers from Sialang Taji Village (the village where the location is located), where there are no conflicts in areas that are not compensated by the company and are still controlled by the community.</p>	
<p style="text-align: right;"><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION</b></p>	
<p><b>5.1</b>  <b>The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</b></p>	
<p><b>5.1.1, 5.1.2, 5.1.5 and 5.1.6</b>                  Padang Halaban Mill during certified period does not accept FFB from uncertified sources, including from smallholder.</p>	
<p><b>5.1.3</b>                  Based on the company's policy, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders.</p> <p>But right now, company does not receive or buy FFB from uncertified sources, including from smallholder.</p>	
<p><b>5.1.4 and 5.1.8</b>                  Unit of certification has no obligation to build community estate (scheme smallholder). The company has a cooperation program with farmer groups, for example with the Beringin Jaya Farmers Group in Kuala Beringin Village (PT MP LWI) and Sahata Saoloan Farmers Group Association and the Cooperative Berkat Usaha (PT SMART Tbk). 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.</p>	
<p><b>5.1.7</b>                  The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by UPTD Metrology Labuhanbatu Regency, there are:</p> <ul style="list-style-type: none"> <li>• Certificate of Test Results No. 510.3/223/DagInd-Met/KHP/11/2022 Brand: Avery Weight Tronix E1005 which was carried out on 10 November 2022 valid until 10 November 2023</li> <li>• Certificate of Test Results No. 510.3/222/DagInd-Met/KHP/11/2022 Brand: Avery Weight Tronix ZM510 which was carried out on 10 November 2022 valid until 10 November 2023</li> <li>• Certificate of Test Results No. 510.3/221/DagInd-Met/KHP/11/2022 Brand: Avery Berkel L225 which was carried out on 10 November 2022 valid until 10 November 2023</li> </ul> <p>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.</p>	
<p><b>5.1.9</b>                  The unit of certification shows the SOP for Handling Complaints and Dissatisfaction with No. SOP / SMART / GIMS-SCMD / USDV / I / 001 issued date 1 July 2014 with the last revision 11 April 2017. In the SOP, it is explained that the Social Officer / KTU receives letters of complaint and dissatisfaction directly from the reporter or indirectly through the suggestion box. Information and data entered are recorded in the Complaint and Dissatisfaction Registration Form. Protection of whistle blowers is contained in the document, point 2.2.1-part a, which states that the Company guarantees the anonymity of whistle-blowers and whistle-blowers with the aim of reducing the risk of revenge.</p> <p>Based on document review of complaint book, there is no complaint from contractor or vendors.</p>	
<p style="text-align: right;"><b>Status: Comply</b></p>	
<p><b>5.2</b>  <b>The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.</b></p>	

**5.2.1 and 5.2.5**

Unit of certification has no obligation to build community estate (scheme smallholder). The company has a cooperation program with farmer groups, for example with the Beringin Jaya Farmers Group in Kuala Beringin Village. 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.

The recording of the agreement was jointly signed on November 12, 2021, and known by the Regent of Labuhanbatu Utara. The recording of the agreement is valid for 5 years from the date of signing and can be extended according to the agreement of both parties. One form of realization support that has been carried out by the company is assisting the legality of farmers' land with the issuance of the Decree of the Labuhanbatu Utara Regent (No.: 521.4/843/Diperta/2021, dated November 23, 2021) concerning the Determination of Candidates for Recipients and Prospective Lands for Activities for the Development of Community Estate Facilities Around by PT MP Leidong West Indonesia Kanopan Ulu Estate in 2021. In the decision, 55 farmers with a total area of 107.3 ha are determined.

Currently, the entire plan covering an area of 107.3 ha has been planted entirely with oil palm. The company also shows a recording of the socialization of technical guidance to the farmers concerned on 11 March 2022. The technical guidance is related to the socialization of plant maintenance including the use of pesticides.

The company also has the same partnership program for the area of Padang Halaban Estate (PT Smart, Tbk) with the Sahata Saoloan Farmers Group Association and the Cooperative Berkas Usaha in Silumajang Village, NA District IX-X. The program is based on a memorandum of understanding that has been set on June 17, 2022 and is known by the Silumajang Village Head and NA IX-X Camat.

Currently, the legality of farmers' land has been raised with the issuance of the Decree of the Labuhanbatu Utara Regent (No.: 521.4/578/Diperta/2022, dated July 22, 2022) concerning the Determination of Candidates for Recipients and Prospective Lands for Activities for the Development of Community Estate Facilities Around by PT SMART Padang Halaban Estate in 2022. In the decision, 97 farmers from Gabungan Kelompok Tani Sahata Saoloan and 15 farmers from Koperasi Pemasaran Bersama Berkas Usaha, with a total area of 55,4912 ha are determined.

**5.2.2 and 5.2.3**

Unit of certification also has the same partnership program for the area of Padang Halaban Estate (PT Smart, Tbk) with the Sahata Saoloan Farmers Group Association and the Cooperative Berkas Usaha in Silumajang Village, NA District IX-X. In determining farmers, there are also female farmers in the list, this proves that the company supports gender equality in decision making.

**5.2.4**

Unit of certification has provided pesticide handling training plasma farmers in these locations that can be proof by the minutes of the socialization of best agronomy practice, spraying systemic herbicides and RSPO 2018 guideline on 11 March 2022.

Status: Comply

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

**6.1**

**Any form of discrimination is prohibited.**

**6.1.1**

Unit of Certification has a policy of non-discrimination and equal opportunities. Policies on equal opportunities and treatment to get the job described in Circular Letter No.096/CEO2-SE/12/2010 on 14 December 2010 towards the implementation in industrial relation. There is explanation related to realize harmonious industrial relations, dynamic and fair company implemented industrial relations of each operational unit without distinction of race, religion, race and gender in all types of field work. Besides, there is Circular Letter No. 268/CEO2/HR PSM 2/10/2015, 1 October 2015 is revision of Circular letter No. 096/CEO2-SE/12/2010, stated that "in order to realize harmonious industrial relations, dynamic and fair company implemented industrial relations of each operational unit without distinction of race, religion, race, physical condition, gender, sexual orientation, membership of union, political affiliation and age in all types of field work". This policy is publicly available, and stakeholder can access it upon request.

The company has also shown documentation of socialization of company policies including non-discrimination policies, such as socialization on 27 February 2023 at Padang Halaban Mill which was attended by 88 participants.

### 6.1.2

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

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.

Based on interviews with manpower agency, gender committee, labor unions, and workers at sample unit, it is known that workers have never felt that the company has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in labor unions, politics, or age.

### 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.

#### **Termination due to retirement**

Termination document such as the management decree of employment's termination number 93/MM/PHLM/V/2023 May 22, 2023, on behalf of SMR (initial). The company also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.

#### **Promotion**

Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MWP (initial) who was promoted from PT-4A to PT-3 in accordance with the KULE Manager Decree number 001/SK-MGR/IX/2022 dated 01 September 2022.

The result of interviews with workers and representatives of labor union revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as termination, retirement, or promotion. Based on that interview known that there is no discrimination against workers. The company has provided employee rights in accordance with company regulations and applicable regulations.

### 6.1.4

Based on interview with women workers as well as gender committees revealed that pregnancy tests were only conducted for 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

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 established for each estate (ADPE, PRNE, KULE) and one committee represented for PHLE & PHLM to resolve if sexual harassment occurs. 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 results of interviews with female workers known that the workers already know the gender committee and the functions of the organization. Workers are also aware of gender committee if there are complaints or complaints related to women's problems or issues. The results of interviews with representatives of committee gender and women workers, it was found that there were no complaints related to sexual harassment, violation in the last one year.

**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 in PHLE with worker initial AHB and initial SPD (worker with same work and same grade), 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**

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labour Agreement (CLA) for period of 2022-2024 and was written in Bahasa.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the CLA and in accordance with routine socialization provided by the company.

The Minimum Wage Decree of the Labuhanbatu Utara District established by the Governor of Sumatera Utara on 07 December 2022 regarding the determination of the Labuhanbatu Utara minimum wage in 2023 of IDR 3,081,813.02. Based on verification payroll document for workers of unit sample have been above the minimum wage set by local government. Besides that, the company has been implemented structure and scale wage based on years of service, ability, attendance and job performance. There are no late payments every month.

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

**6.2.2**

The company shows example of work agreement for worker of sample unit estate (Agreement number 001/PHLE/PKWT/05/2023) dated 02 May 2023 on behalf ADN which is valid until 31 October 2023 which explains the terms of work, working time and wages, permits, social security, leave rights, facilities and PPE, worker obligations, training and development, discipline and sanctions, industrial relations, contract termination, etc. The contents of the work contract are in accordance with applicable regulations. The contract has been prepared in languages understood by the workers, explained to workers by management officials, and signed by both the authorized signatory of the company and employee. Based on the explanation, the certification unit can show good documentation related to regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice which has been informed in the CLA.

The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit.

**6.2.3**

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labour Agreement (CLA) for period of 2022-2024 and was written in Bahasa.

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 May 2023 for example with worker RZK (Lose fruit picker) and APP (operator engine room), 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**

Unit of Certification has provided housing facilities on each estate and mill. For example, list of facilities in 2023 including houses, mosque, church, workers hall, football field, volley ball field, badminton field and school bus. Based on field observation to housing complex of PHLM, PHLE, ADPE, and PRNE, i was known that all housing on good condition and liveable, there were domestic waste sanitation, and adequate clean water facilities. Therefore, based on interview with workers revealed that if any housing facilities were damaged, they had to report to the supervisor.

**6.2.5**

There is traditional market are near from housing complex of Unit of Certification which can be accessed by workers within thirty minutes. Moreover, there is temporary market comes from surrounding communities at the time of wage payment. In addition, traders who are allowed to sell in a residential area make it easier for workers to access food sources. This matter has been verified through consultation with Head of Employee Cooperative, Labor Union, as well as housing residents.

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

**6.2.6**

There is no living wage standard is established in Indonesia, so Unit of Certification still implemented national minimum wages for all workers. In addition to payment of minimum wages, Unit of Certification has been conducting an assessment of prevailing wages and in-kind benefits provided to workers in Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage.

The company shows the calculation of the 2023 Prevailing Wage with the applicable Minimum Wage components (IDR 3,275,000), THR, Rice, Electricity, Houses, Water, Schools, Polyclinic Facilities and Services and Daycare with the lowest Prevailing Wage IDR 3,643,887 and the highest IDR 4,392,842.

**6.2.7**

Based on list of workers document verification sighted that on June 2023, there are still non-permanent workers in estate with casual daily contract (BHL) and have contract workers (PKWT) status. The casual daily contract (BHL) with type of job description is loose fruit picker and contract workers (PKWT) with type of job description is palm oil maintenance. For example, contract agreement (PKWT) number 001/PHLE/PKWT/05/2023 dated 02 May 2023 on behalf ADN which is valid until 31 October 2023 with a wage of IDR 3,275,000. The contract has explained the rights and obligations of both parties, including PPE, OHS etc.

**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**

Unit of Certification has a written policy “the freedom of association” in CLA Article 2 “recognition of rights of company and labor union” Unit of Certification also issued a policy through circulars letter (SE) No. 094/CEO2-SE/12/2010 on 14 December 2010 which concerning freedom of association in organization of workers/labourers. Referring to Law (UU) No. 21/2000 about union/labour union, company respects to rules and regulations which applicable in the law, including matters of the freedom of association in organization of workers/labourers who are basic rights of workers as stipulated in the law.

As proof that the policy has been implemented properly, the certification unit has 7 active worker union such as SPSI, etc. Every worker union has been registered to Manpower and Transmigration Agency of Labuhanbatu Utara Regency, such as proof of registration of the SPSI of Padang Halaban Estate to the Manpower and Transmigration Agency of Labuhanbatu Utara Regency on April 20, 2011, with the recording of No. 14/SP-SB/SP-SB/2011.

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**

The certification unit has records of meetings between workers and management representatives. Based on the interviews with worker union and their members who are workers in each unit, it is known that the union holds meetings every month (if there is an issue, if not they will be holds meeting when the issues arrive) with those accommodated in meetings between worker representatives and management representatives. This is also supported by the results of a review of worker complaint documents, it is known that the existing issues are only complaints related to the lack of supporting facilities, but this has also been continuously improved by the certification unit to be better.

Based on this explanation, it can be concluded that every meeting between the certification unit and the worker union has been well documented and available at the time of the audit.

**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 Office. Certification unit 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 & 6.4.4**

Unit of Certification has employee’s recruitment policy on Golden Agri Resources Social and Environmental Policy dated 8 September 2015. It states that company will not employ children that fall within definition of provisions of ILO conventions, even though there are laws or regulations that will allow state and local states and against all form of child exploitation. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical checkup. Unit of Certification has a policy on child labor, signed by CEO and in CLA also stated that the minimum age for workers is 18 years old.

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 cooperation agreement document with the contractor for examples is PT Universal Transindo



Mas 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. In addition, based on field observation and verification of each estate and mill employee list documents for the period of June 2023 did not find any workers who were less than 18 years old at the time of hiring.

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**

Commitment to maintaining decency is regulated in Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. To support this, Unit of Certification has formed a Gender Committee in each unit as a place to submit complaints and complaints regarding violations of reproductive rights/women and sexual harassment.

There is gender committee established to resolve if sexual harassment occurs. The policy on sexual harassment and reproductive rights of women are imposed on contractors by being included in their contractual agreements. Unit of Certification was developed protocol flowchart for sexual harassment reporting. Each of units (mill and estates) has their own gender committee that supported with annual work programmes. Estates annual Work Programmes, includes: socialization; counselling; monitoring; child care facilities monitoring; committee gender meeting; health services post (Posyandu). The company has socialized this policy in all business units, for example the socialization on 27 February 2023 at Padang Halaban Mill regarding sexual harassment, the rights of women workers and human rights which was attended by 88 participants.

Based on information from electronic media (website), gender committee and labour union representatives, as well as female employees, it was known that there is no negative issues and such case related to reproductive right, sexual harassment, violence and discrimination in the work place. Interviews with female workers during field visits (e.g. sprayers, loose fruit pickers, manual upkeep workers, etc.) confirmed that they understood the policy about sexual harassment and the reproductive rights.

**6.5.2**

Unit of Certification has Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. Unit of Certification has also regulation 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 and contractor. The company has socialized this policy in all business units, for example the socialization on 27 February 2023 at Padang Halaban Mill regarding sexual harassment, the rights of women workers and human rights which was attended by 88 participants.

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 specifically provided need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities. Unit of Certification also showed the result of new mother's needs identification by Gender Committee. From the results of the assessment, several things were known as follows:

- Provision of a lactation room.
- Provide breaks for breastfeeding.
- *Posyandu* for children and mothers.
- Breastfeeding counselling.
- Job transfer for pregnant and lactating women.
- Extra fooding for new mothers giving birth.

**6.5.4**

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

Based on the results of interviews with representatives of working union and gender committee it is known that the workers have understood the procedures and mechanisms for submitting complaints/complaints to the company, this is because the company has routinely socialized the procedure by posting warnings/complaints signposts related to this.

Based on the explanation above, it can be concluded that the certification unit has a complaint mechanism that guarantees the anonymity and protection of the complainant which is known by all levels of workers and has been well documented.

**Status: Comply**

**6.6**

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

**6.6.1**

Unit of Certification has established and documented policy about force or trafficked labour in Social and Environment Policy article 3.1 stated "Acknowledge, Respect, and Strengthen workers right". Unit of Certification forbids child labour, forced labour, provide work contract in language that understand by workers and make sure the payment gives to workers in simple ways, on time and clear.

The company has also shown that on each work agreement between company and contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to anti-bribery, anti-corruption, and anti-forced labor. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before contractor does work.

Based on result of interview with manpower agency, gender committee, labor union, and workers at estates and mill, there is no issue of discrimination and forced labor in Unit of Certification. There were no significant obstacles related to employment or violations of the company regulations. The company provided output targets that can be obtained in 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 the payment list, the harvesters have earned 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**

Unit of Certification has SOP No. 006/HROP/PSM 6/1/15 dated January 08, 2015, concerning Procedure for Recruitment & Appointment of Employees which has been approved by the CEO 6. In this procedure, it aims to guide the recruitment process for

both PKWT and permanent workers. Unit of Certification still has workers with contract status for few works such as field worker. All the rights for each employment status have been distinguished for workers with contract status and the permanent status. There was no discrimination between contract workers and permanent workers. Unit of Certification has also socialized about its policy and procedure related to prohibition of worker discrimination in Unit of Certification to workers.

Based on document verification, there are no migrant workers in this company. In addition, based on interview with worker union board sighted that so far, there has never been a penalty for termination of employment, bonded labor practices, withholding wages, and forced overtime.

Status: Comply

**6.7**

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

**6.7.1**

The company shows the OHS organization that has been approved by the relevant agency, namely

- Decree of the Head of the Manpower Agency of the Sumatera Utara Province with the number KEP.464-7/P2K3/WIL-IV/DTK/SU/VI/2021 concerning the Ratification of the OHS committee at PT. SMART Pernantian Estate. Ratified on April 07, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries, and Members. General OHS Expert on behalf of Adit Tiwarman P as Secretary which was decided by the Minister of Manpower of the Republic of Indonesia No. 92014/POHS/AJ/12/2020/P0 dated December 22, 2020, with the status still valid until December 22, 2023.
- Decree of the Head of the Manpower Agency of the North Sumatra Province with the number KEP.30.a-7/P2OHS/WIL-IV/DTK/SU/2022 concerning the Ratification of the OHS committee at PT. SMART Kanopan Ulu Estate. Ratified on February 21, 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS expert on behalf of Ona Suharto Tamarshi as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 9031/AOHS/U/VIII/2014 dated Augustus 07, 2014 with the status expired. The company shows proof of the general OHS Expert extension process at the Ministry of Manpower through a certificate No. 1038/SK/TPM/VI/2022 issued by PT Tranindo Pratama Mulia.
- Decree of the Manpower Agency of the Province of North Sumatra with the number KEP.355.a-7/P2OHS/WIL-IV/DTK/SU/2022 concerning the Ratification of the OHS committee at PT. SMART Padang Halaban Estate. Ratified on June 16, 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries and Members. General OHS Expert on behalf of Ryzky Pasa as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 23093/POHS/AJ/12/2021/P2 dated December 31, 2021, with status still valid until December 31, 2024.
- Decree of the Head of the Manpower Office of the North Sumatra Province with the number KEP.987-7/P2OHS/WIL-IV/DTK/SU/2021 concerning the Ratification of the OHS committee at PT. SMART Adipati Estate. Ratified on November 19, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS Expert on behalf of Abdul Rahman Santoso as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 41827/POHS/AJ/31/2020/P1 dated 27 Augustus 2020 with status still valid until 27 Augustus 2023.
- Decree of the Head of the Manpower Office of the North Sumatra Province with the number 566/212-7/DIK/VIII/2021 concerning the Ratification of the OHS committee at PT. SMART Padang Halaban Mill. Ratified on January 13, 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS Expert on behalf of Budi Setiawan as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 92016/POHS/AJ/12/2020/P0 dated 22 December 2020 with status still valid until 22 December 2023.

Records of periodic meetings between the person in charge and the workers are available, which are shown as follows:

- Minutes of the P2K3 meeting on 20 October 2022 in the PHLM meeting room, which discussed emergency response preparedness, monitoring first aid kits, PPE monitoring, fire specialist AK3 training and others. The meeting was attended by 10 participants consisting of PKS staff.
- Minutes of the P2K3 meeting on 27 December 2022 in the PHLM meeting room, which among other things discussed changes to the P2K3 structure and emergency response preparedness, and others. The meeting was attended by 10 participants consisting of PKS staff.

**Opportunity for Improvement**

The company has the opportunity to ensure that periodic P2K3 meetings involve employees.

### 6.7.2

Emergency response procedures are available, including those listed in Emergency Preparedness and Response SOP No. SOP/SMART/UMUM/SADV/II/005, dated 1 July 2014. Emergency situations identified include fire, explosion, pollution, natural disaster, riot, demonstration, work accident. Broadly speaking, the SOP contains the definition of an emergency and an emergency response team, the flow of reporting in the event of an emergency, the duties and responsibilities of the emergency response team, planning and handling actions in the event of an emergency, training and simulation of an emergency.

The unit of certification has provided workers assigned to the field and other work locations and have received First Aid in Accidents (P3K) training, which are shown as follows Licensed first aid officers, including those on behalf of Andre Krisna and Anwar Tanjung (PHLM) valid until 14 August 2024.

Based on the results of field observations at the mill and estate, it is known that there are evacuation routes that are installed, for example in the mil area found in the mill office area, in the process station area (eg engine room, boiler, etc.) and in the estate area for example in the estate office.

Based on the results of field observations and interviews with workers, for example in the harvest and spraying area KULE, it is known that there are foremen who are equipped with first aid facilities and have received first aid training from licensed first aid workers and medical personnel.

In addition, First Aid facilities are also routinely monitored, where there is a monitoring form that is filled in if there is use and a checklist of completeness of contents every month in accordance with Permenaker number 15 of 2008.

### 6.7.3

The company has procedures related to Personal Protective Equipment Management contained in document No. SOP/SMART/SUST/III/010, revision 1.0, publication date July 1, 2014. This procedure is related to the management of personal protective equipment in mill and plantation operations. In general, this procedure describes the identification of the need for PPE, the mechanism for providing and replacing PPE as well as the maintenance, monitoring and evaluation of the suitability of PPE.

Based on the results of field observation, for example in the chemical warehouse/ warehousing area, it is known that there is an MSDS installed in the warehouse area. Based on document verification and field observations of spray workers in Padang Halaban Estate, Pernantian Estate, Kanopan Ulu Estate and Adipati Estate, the personnel 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 during field visits is in good condition and ready to use.

The results of the field visit to the rinse house in Padang Halaban Estate, Pernantian Estate, Kanopan Ulu Estate and Adipati Estate, revealed that the company already has sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for control devices and PPE. As a result of field visits to chemical/pesticides storage warehouses, it is known that chemical storage areas have been equipped with hazardous and toxic materials symbols, warnings on the use of PPE and emergency response facilities.

### 6.7.4

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 plantation unit and factory. As one example, based on a review of the May 2023 worker list documents and proof of *BPJS* payments for the same period, it is known that companies have registered and paid all their workers in the *BPJS Ketenagakerjaan* program, which consists of work accident benefits, death benefits, old age security and pension benefits as well as *BPJS Kesehatan* via Bank Transfer, which are shown as follows:

#### Pernantian Estate

- Proof of BPJS Health Payment for the period March 2023, which was paid on April 10, 2023
- Proof of BPJS Health Payment for the period April 2023, which was paid on 10 May 2023
- Proof of BPJS Employment Payment for the period April 2023, paid on 10 May 2023
- Proof of BPJS Employment Payment for the period March 2023, paid on April 10, 2023

**Padang Halaban Mill**

- Proof of BPJS Employment Payment for the period April 2023, paid on 10 May 2023
- Proof of BPJS Health Payment for the period April 2023, which was paid on April 10, 2023.

**Padang Halaban Estate**

- Proof of BPJS Employment Payment for the period April 2023, paid on 10 May 2023
- Proof of BPJS Health Payment for the period April 2023, which was paid on April 10, 2023.

Based on the results of interviews with plantation and factory workers, it is known that the company has provided employment guarantees to all workers and health insurance to workers and their families (wife and children). The workers have held the *BPJS* card and know the registration number. The worker also added information that the *BPJS Kesehatan* card can be used for treatment 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**

The company has recorded work accidents for the period January-April 2023 using the LTA method with the results, for example:

- ADPE → FR : 0 , SR : 0
- PHLM → FR : 0, SR : 0
- PRNE → FR : 0 , SR : 0
- PHLE → FR : 0 , SR : 0
- KULE → FR : 0 , SR : 11,98

Status: Comply

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

**7.1**

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

**7.1.1**

The company has an SOP-IK document for Palm Oil Cultivation starting from land preparation to harvesting which was prepared by the MCAR (Agronomy and Research Management Committee) team in 2012.

The company also shows monitoring documents for pests and caterpillars that eat oil palm leaves, for example as follows:

- Observations of Psychidae in May 2023 at PHLE found an average of nil, observations of rat pests in April 2023 at PHLE found that the average percentage of rat attacks was below the threshold (<5%), namely 1.05%.
- Based on a review of PHLE's useful plant monitoring documents, it is known that the company has planted useful plants in January - May 2023, namely: planting *Turnera subulata* at PHLE with a length of 581,242 Mtr and *Antigonon leptopus* with a length of 63,748 Mtr.
- ADPE beneficial plant monitoring document, based on document review it is known that the company has planted beneficial plants in January - May 2023, namely: Planting *Turnera subulata* in ADPE for a length of 2,677 M.
- PRNE beneficial plant monitoring document, based on document review it is known that the company has planted beneficial plants in January - May 2023, namely: Planting of *Turnera subulata* in PRNE for a length of 1,500 M.
- The owl cage PHLE monitoring document shows that there are 192 active owl cages out of a total of 260 bird cages in PHLE.
- The owl cage KULE monitoring document shows that there are 71 active stables out of a total of 144 occasional birds in KULE
- KULE beneficial plant monitoring document, based on document review it is known that the company has planted beneficial plants in January - May 2023, namely: Planting of *Turnera subulata* in KULE for a length of 1,350 M.

**7.1.2**

Based on the results of document review and field observations, it is known that the company has used *Tyto alba* as a natural enemy of pests and beneficial plants, including *Turnera Ulmifolia* and *Antigonon leptopus*. All of these species are not classified as invasive



species according to the Regulation of the Minister of Environment and Forestry Number P.94/MENLHK/SETJEN/KUM.1/12/2016, so it can be concluded that there is no use of invasive species for pest control.

7.1.3

The company has shown its commitment to eco-friendly plantation management. Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

Status: Comply

7.2

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

7.2.1

Based on the review of pesticide use list documents, for example in 2023, it is known that companies have used pesticides selectively to control target pests and weeds or diseases. The pesticides used are for example as follows:

Merk	Active Ingredients	WHO	LD50	Permit Number	Target
Erkafron	<i>Metsulfuron methyl</i>	III	5000	RI.01030120134861	Broadleaf weeds and narrow leaf
Garlon	<i>Triclopyr</i>	III	5000	RI.01030120155148	Broadleaf
Roll Up	<i>Isopropyl amina glyphosate</i>	III	5000	RI.01030120042133	Broadleaf weeds and narrow leaf
Starane	<i>Fluroxypyr</i>	II	2000	RI.01030120083155	Broadleaf

7.2.2

The certification unit has shown records of pesticide use, for example as follows:

- Records of the use of PHLE pesticides for the period January – March 2023, including:

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	% Active ingredient	Amount used (Ltr or Kg)	Area used (Ha)	Unit/Ha
Roll up (L)	<i>Isoprofil amina glyphosate</i>	5,000	41	3.084,42	7.062,25	0,0000358
Starane (L)	<i>Fluroxypyr</i>	2,000	33	284,44	7.062,25	0,0000967
Garlon (L)	<i>Triclopyr</i>	5,000	29,8	477,00	7.062,25	0,0000060
Erkafuron (Kg)	<i>Methyl Metsulfuron</i>	5,000	20	786,79	7.062,25	0,0000134

- Records of the use of KULE pesticides for the period January – April 2023, including:

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	% Active ingredient	Amount used (Ltr or Kg)	Area used (Ha)	Unit/Ha
Roll up (L)	<i>Isoprofil amina glyphosate</i>	5,000	41	1.493,90	3.100,91	0,1975
Starane (L)	<i>Fluroxypyr</i>	2,000	33	284,44	3.100,91	0,0124
Garlon (L)	<i>Triclopyr</i>	5,000	29,8	477,00	3.100,91	0,0184
Erkafuron (Kg)	<i>Methyl Metsulfuron</i>	5,000	20	786,79	3.100,91	0,0246

7.2.3

The company has reduced the use of pesticides, the company has integrated biological control into pest control, for example by using beneficial plants aimed at controlling oil palm leaf-eating caterpillars and *Tyto alba* for rat pest control. Based on the results of field



observations on plantations, it is known that useful plants are in well-maintained conditions and planted on the roadside.

#### 7.2.4

Based on the results of document studies and interviews, it is known that the use of pesticides for animal pest control is based on the results of a pest attack census, for example:

- Observations of rat pests in April 2023 at PHLE found that the average percentage of rat attacks was below the threshold (<5%), namely 1.05%.
- The results of the PHLE caterpillar attack census in April 2023 found no attacks
- The results of the census of caterpillar attack by KULE in May 2023 found no attacks
- The results of the census of ADPE caterpillar attacks in May 2023 showed that there were no attacks

So it can be concluded that there is no preventive use of pesticides carried out by the company.

#### 7.2.5

The company has a written commitment to free pesticides in plantation operations, which is indicated in the President Director's Memorandum number 032/PD/VIII/2015 dated August 13, 2015, concerning discontinuing the use of paraquat herbicide. The memo states that starting in early 2016 there will be no longer weed eradication using herbicides with the active ingredient paraquat.

Based on a review of pesticide use documents for 2023, it is known that the company does not use pesticides with the active ingredient paraquat and WHO class 1A and 1B pesticides, and visits to pesticide storage warehouses do not find any pesticides with the active ingredient paraquat.

#### 7.2.6

The company shows training records for personnel handling pesticides as follows:

- Spray training at KULE on March 16, 2022, which was attended by 20 workers and spray foremen.
- Spray training at ADPE on March 29, 2022, which was attended by 7 workers and spray foremen.

In addition, based on the results of interviews with spray workers, it was found that workers were able to briefly explain safety procedures for spraying activities.

Thus, it can be concluded that the company has shown evidence that work using pesticides has been handled by trained workers.

#### 7.2.7

The results of KULE and ADPE's field observations of chemical storage warehouses, it is known that chemical storage warehouses comply with Government Regulation number 74 of 2001 concerning Management of Hazardous and Toxic Materials. Among them are equipped with hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and dispensing chemicals, MSDS, storage of pesticides grouped by type and available clean secondary containment.

#### 7.2.8

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

- SOP for Waste Management with document number SOP/SMART/LEMS-EHSD/SADV/II/002 dated July 2, 2014, which was legalized by the head of upstream. This procedure describes the identification and management of waste generated from the company's operational activities, including agrochemical packaging waste.
- Regarding the procedure, unit certification applies the steps outlined in the work instructions (known as IK) for the handling of the pesticide packaging produced (IK/SMART/LEMS-EHSD/SADV/002/001), among others by doing:
  - Separate the used pesticide packages measuring 20 liters and sizes <20 liters. Visually make sure that the packaging submitted does not contain chemical residues.
  - Bring the used pesticide packaging <20 liters to the B3 Waste TPS and record it in the LB3 logbook.
  - Bring the used pesticide packaging 20 liters to the pesticide packaging rinsing place.
  - Enter pressurized clean water of  $\pm 1/10$  of the volume of the container and rinse by shaking until it hits the entire wall of the container. Rinsing was carried out 3 times. Collect the rinsed water into the rinse water reservoir.
  - Store rinsed clean packaging in the warehouse, used rinsed packaging can be reused for the same activities and/or stockpiled and/or returned to the supplier and/or in accordance with the MSDS of the material.

- The remaining rinsing water can be used for the next mixing process to optimize the use of agrochemicals.

Based on field observation, waste water used for washing fertilizer sacks or used agrochemical packaging are carried out in special washing facilities (rinse house) in each estate and carried out by special officers who have been appointed, for waste water from washing the poison packaging that has been accommodated can be reused for the next chemical mixing. After the completion of the washing activity, the packaging is stored, counted, recorded, and shown with evidence of periodic monitoring and the amount is accumulated in logbook.

Based on interviews with pesticide application workers at Padang Halaban Estate, it was found that all used pesticide packaging containers were returned and sent to the hazardous waste storage and not used for any other purpose other than pesticide application activities. All used packaging containers, work tools and work clothes are stored in a special storage area. Thus, no contaminated items are taken home.

**7.2.9**

Based on the results of interviews with management representatives, it is known that the company does not apply pesticides by air.

**7.2.10**

Companies can show special health record checks to workers who handle pesticides including cholinesterase and follow-up records for workers who experience health problems, for example: Cholinesterase special health checks at Kanopan Ulu Estate were carried out on December 12, 2022, as many as 91 workers with normal examination results. A thorough inspection with a total of 388 employees was carried out on February 13, 2023, with normal inspection results. Based on the results of interviews with spray workers, for example: in Block A 39 Division 1 KULE, it is known that health checks have been carried out in 2022.

**7.2.11**

The company showed a Circular Letter from VPA PSM-1, number 02/VPA-1/II/2009, dated 13 January 2009, concerning Labor of Pregnant and Breastfeeding Women, stating that in connection with Law No.13 of 2003 concerning employment Article 76 paragraphs 1 & 2, RSPO requirements principle 4 criterion 4.6, it is decided that pregnant and lactating women are prohibited from working as sprayers.

The company also offers an outreach program on the prohibition of spraying for pregnant and lactating women. The training was conducted on March 28 and 29 2022 which was attended by maintenance foremen, division clerks, warehouse employees, and maintenance employees (Division 1,2,3,4.) and (Division 5,6,7,8) with a total of 199 participants in PHLE.

Based on the results of interviews with workers, it is known that there are routine 3-month pregnancy checks for pesticide applicators and no pesticide work is carried out by people who are under 18 years old, pregnant or lactating women, or people with medical limitations and they are offered other alternative jobs equivalent, such as manual plant care work. There is no difference during the ASA 2.1 audit activities.

Status: Comply

**7.3**

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

**7.3.1**

The certification unit already has SOPs and work instructions related to Waste Management which are contained in the SOP/SMART/LEMS-EHSD/SADV/II/002 dated July 02, 2014 This procedure describes the identification and management of waste generated from the company's operational activities, for example:

- Solid waste in the form of shells, fiber and empty leaves is fully utilized to support plantation activities and palm oil processing factories. The shell and fiber are used for boiler fuel, while the empty leaves are applied as organic fertilizer in oil palm plantations.
- Liquid Waste from processed FFB (raw effluent) is fully utilized for plantation activities as organic liquid fertilizer (Land Application) after going through the processing process in a wastewater treatment plant (WWTP) pond to meet the quality standard requirements according to regulations.
- Boiler ash is used for stockpiling.
- Liquid waste from ex-factory operations is accommodated in a sedimentation tank to settle dissolved solids. The solids in the sedimentation tank are then removed and stockpiled periodically, while the sediment water is discharged into the waters.

- Waste gas is generated from boiler chimney and generator emissions. Gas waste is periodically monitored for emission tests in accordance with applicable regulations.
- Domestic solid waste in the form of household and office waste is managed by collecting and stockpiling in the final waste disposal site and the final waste storage requirements are far from settlements, flood-free locations, and not swampy puddles.
- Hazardous waste is stored in hazardous dan toxic waste storage and handling according to its type and characteristics.
- Non-solid hazardous waste is collected and can be reused or sold.
- Medical waste in the form of used syringes, expired drugs, used bandages, etc., is stored in a place provided and handed over to a hospital that has a permit for destruction.

### **Hazardous and Toxic Waste**

Unit certification has a temporary storage permit for Hazardous and Toxic waste, through the document;

- **Padang Halaban Mill:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Padang Halaban Mill based on the Decree of the Regent of Labuhanbatu Utara No. 660/275/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.
- **Padang Halaban Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Padang Halaban Estate based on the Decree of the Regent of Labuhanbatu Utara No. 660/273/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.
- **Pernantian Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Pernantian Estate based on the Head of *DPMP TSP* of Labuhanbatu Utara No. 503/02/DPM-PPTSP/IPSLB3/2019 dated 22 Mei 2019 with a validity period of up to 5 years. This permit has 2 storage locations in Pernantian Village Marbau District, and Silumajang Village, District Na. IX-X.
- **Adipati Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Adipati Estate based on the Decree of the Regent of Labuhanbatu Utara No. 660/274/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.

The types that can be stored are; used oil, used batteries, chemical residues, contaminated packaging, contaminated materials (LED lamps, printer ribbons, etc.), rags contaminated with hazardous and toxic waste, oil filters, diesel filters, paint cans, and infectious medical waste.

- **PT Leidong West Indonesia – Kanopan Ulu Estate**

Based on the Decree of the Head of *DPMP TSP* of Labuhanbatu Utara Regency No. 503/03/DPM-PPTSP/IPSLB3/2019 dated 22 May 2019 with a validity period of up to 5 years. Maximum storage period is 180 days. This permit has 3 storage locations in Kanopan Ulu Plantation Village, Kualuh Hulu District, Sialang Taji Village, Kualuh Selatan District, and Damuli Pekan Village, Kualuh Selatan District.

The types that can be stored are used oil, dirty oil, used batteries, chemical residues, contaminated packaging, contaminated materials (LED lamps, printer ribbons, etc.), rags contaminated with hazardous and toxic waste, oil filters, diesel filters, paint cans, and infectious medical waste.

Based on field observations at the licensed hazardous waste storage located at PHLM, PHLE, PRNE, ADPE, and KULE it is known that the storage building is a permanent building with ventilation according to the coordinates on the permit. In addition, there are emergency response facilities such as fire extinguisher, eye wash, alarm, emergency response procedures, symbols and labels, spill kits, first aid kits, and a logbook.

In its implementation in the field, the unit certification already has a cooperation agreement with a third party to handle hazardous and toxic waste, there are;

- PT Sinarmas Agro Resources and Technology Tbk (PT SMART Tbk) with PT Amindy Barokah Sumut with No. 013/SMART-ABS/SPK-LB3/1/2023 on 3 January 2023 with a validity period of up to one year.
- PT Maskapai Perkebunan Leidong West Indonesia with PT Amindy Barokah Sumut with No. 015/MPLWI-ABS/SPK-LB3/2/3023 on January 3, 2023, with a validity period of up to one year.

The agreement also explains that the types of hazardous and toxic waste to be submitted are used lubricants, used batteries, expired chemicals, laboratory waste, used catalysts, contaminated packaging, used B3 packaging, used filters, used rags, used toner/cartridges, medical waste and waste.

In the management, utilization and/or processing of waste, PT Amindy Barokah Sumut with licensed parties, namely; PT Non Ferindo Utama, PT Wastec International, and PT Trigunapratama Abadi.

### **Solid Waste**

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, fiber, and EFB to be reused as boiler fuel. Solid waste utilization data is explained in more detail in indicator 7.9.1.

### **Liquid Waste (POME)**

Liquid waste generated from the factory is applied to the land before being managed first at the WWTP with the aim that the quality of the liquid waste accordance with the provisions. POME management is explained in more detail in indicator 7.8.3.

### **Domestic Waste**

Domestic waste generated from housing and offices will be disposed of in Landfills. Afterward, grey water generated housing complex and office be managed on septic tanks.

### **7.3.2**

Unit of certification can show proof of waste disposal according to the procedures established by the company referring to Government Regulation Number 22 of 2021 SOP for Waste Management No. SOP/SMART/LEMS-EHSD/SADV/II/002 rev 0 effective July 02, 2014, approved by GEM.

Unit of certification already has a document on the results of monitoring the implementation of hazardous and toxic waste management procedures according to PP No. 22 of 2021 which is contained in several documents, including:

- Document of waste source identification which provides information regarding the sources of waste that have been identified by the company, either from the plantation or from the mill.
- Balance Sheet and Logbook for storing hazardous and toxic waste at the storage area.
- Conducting socialization of hazardous and toxic waste management to employees.
- OHS Completeness Monitoring Document which informs the condition and completeness of emergency response facilities in storage areas, such as first aid kits, eye wash and shower checks, fire extinguishers, spill kits and alarms. The monitoring results show that all equipment is in good condition and in accordance with company SOPs.

From the results of the document review by comparing the balance sheet and logbook, it can be seen that the submission of waste to storage until May 2023 was appropriate and there was no difference in the amount submitted. Thus, it can be concluded that there are no recording errors and discrepancies based on the Balance Sheet, Logbook and Festronik documents, this indicates that the company has properly documented the storage and handling of hazardous waste.

Based on field observation, known that all hazardous and toxic waste are stored according to their type and characteristics listed in the permit, accompanied by labels and symbols on the packaging, avoid spills and handling equipment using rags, storage has been equipped with; information on coordinate points, provides OHS facilities and emergency response such as alarms, fire extinguishers, showers, eye washes, and spill Kits and first aid kits, each of which has been checked periodically, also the buildings and designs are in accordance with applicable requirements and are far from flood-prone areas.

Based on interviews with hazardous waste storage operator officers at each estate, they can explain waste management from recording, monitoring, to transportation.

So, it can be concluded that the company carries out waste disposal according to procedures that are fully understood by workers and managers.

### **7.3.3**

The unit certification does not use open burning for waste disposal. It can be proven through document review and management interviews, that the company has a Waste Management Procedure document with No. SOP/SMART/LEMS-EHSD/SADV/II/002 rev.

00. The scope of this procedure is for factories, estates, housing, offices at PT SMART Tbk (Padang Halaban Mill, Padang Halaban Estate, Pernantian Estate, and Adipati Estate), and PT MP Leidong West (Kanopan Ulu Estate), as a reference for handling agrochemical waste including used pesticide packaging, palm fronds, liquid waste, empty bunch fruit, solid decanter waste, hazardous waste, household (domestic) and office waste.

Waste management applied based on Sinar Mas plantation internal regulations and government regulations on a clean production approach with several principles, including:

- Reduce, Reuse, and Recycle (3R).
- Zero burning.
- Disposal.

Based on document review through the waste transportation manifest and the results of field observations in housing area (PHLE, PHLM, PRNE, ADPE, and KULE) that there were no traces of burning activities. Interviews with employees who live in the housing estate also stated that they had never burned waste due company commitment and sanctions. The company also regularly transports domestic waste twice a week, to then dispose of it in landfills.

Status: Comply

**7.4**

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

**7.4.1**

The certification unit has Fertilizer SOP (SOP / SMART / MCAR / IX / TA-PPK) to maintain soil fertility. The company has implemented practices to optimize production results in accordance with established procedures, including:

- SMARTRI routinely collects soil and leaf samples to ensure the elements needed by plants to produce optimally. The results of the soil and leaf analysis tested will be the basis for determining the dose of fertilizer in each Estate.
- Fertilization activities that prioritize the principles of being on time, on target, at the right dosage and on application. In addition, marginal land (sandy) is given extra fertilization in the form of empty fruit bunches at a dose of 40 tons / ha.
- The company's commitment to no longer use pesticides with the active ingredient paraquat or those belonging to WHO Classes 1A and 1B.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application at PHLE.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*). To all employees, spraying is always conveyed at morning apples not to spray the plants.

At the time the audit was carried out, the auditor observed the liquid waste application activities in the Land Application area, it was found that POME had been applied to the land in accordance with the permits and recommendations owned marginal land.

**7.4.2**

The company already has SOP for the collection of Soil Sampling Units (SSU) IK/SMART/MCAR/IX/TA-PPK/06- Soil Sampling Units (SSU). In this procedure it is explained that soil analysis was carried out at the age of 3 years, 8 years, 13 years, 18 years, 23 years and before replanting which represented the age range of the plants, namely young, juvenile and old plants.

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

The company shows records of leaf and soil analysis results contained in the Oil Palm Manuring Recommendation 2021 – 2022 document for each Estate. The parameters analyzed include:

Soil Sampling Unit (SSU)

- Soil sampling at KULE Division 2 dan 4 on 03 October 2022 as many as 48 samples.
- Soil sampling at ADPE Division 4 on 3 October 2022 as many as 30 samples.

Leaf Sampling Unit (LSU)

- Leaf sampling at KULE Division 2, 4 dan 5 on 13 April 2023 as many as 46 samples.



- Leaf sampling at ADPE Division 2 dan 4 on 07 March 2022 as many as 13 samples.

**7.4.3**

The company shows a record of the realization of empty fruit bunches at PT SMART Padang Halaban Estate for the period January - April 2023, with details:

- The company shows the record for the realization of palm oil mill Liquid Waste in PHLE for the January - April 2022 period of 51,992.00 M3.
- The record for the realization of empty fruit bunches at PHLE for the period January - April was 13,474.67 tons
- The record for the realization of empty fruit bunches at PRNE for the January-April period was 2,465 tons

**7.4.4**

The company shows records of plans and realization of fertilization for each estate, for example for the financial year period January - September 2023 the fertilizers recommended and applied include Urea, NPK 12.12.17, MOP, Super dolomite for example PHLE as follows:

Fertilizer Types	Budget (Kg)	Actual (Kg)	Presentation (%)
Urea	1,011,220	486,300,50	48
NPK 12.12.17	32,806,0	5,595,68	17
MOP	1,468,031	689,450	46
HGFB	53,506	40,676	76
Super Dolomite	339,250	269,750	79

Realization of fertilizers applied according to recommendations and achievements in several units is still not 100% because the financial year is still ongoing.

**Status: Comply**

**7.5**

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

**7.5.1**

The company showed a semi-detailed land survey document for 2004 accompanied by a 1:35,000 and 1:50,000 scale map which identified land conditions, topography and soil types, namely:

- KULE: Semi-detailed land map Reg no. 50/202/PMNP/II/06 dated 14 February 2006 for Divisions 1, 2 & 3 with a scale of 1:40,000, having a topographical slope of 0-8% and 8-15% and a sandy loam and dusty loam type. For Divisions 4 & 5 the scale of 1:30,000 has a topographical slope of 0-3% and is a dusty loam type.
- PHLE: Semi-detailed soil map Land suitability class 2014 Reg no. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-8%, 8-15% and 15-30%. Clay soil texture, dusty and sandy.
- ADPE: Semi detailed map Reg.No. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Peat soil type with sapric maturity and >3 M depth.
- PRNE: Semi-detailed soil map Land Suitability Class with a scale of 1:60,000 Reg no. 1444/214/PMNP/X/2014, has a topographic slope of 3-9%, 9-165, 16-21%, 21-40%, 40-58%. The texture of the clay is dusty and clayey.

**7.5.2**

The company showed a semi-detailed land survey document for 2004 accompanied by a 1:35,000 and 1:50,000 scale map which identified land conditions, topography and soil types, namely:

- KULE: Semi-detailed land map Reg no. 50/202/PMNP/II/06 dated 14 February 2006 for Divisions 1, 2 & 3 with a scale of 1:40,000, having a topographical slope of 0-8% and 8-15% and a sandy loam and dusty loam type. For Divisions 4 & 5 the scale of 1:30,000 has a topographical slope of 0-3% and is a dusty loam type.
- PHLE: Semi-detailed soil map Land suitability class 2014 Reg no. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-8%, 8-15% and 15-30%. Clay soil texture, dusty and sandy.
- ADPE: Semi detailed map Reg.No. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Peat soil



type with sapric maturity and >3 M depth.

- PRNE: Semi-detailed soil map Land Suitability Class with a scale of 1:60,000 Reg no. 1444/214/PMNP/X/2014, has a topographic slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. The texture of the clay is dusty and clayey.

Based on field observations in the 2022 PHLE Division 5 replanting area, it is known that there has been no replanting activity on steep areas and burning activities.

**7.5.3**

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

**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, 7.6.2 & 7.6.3**

The unit of certification can demonstrate long-term suitability between land and oil palm cultivation as well as identification of land, which is classified as marginal and vulnerable land, including steep areas through the guidelines contained in semi-detailed soil survey reports so that it can be used as a reference in making drainage channels, roads and other infrastructure, as Examples of semi-detailed land survey reports include:

- PRNE: Semi detailed land map Land Suitability Class with a scale of 1:60,000 Reg no. 1444/214/PMNP/X/2014, has a topographic slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. Land suitability class S2 (sufficient) and S3 (suitable marginal). Replanting activities at PRNE have been completed in 2021, based on the Work Agreement document, replanting activities are carried out in areas with a slope of 90 – 220 or 15 – 40% with activity items in the form of chipping, contour terraces, contour roads, 1x1 ditch making, making mechanical planting holes carried out by PT Surya Baru Prima Nusantara.
- ADPE: Semi detailed map Reg. No. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Land suitability class N (not suitable). There has been no replanting activity at ADPE.
- PHLE: 2014 Land Suitability Classes semi-detailed land maps Reg no. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-8%, 8-15% and 15-30%, which means there is no land with steep topography. Replanting activities at PHLE will be carried out in 2020 and 2022, based on the Minutes of Replanting Work Inspection document dated 10 June 2022, replanting activities in the form of mechanical chipping, mechanical planting holes, ditching and washing of ditches are carried out by PT Surya Baru Prima Nusantara.
- KULE: Semi-detailed land map Reg no. 50/202/PMNP/II/06 dated 14 February 2006 for Divisions 1, 2 & 3 with a scale of 1:40,000, having a topographical slope of 0-8% and 8-15% and Divisions 4 & 5 with a scale of 1:30,000 having a topographical slope of 0-3%, which means no land with steep topography. Land suitability class S2 (sufficient), S3 (suitable marginal) and N (not suitable due to flooding). Replanting work at KULE will be carried out in 2020, based on the Minutes of Replanting Work Inspection document dated 22 October 2020, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, ditch making and washing of ditches are carried out by PT Surya Baru Prima Nusantara.

**Status: Comply**

**7.7**

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

**7.7.1**

Based on a document review and interviews with management during the assessment ASA-2.1, the company is no longer carrying out new plantings in existing plantation areas or opening new areas.

**7.7.2**

The company showed a report on the inventory of peat areas to the RSPO on April 7, 2020, which explained the area of peat land in the company's operational area, in which the report obtained information that the area of planted peatland was 2,642.8 Ha (KULE = 285.21 Ha, Adipati = 2,357.59 Ha). This is a difference in the area of embedded peat contained in the soil survey document and the Matric Template where the area of embedded peat is only found in the Adipati Estate area, which is 2,363.31 Ha.

The company has justified the difference in peat area that has occurred, namely the reported peat inventory data is 2019 data from the Ministry of Environment and Forestry. However, the company then conducted another survey by the company's internal team in

December 2021 with the results that the KULE area was not included in the peat category, thus the area identified as peat was only in Adipati Estate with a total area of 2,490 Ha with an area of 2,363.31 planted peat Ha (based on December 2021 measurements). The company has an opportunity for improvement related to sending the latest data on peat area to the RSPO secretariat.

As a result of the ASA 2.1 assessment, the company has shown evidence of communication with the RSPO regarding the reporting of an inventory of peat areas. As a result of communication with the RSPO Secretariat, companies are given a reporting period from 6 November to 5 November 2023. Companies have opportunities for improvement related to sending the latest data on peat area to the RSPO secretariat. **(OFI)**

### **7.7.3**

Based on the results of a semi-detailed land survey document review, it is known that there is an area of peat in the Adipati Estate

- Mineral plant area : 12,351.8 Ha
- Peat plant area : 2,363.31 Ha

Based on the results of a document review and interviews with management, it is known that peatland management in the company's operational areas is briefly as follows:

The results of the document review show that the water level is monitored periodically every day in the Groundwater Measurement Daily Report (TMAT) document, namely Division 2 has an average water level of 45 cm and Division 3 has an average water level of 52 cm in below ground level. It can be shown that monitoring for the April 2023 period exceeded the standard damage threshold. This was caused by little rainfall.

Subsidence or subsidence of peat occurs due to decomposition and/or compacting of drained peat soil. Subsidence is important to monitor because it is an indicator of successful management of water in peat areas. Based on the results of the document review, it is known that in the company's operational area there are 11 subsidy points. During the audit, the monitoring results for the period January - April 2023 can be shown as set forth in the Monitoring Report on Peatland Subsidence. Based on monitoring results, it is known that the average decrease is around 5.8 cm/year.

Based on the description above, it can be concluded that the company made arrangements for lowering the peat layer in accordance with procedures and statutory regulations.

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Based on the description above, it can be concluded that the company made arrangements for lowering the peat layer in accordance with procedures and statutory regulations.

**7.7.5**

The company can show the PT SMART ADPE drainability assessment report documents for 2019 which were prepared by the Plantation Monitoring and Planning Division as follows:

- The Drainability Assessment activity at ADPE was carried out using an analysis approach to the characteristics of peat and drainage/hydrology conditions with the study area.
- Determination of No Replanting Indicator (NRI) is based on 2 classifications, namely:
  - If the No Replanting Indicator value is positive, which means that the drainage limit time is > 40 years, then the study area is allowed to continue replanting activities (Go). This is due to the condition of the land and drainage at the study site, which is estimated to last more than 2 cycles of oil palm planting.
  - If the No Replanting Indicator value is negative, which means that the drainage limit time is ≤ 40 years, then the study area is not allowed to continue replanting activities (No Go). This is because the condition of the land and drainage at the study site is estimated to be less than 2 cycles of oil palm planting.
- A total of 10 units of replanting areas on peatland in ADPE are considered feasible (Go) with a positive No Replanting Indicator value with a total area of 2,490 Ha.
- Based on the Drainage Limit Time, projections for the continuation of replanting activities can be carried out throughout the ADPE area.

**7.7.6**

Based on the semi-detailed soil survey report document, the area included in the peat category is in ADPE covering an area of 2,490 Ha having a topographical slope of 0-3%, with sapric maturity and a depth of > 3 M.

The results of the document review show that the water level is monitored periodically every day in the Groundwater Measurement Daily Report (TMAT) document, namely Division 2 has an average water level of 45 cm and Division 3 has an average water level of 52 cm in below ground level. It can be shown that monitoring for the April 2023 period exceeded the standard damage threshold. This was caused by little rainfall.

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Based on the description above, it can be concluded that the company made arrangements for lowering the peat layer in accordance with procedures and statutory regulations.

**7.7.7**

Based on field visits and studies of peat inventory documents, it is known that there is no land reserved as a peatland conservation area, the entire area has been planted with oil palm, besides that there is no land acquisition which is defined as land clearing for purposes other than for the benefit of plantation companies, including government projects involving public works or other public interest facilities and infrastructure.

**Status: Comply**

**7.8**

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

**7.8.1**

The certification unit has a water management plan that is implemented to support efficient use of water sources and continuous availability, through operational procedure documents to control the Protection of River Border Areas with document No. SOP/SPO/SMART/LH-06 dated 1 July 2010. To avoid negative impacts on other users in the water catchment area, the company carried out activities, including prohibiting the planting of oil palm on the river border with a width of 50 meters left and right, prohibiting land cultivation on the river border by installing notice boards, constructing roads in border areas, cultivation without spraying around the river, manual maintenance. Some examples of management and monitoring procedures that the company has, such as:

- Procedures for managing and monitoring water resources with document No. SOP/SMART/BCOS-EHSD/SADV/II/2014 dated July 1, 2014, explains the plan for managing and monitoring water resources, water resources conservation techniques based

on the *Keppres* No. 32 year 1990, for example planting erosion-reducing plants, manual maintenance of oil palms, outreach activities, and monitoring of water resources.

- Memorandum No. 002/SMD OPS/II/2009 dated January 6, 2009, which explains that in clearing land for new plantings, it is ensured that the watershed is protected by not opening the riverbank area as wide as 50 – 150 meters depending on the size of the river. In that area, a notice board should be installed that the area is a protected watershed area and should not be cultivated. On the border of the managed area with the watershed area, a border road (known as *pringg* area) should be made.

The company has a surface water quality monitoring program contained in the RKL-RPL matrix which is managed and reported every semester, for the period July-December 2022. Surface water quality testing is carried out by the accredited laboratory by KAN, at several sampling points at PT SMART Tbk, including Aek Kuo River (the intersection of the Titi Panjang River and the Warijan River), Warijan River / Aek Kuo River, Kampung Selamat River / Titi Panjang River, Watergate Division 1 and 3, Aek Merah River, Parit Busuk River (upstream and downstream). For sampling points at PT MP Leidong West, including Aek Kanopan River (upstream and downstream) and Water Gate Division 4 & 5 Sialang Taji. If referring to the quality standard used by the testing laboratory, namely using PP No. 22 of 2021 (Class II Water) no one exceeds the quality standard.

Several management activities have been carried out by the company to avoid negative impacts on other users in the water sources area, including:

- Establishment of a riparian buffer zone/river border area with a width of 100 meters and make the area an HCV area.
- Enrichment of plant species in river riparian areas, to restore the natural function of the river.
- Not replanting at the 100-meter boundary from the riverbank and marking yellow paint as the limit area for chemical application and conducting routine monitoring to replace or repair damaged marks.
- Conduct socialization to the community, employees and contractors in the company area.
- Installing information boards for activities limited to HCV areas, such as prohibition of burning, hunting and maintaining cleanliness.
- Periodic monitoring of river riparian areas.

The results of interviews with resident in the housing area of Padang Halaban Estate and Pernantian Estate, also harvesting workers in Kanopan Ulu Estate 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.

It can be concluded that there is access to clean water for workers and nearby villages, 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

Unit of certification already river border protection efforts refer to the 2014 Sustainability SOP, which aims to ensure the quality of river water so that it can be used sustainably and to prevent high erosion and sedimentation.

The company has managed and maintained water sources, including:

- Manage river water quality by not applying chemicals and fertilizers along the river border with a distance of 100 meters, placing warnings on the prohibition of chemical and fertilizer application with a yellow sign, and leaving the border in a natural condition.
- Putting signboard against cutting down trees which are also displayed in conservation areas (including water sources) and passed by the community.
- Enrichment Riparian Sides with planting *vertiver grass, bamboo, guatemalagrass, etc.*
- Socialization to workers and local community about riparian river as conservation areas that can be proved by interview with spraying workers.
- Monitoring of river water intake sources from Wanijan River and Aek Kanopan River.

Based on the results of field observations in the conservation area, the Wanijan River in Padang Halaban Estate, and the Aek Kanopan River in Kanopan Ulu Estate has been installed with spray boundary signs, protected boards areas signs, and there are rehabilitation plants.

**7.8.3**

Management of POME from oil palm processing from the Padang Halaban Mill with totalling 6 waste ponds with a multi feeding system that is by feeding simultaneously evenly. Based on these data, and when compared with the responsibility contained in the Permit document from Decree of Labuhanbatu Utara Regent No. 660/277/DLH/2017 indicates that the company has complied with. Before being used, POME is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l accordance with applicable national regulations, according KepmenLH No.28 & 29 of 2003 regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet is then pumped and used as a designated location for the use of waste water on the ground (Land Application) with 580.80 ha. The application of palm oil mill effluent is carried out with an application dose of 125 m<sup>3</sup>/Ha. This application dose covers the entire liquid waste generated by the factory, so there is no discharge of POME into water bodies.

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month and land application monitoring well. The test is carried out by the accredited laboratory by KAN (LP-013-IDN). Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD) and for waste water utilization to be applied to land its does not cause pollution to the environment.

**7.8.4**

Procedures related to the use of water for factories are available in the SOP for processing palm oil mills in chapter 5.8 regarding water treatment stations. The SOP explains that in water treatment, pay attention to the amount of water needed for each factory. As for the stages of work described in:

- WI of Water Treatment (IK /SMART/MCMD/ I/TM-PKS/19 dated 06 December 2013).
- WI of Reverse Osmosis (IK /SMART/MCMD/I/TM-PKS/19 dated 06 December 2013).

The certification unit already has a groundwater utilization permit based on the *Keputusan Gubernur Sumatera Utara tentang Izin Pengusahaan Air Tanah* to PT Sinar Mas Agro Resources and Technology Tbk with No. 546/784; No. 546/776; No. 546/779; No. 546/777; No. 546/780; and No. 546/782 concerning Groundwater Concession Permit (Extension) dated April 1, 2021, which is valid for 3 years from the date. It is explained in the permit that the maximum quota for water intake discharge is 5 liters/second taken from 1 intake location at Padang Halaban Plantation, Aek Kuo District, Labuhanbatu Utara Regency.

The water usage for FFB processing has been monitored and documented. The document of water usage in period of June 2022 – May 2023 shown that the water usage ratio in the range of 0.89 m<sup>3</sup>/ton of FFB, this range is still in accordance with the water quotas that can be utilized 1.31 m<sup>3</sup>/ton FFB. The unit certification also paid of water usage retribution every month for the entire scope of certification.

From the results of management interviews and field observations to the Water Treatment Plan (WTP) it can be confirmed that the certification unit has replaced the water pipe leading to the reservoir, so that water can be used more efficiently. The flowmeter used is still functioning properly, and the officer responsible for WTP is very understanding about how the WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

**Status: Comply**

**7.9**

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

**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 fiber from the rest of the mill production process as renewable fuel for boiler purposes in June 2022-May 2023.

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and fiber is used to substitute diesel fuel, this utilized, and the usage data recorded in detail and traceable. For example, the company shows data on the use of shells and fiber as a substitute for fossil fuels for the period 2021. From this data, it is known that the company has saved 78.2% of diesel fuel 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 transportation, among others by carrying out regular maintenance to reduce incomplete combustion and analyzing fuel use.

Status: Comply

**7.10**

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

**7.10.1**

Certification Unit has been conducted source identification and GHG valuation by doing GHG inventory within the scope of Padang Halaban POM and its supplies based (Adipati Estate, Kanopan Ulu Estate, Padang Halaban Estate, Pernantian Estate, and Normark 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 use 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 Padang Halaban POM 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 2023, is listed as follows:

**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	2.69	tCOe2/tProduct	Oil palm planted on mineral soil	14,192.86	Ha
PK	2.69	tCOe2/tProduct	Oil palm planted area on peat	2,363.31	Ha
PKO	0.00	tCOe2/tProduct	Total oil palm planted area	16,556.17	Ha
PKE	0.00	tCOe2/tProduct	Conservation area (Forested)	0.00	Ha
OER	23.24	%	Conservation area (non-Forested)	430.09	Ha
KER	6.27	%	FFB Production per hectarage	18.86	t/ha

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

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO2	tCO2e/t FFB	Emission Source	tCO2e
POME	54,717.31	0.20	PK from own mill	0.00
Fuel Consumption	717.41	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	55,434.72	0.20		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				



Land Conversion	111243.94	0.00	0.00	111243.94
CO2 Emissions from Fertilizer	20043.84	0.00	0.00	20043.84
N2O Emissions from Peat	17549.92	0.00	0.00	17549.92
N2O Emissions from Fertilizer	12447.29	0.00	0.00	12447.29
Fuel Consumption	1103.46	0.00	0.00	1103.46
Peat Oxidation	128006.50	0.00	0.00	128006.50
<b>Sinks</b>				
Crop Sequestration	-124440.07	0.00	0.00	-124440.07
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
<b>Total</b>	<b>165954.89</b>	<b>0.00</b>	<b>0.00</b>	<b>165954.89</b>

**Palm Oli Mill Effluent Treatment**

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

\*POME is processed in WWTP

In the GHG calculation, there is an excess of HCV area because it includes supply based which is not included in the unit of certification. 227.69 is the HCV area for Normark Estate only.

**7.10.2**

Based on the results of the document review, it was found that there were no new plantings at unit certification and that only replanting activities had been carried out since 2015.

**7.10.3**

Unit of certification has identified source of waste pollution and emissions from Estate and Mill activities for the period 2022. Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP. In addition, the company also conducts tests related to Odor and vibration tests in work and residential areas.

Fossil fuel reducing have been implemented on Padang Halaban POM by fiber and shell usage. Realization of renewable energy have been monitored on monthly report. Also, for monitoring of emission and pollutants (air emission, air ambient, Odor, noise, and vibration) from Estate and Mill was done periodically and comply with the standards quality, it's covered on RKL/RPL implementation report and reported to Environmental Agency of Labuhanbatu Selatan Regency. The company has monitored the use of appropriate pesticides and dosages, and optimized the IPM method, socialization of saving electricity usage, and the use of energy-saving lamps, as well as efforts to use water optimally, and no land clearing or replanting by burning. 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**

The company has a policy contained in the SOP regarding land clearing without burning, through the procedures in the Technical Guidelines for Land Preparation and Handling of Land Fires with No. SOP/NP/SMART/XI/L-H002 which was ratified on 1 July 2010 by the Division Head SMARTRY. This procedure includes efforts to identify, prevent and control the danger of land fires in plantation areas (reference: Technical guidelines for oil palm cultivation. Government Regulation of the Republic of Indonesia No.4 of 2001

concerning "Control of Environmental Damage and or Pollution related to Forest and or Land Fires).

In connection with procedures for handling work accidents and fire emergency response, the company also has Emergency Response SOP No. SOP/SMART/UMUM/SADV/II/005 was ratified by the Head of Upstream on July 01, 2014, discussing identified emergency response situations including fires, land fires, explosions, pollution, natural disasters, riots, demonstrations, work accidents. Broadly speaking, the SOP contains the definition of an emergency and the emergency response team, the flow of reporting in the event of an emergency, the duties and responsibilities of the emergency response team, planning and handling actions in the event of an emergency, and recovery as a result of an emergency.

From the results of interviews with management it is known that land clearing is done by mechanical means. Did not open new land above 2015, from the results of field visits to the replanting area.

### 7.11.2

The company shows evidence that human resources are available capable of preventing and overcoming land fires, which is shown, among other things, that a fire management unit organization has been formed:

- PHLE Fire Management and Emergency Response Organizational Structure, which was approved by Sucipto on June 4, 2023, Chaired by Didik Suseno with supporting structures such as daily Chair, firefighting team, Security team, removal team, evacuation team, Health team, Liaison team.
- The Organizational Structure of the PRNE Fire Management and Emergency Response, which was approved by M Yulianur on January 3, 2023, is chaired by M. Hendri.
- The KULE Fire Management and Emergency Response Organizational Structure, which was approved by Redha Fauzi on October 1, 2023, was chaired by Sapto Jatmiko.
- Organizational Structure of ADPE Fire Management and Emergency Response, which was approved by Iskandar Simatupang on June 4, 2023, Chaired by Muh. Hultazan A. his assistants such as the Daily Chair, firefighting team, security team, removal team, evacuation team, health team, liaison team.

From the results of field observations at the firefighting warehouse, it is known that the fire control facilities and infrastructure refer to the Minister of Agriculture Regulation Number 5 of 2018 and it is known that the fire control facilities and infrastructure are in good condition and fit for use.

Companies can show records of fire monitoring implementation in the 2023 fire patrol monitoring form document. The results of examining these documents found that there were no fire incidents in the company's operational area last three years. In addition, as an effort to prevent fires, the company also posted warnings related to fires, a ban on burning garbage and so on.

The company can show a document of the Preparedness Report on Plantation Land Fire Control Systems, Facilities and Infrastructure, for example:

- The 2022 PHLE fire report for Semester 2 was submitted to the North Labuhanbatu Regency Plantation Office and the North Sumatra provincial plantation service on January 20, 2023.
- The 2022 KULE fire report for Semester 2 was submitted to the North Labuhanbatu Regency Plantation Office and the North Sumatra provincial plantation service on February 15, 2023.
- The 2022 ADPE fire report for Semester 2 was submitted to the North Labuhanbatu Regency Plantation Office and the North Sumatra provincial plantation service on January 17, 2023.

### 7.11.3

The unit of certification involves the community in monitoring fire prevention as a prevention and control measure, namely the Fire Alert Society (MSA), an example of which is shown through:

- Decree of the Head of the Kanopan Ulu Plantation Village No. 141/41/KU/III/2022 concerning the Appointment of the Management of the Volunteer Team for the Fire Alert Community at the Kanopan Ulu Plantation Village on March 25, 2022, for 9 names of representative members from the Kanopan Ulu Plantation village community.
- Decree of the Head of Belongkut Village No. 2033/204/KD/2022 concerning the Appointment of the Management of the Fire Alert Community Volunteer Team (MSA) for the Office of the Head of Belongkut Village, Marbau District in 2022, on March 28, 2022, for 7 names of representative members from the Belongkut Village community.
- Building and Land Fire Control Simulation Training and Work Accident Management on February 3, 2023, which was attended by

26 workers at ADPE.

- Fire Simulation Training on February 27, 2023, which was attended by 23 workers at PRNE.

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; 7.12.8

GAR-SMART as the parent of PT SMART Tbk and PT MP Leidong West Indonesia has reported liability data and zero liability disclosure via email to RSPO on 22 August 2019. Based on this data, it is known that unit of certification has not cleared any new land since November 2005 without prior HCV identification activities. HCV identification activities at PT SMART Tbk and PT MP Leidong West Indonesia were carried out in 2011. Based on document verification and interview with the management sighted that PT SMART and PT MP LWI was Dutch Colonial Heritage Estate. Up to recertification assessment there was no expansion of the operational area carried out by the company.

7.12.2

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

**PT SMART Tbk (Padang Halaban Estate, Adipati Estate, dan Pernantian Estate)**

Report on Identification of High Conservation Values (HCV) in the PT SMART Tbk (Labuan Batu Regency, North Sumatra, 2011 by the PT SMART Tbk Environmental Department's, HCV Identification Team. Internal HCV assessment team). The assessment team consists of 6 people with Lead Assessors approved by the RSPO, the assessment was carried out using the assessment guidelines issued by the Indonesian HCV toolkit consortium, June 2008. With a total conservation area of 399.25 ha. The condition of land cover in PT SMART's oil palm plantation area is dominated by *paku-pakuan (Pteridophyta)*, *rumpun-rumputan (Poaceae)*, *Teki-tekian (Cyperaceae)*, *Perambat (Climbers)*, *Perdu/semak (Shrubs)* and *Herba (Herbs)*. All of indicates HCV areas was mapped by 1:40.000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species, with details:

HCV Type	Area Description	Area	Location
HCV 1.2	Protected and endangered species; <ul style="list-style-type: none"> <li>• Cekakak Belukar (<i>Halycon Smyrensis</i>)</li> <li>• Kuntul Kerbau (<i>Bubulcus Ibis</i>)</li> <li>• Macan Akar (<i>Felis Bangalensis</i>)</li> <li>• Kantong Semar (<i>Nepenthes</i>)</li> </ul>		All Estate
HCV 1.3	The Habitat of the Kantong Semar Population	177.86 ha (actual 11.72 ha)	ADPE (Block E48 Division 3)
HCV 1.1;4.1	Warijan River and Titi Panjang River	96.15	PHLE
HCV 1.1;4.1	Merah River dan Parit Busuk River	65.24	PRNE
HCV 6	Cemetery	0.003	PHLE and PRNE
<b>Total</b>		<b>399.25</b>	

**PT MP Leidong West Indonesia (Kanopan Ulu Estate)**

Report on Identification of High Conservation Values (HCV) in the Kanopan Ulu Estate unit area of PT MP Leidong West Indonesia (Kanopan Ulu Plantation Village, Kualuh Hulu District, North Labuhanbatu Regency) prepared by the HCV Dept. Environment of PT SMART Tbk in 2011. With an area of 2,195.1 Ha which is presented in a 1:100,000 map, the plant species in the Kanopan Ulu Estate plantation area are shrubs and oil palm cultivation. The total conservation area is 4.75 ha, with details;

HCV Type	Area Description	Area	Location
HCV 1.2	Protected and endangered species; <ul style="list-style-type: none"> <li>• Cekakak Belukar (<i>Halycon Smyrensis</i>)</li> </ul>	-	KULE

- Macan Akar (*Felis Bengalensis*)

HCV 4.1	Kanopan River	3.75 ha	KULE
HCV 6	Blok A-08, B-20, C-01	1.00 ha	KULE
<b>Total</b>		<b>4.75 ha</b>	

The company has the list of endanger species based on Government Regulation No. 7 Year 1999, CITES and IUCN in term of preservation for flora and fauna on unit certification area. For example, the wildlife found were *Cekakak belukar (Halcyon smyrnensis)* and *Macan Akar (Felis bengalensis)*, it was not incorporated on the list of rare, threatened or endanger species (RTE). Meanwhile, there was no endangered flora.

**HCV Area Current Condition**

The scope of HCV certification refers to HGU and the company's Cadastral Area is known for the total area of HCV areas are:

- Adipati Estate with an area of 11.97 Ha
- Kanopan Ulu Estate with an area of 3.75 Ha
- Padang Halaban Estate with an area of 115.43 Ha
- Pernantian Estate with an area of 71.25 Ha.
- Total: **202.40 Ha.**

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

**7.12.3**

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

**7.12.4**

Based on the results of HCV identification, it is known that there is an HCV area within the company's Manage area of 203.4 Ha with several types of RTE species consisting of *mammals, Aves* and *reptiles*. The company has compiled and determined the HCV management plan in the 2022 HCV Management Program Matrix document with the scope of Management for each Unit. The integrated management plan was developed in consultation with relevant stakeholders and covers the areas that are directly managed and takes into account the relevant wider landscape level carried out in conjunction with the Realization and Review of PT SMART Tbk and PT MP LWI HCV Plant Management Document for each Unit. The HCV still maintained and cared for by the company by providing boundary stack, signboards and provide a border marking the boundaries of the HCV area in the form of a ditch that surrounds the entire HCV peat area. A management and monitoring plan is implemented for each type of HCV with the following programs:

- Monitoring of areas that have been designated as HCV areas, river borders and swamp forests on a regular basis to see threats.
- Conducting socialization to all employees and the surrounding community, as well as inviting the community to conduct participatory monitoring of HCV areas.
- Conduct rapid surveys for flora and fauna inventory.
- Making, installing and maintaining boundary markers in the form of stakes or yellow paint as well as adding or replacing damaged stakes.
- Carry out monitoring and maintenance of information boards.
- Periodic checks or riparian monitoring for signs of damage.
- Plant enrichment in riparian areas with local plant species.
- Drilling wells in the peat HCV area.
- Making transects for observing animals and installing camera traps.
- Creating and developing forest plant nurseries.
- Identify and establish communication with communities who are already working on HCV areas.

Periodically every year, the company also has a report on the Implementation, Management and Monitoring of High Conservation Value Areas and RTE species monitoring to the BKSDA North Sumatera Province, for example proof for reporting for the 2022 period

on April 18, 2023.

Interviews with management, workers and surrounding communities also stated that they knew the location of the HCV and the regulations that had to be complied with. Regarding conflicts with animals in the company area, the interview results stated that there had never been a conflict with animals in the last 5 years.

Based on the results of field observations in the HCV area at Kanopan Ulu Estate in the Aek Kanopan Riparian area in Block A21 Division 1, and at Padang Halaban Estate on the Wanijan River, and Titi Panjang River Riparian area Block G31-32 (downstream) it can be seen that there are information signs for HCV areas, protected fauna, coordinates and types of HCVs, there are spray boundary boards placed on either side of the river, chemical application limits in the form of red cross marks on five palm trees located along the riverbank, no traces of chemical application were found, no replanting in the HCV area, *vetiver grass*, *Guatemala grass*, and local plants.

**7.12.5**

Based on the results of the document review and interview with management, it was found that there was no new clearing at unit certification since 15 November 2018. The oldest planting year was 1992, currently in the replanting period.

**7.12.6**

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

- The company is committed to protecting and prohibiting the hunting of all types of wild animals that are included in the criteria for rare and endangered species that are in the plantation area.
- The company will carry out continuous socialization and training activities on the protection of rare and endangered wild animals and their habitats to employees of contractor companies as well as to the community and other relevant stakeholders around the company.
- The company will investigate every case of violation and impose strict disciplinary sanctions (up to layoffs) to company employees who commit acts of hunting, maintaining, injuring, harming and killing endangered and endangered wildlife.
- For the handling of rare and endangered wildlife both inside and around its concession area, the company will cooperate with government agencies or related competent institutions.
- The company is committed to evaluating and reporting on the company's performance based on this policy on a regular and open basis through the website and the company's annual sustainability report and continuously involving key stakeholders in the palm oil industry.

The certification unit has a flora and fauna identification document prior to plantation business and a flora and fauna monitoring program that is scheduled annually to update species data found in the company area using the latest protection regulations, namely Permen LHK Number 106 of 2018. This report is submitted to the institution that handles conservation and protection of plants and wild animals on a regular basis in *Laporan Pelaksanaan Pengelolaan dan Pemantauan Kawasan Bernilai Konservasi Tinggi* which including the results of species monitoring and observations. Based on the results of the identification of flora and fauna for the period January – December 2022 for protected animals, the following data is obtained:

Species	INA	IUCN	CITES
<i>Macaca fascicularis</i>	Protected	VU	App II
<i>Felis bangalensis</i>	Protected	LC	
<i>Halycon smyrnensis</i>		LC	App II
<i>Bubulcus ibis</i>		LC	
<i>Elanus caeruleus</i>	Protected	LC	
<i>Varanus salvator</i>			App II
<i>Nectarinia jugularis</i>	Protected	LC	App II
<i>Rhipidura javanicus</i>	Protected	LC	

Based on the results of interviews with representatives of the village community, it is known that the community understands the existence of the HCV area and the presence of flora and fauna in the company area. The village community understands that the company protects the HCV area also for flora & fauna, and is aware of the protected fauna species, prohibitions on hunting, logging and burning forests. Respondents added that in addition to direct socialization, the company also installed warning boards or signboards marking HCV areas as well as prohibitions on environmental destruction which were an indirect form of socialization. Based on this explanation, it can be concluded that the company already has a plan and evidence of the implementation of socialization and is known by the surrounding community.

**7.12.7**

Monitoring of protected areas in 2022-2023 is carried out periodically every week to ensure the security of the area. The monitoring activities were carried out at several river border locations. This monitoring is carried out to see the progress of the results of HCV management from the initial stage to the current conditions. The results of field visits to several conservation areas show that the company has carried out management of protected areas such as replanting local species, not logging, not using chemicals, and installing Protected Area signs and prohibiting hunting. Avoid and prevent illegal hunting and/or encroachment of HCV areas that have been determined PT SMART Tbk (PHLM, PHLE, ADPE, PRNE) and PT MP LWI (KULE), several warning boards have been installed regarding the prohibition of poaching and encroachment. Routine monitoring of HCV areas is carried out by several personnel appointed by the company. The results of field observations also indicate that there are signs that prohibit hunting of protected animals, burning, and marking the boundaries of conservation areas.

The company also conducts annual monitoring and evaluation for the management of HCV areas where these activities are aimed at identifying risks and impacts on conservation areas and enhancing protection efforts. The company also carries out an HCV area management plan which is made every 2 years which is carried out in conjunction with the SIA program preparation activities by involving all relevant stakeholders in the company's operational areas. In its evaluation activities, the company also involves local communities, especially landlords and law enforcement.

Several activities are proposed based on the results of the 2022 evaluation and still relevant until the 2.1 assessment held, including:

- Monitoring the presence of key animal species in their distribution locations.
- Monitoring habitat conditions and threats/ disturbances.
- Identify and map areas prone to hunting and logging activities.
- Monitor the condition of the reflux and the threat/disruption.
- Monitoring river water quality with integrated activities.
- Monitor the effectiveness of controlling the use of agrochemicals.
- Monitoring cases of fire incidents and the area of burned land.
- Monitor the condition of the signs, the accuracy of their placement, and the level of understanding of employees and the public about the information contained therein.
- Carry out maintenance and planting of forestry plants in river border areas.
- Perform boundary sign maintenance, signboard and borehole maintenance.

All the evaluation results will be reviewed and will be adjusted to the HCV management program in the next period.

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

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

3.3 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><i>Company Group/Holding Statement:</i> The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul – Sawita Mill : Pre Audit 2015, Compliance Audit 24 - 31 May 2021</li> <li>2. PT Smart Tbk – Bukit Kapur Mill: Pre Audit 2015, Compliance Audit 15 November 2021</li> <li>3. PT Sinar Kencana Inti Perkasa – Kasuari Mill: Pre Audit 2015, Compliance Audit 11 October 2021</li> <li>4. PT Agrolestari Mandiri – Pekawai Mill: Pre Audit 2015, Compliance Audit 01 March 2021</li> <li>5. PT Binasawit Abadi Pratama – Perdana Mill: 14 June 2021</li> <li>6. PT Agrokarya Prima Lestari – Kuayan Mill: Pre Audit 2014, Compliance Audit 13 September 2021</li> <li>7. PT Mitrakarya Agroindo – Tangar Mill: Pre Audit 2015, Compliance Audit 27 September 2021</li> <li>8. PT Paramita Internusa Pratama – Belian Mill: Pre Audit 2015, Compliance Audit 28 June 2021</li> <li>9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 01 November 2021</li> <li>10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 15 February 2021</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 20 September 2021</p> <p>12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 25 October 2021.</p> <p>13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 6 December 2021</p> <p>14. PT Bangun Nusa Mandiri – Kenari Mill: Compliance Audit 4 October 2021.</p> <p>15. PT Agrolestari Sentosa – Jalemo Mill: Compliance Audit 11 October 2021</p> <p>16. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 8 November 2021.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggal (Sawita Mill and supply base) compliance audit on 24 - 31 May 2021.</li> <li>2. PT SMART (Bukit Kapur Mill and supply base) compliance audit on 15 November 2021.</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) compliance audit on 11 October 2021.</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base) compliance audit on 01 March 2021.</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base) compliance audit on 14 June 2021.</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) compliance audit on 13 September 2021.</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base) compliance audit on 27 September 2021.</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base) compliance audit on 28 June 2021.</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) compliance audit on 01 November 2021.</li> <li>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) compliance audit on 15 February 2021.</li> <li>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 20 September 2021.</li> <li>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 25 October 2021.</li> <li>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 6 December 2021.</li> <li>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) compliance audit on 4 October 2021.</li> <li>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 11 October 2021.</li> <li>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</li> </ol> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022.</li> <li>2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022.</li> <li>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</li> <li>4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022.</li> <li>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari-persada) that has been certified with an internal audit plan on 8 August 2022.</li> <li>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit plan on 7 November 2022.</li> </ol> <p><i>Notes:</i>  <i>Verification of the realization of the internal audit carried out on the newly acquired units will be carried out at the nearest RSPO surveillance audit activity with the internal audit schedule that has been set.</i></p> <p>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT. Agrolestari Mandiri – Pekawai Mill: Compliance Audit 07 February 2022</li> <li>2. PT. Kresna Duta Agrindo – Gunung Kombeng Mill: Compliance Audit 21 February 2022</li> <li>3. PT. Harapan Rimba Raya – Sungai Kedang Mill: Compliance Audit 17 May 2022</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>4. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</p> <p>5. PT. Kresna Duta Agrindo – Rantau Panjang Mill: Compliance Audit 06 June 2022</p> <p>6. PT. Sawitakarya Manunggal – Sawita Mill: Compliance Audit 13 June 2022</p> <p>7. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</p> <p>8. PT. Paramitra Internusa Pratama – Belian Mill: Compliance Audit 26 June 2022</p> <p>9. PT. Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 03 October 2022</p> <p>10. PT. Sawit Mas Sejahtera – Sungai Kikim Mill: Compliance Audit 03 October 2022</p> <p>11. PT. Sinar Kencana Inti Perkasa – Kasuari Mill: Compliance Audit 03 October 2022</p> <p>12. PT. Sinar Kencana Inti Perkasa – Demta Bulking: Compliance Audit 06 October 2022</p> <p>13. PT. Aditunggal Mahajaya - Sako Mill: Compliance Audit 14 November 2022</p> <p>14. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</p> <p>15. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</p> <p>16. PT. Agrokarya Prima Lestari – Kuayan Mill: Compliance Audit 05 December 2022</p> <p>17. PT. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 12 December 2022</p> <p>18. PT. SMART - Bukit Kapur Mill: Compliance Audit 12 December 2022.</p> <p><b>1.0</b> <i>Auditor Verification:</i></p> <p><b>2.0 Internal Audit report available for uncertified management unit:</b></p> <p>1. PT. SMART - Bukit Kapur Mill: Compliance Audit 12 December 2022</p> <p>2. PT. Agrolestari Sentosa – Jalemo Mill: Compliance Audit 21 November 2022</p> <p>3. PT. Binasawit Abadi Pratama – Perdana Mill: Compliance Audit 20 June 2022</p> <p>4. PT. Aditunggal Mahajaya - Sako Mill: Compliance Audit 14 November 2022</p> <p>5. PT. Mitrakarya Agroindo – Tangar Mill: Compliance Audit 05 December 2022</p> <p>6. PT. Kruing Lestari Jaya – Sungai Perak Mill: Compliance Audit 23 May 2022</p> <p>7. PT. Bangun Nusa Persada – Kenari Mill: Compliance Audit 19 September 2022</p>

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



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

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

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

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

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>10. PT Adi Tunggal Mahajaya (Sako Mill) (under construction): NPP on 25 April 2014, PT Agrokarya Prima Lestari (supply base) conduct NPP on 26 April 2014 and PT Mitra Karya Agroindo (supply base) conduct NPP on 26 April 2014.</p> <p>11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010.</p> <p>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014.</p> <p>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014.</p> <p>14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. This is become subject of sanction.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><b>Company Group/Holding Statement:</b>            No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV//002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV//001 revision 2 dates April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p> <p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV//001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a “Grower” category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>Complaint dated July 11, 2021 to PT SMART Tbk (West Kalimantan Region) regarding the alleged purchase/supply of fresh fruit bunches (FFB) and crude palm oil (CPO) from PT Kapuasindo Palm Industri (PT KPI), a subsidiary of the Kencana Group (not members of the RSPO), who have committed a series of violations against workers and indigenous peoples in the district. Last Status RSPO Complaints Panel has issued a decision letter regarding the complaint on 17 January 2022 in which it was decided to terminate the entire complaint. The decision letter has been submitted to both parties, and time is given if anyone wishes to appeal until April 11, 2022. (RSPO Complaint Panel Decision is attached).</li> </ol>



2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>2. Complaint on 2 March 2020 to GAR (Central Kalimantan Region) from Forest Peoples Program &amp; Elk Hills Research regarding alleged land legality and bribery cases. On the part of GAR itself, GIS-2 analysis for land clearance alerts after November 2014 from discussions with RSPO GIS manager on 21 May 2021 has agreed on the sampling method. GAR's clarification report was sent on September 8, 2021. As for the legal review on anti-bribery policies &amp; practices, the company rejected the ToR for Legal Review on March 26, 2021. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 15, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapuas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO, and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) &amp; Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15 December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling Complaints and Dissatisfaction, Human Rights Policy and SOP for Handling Social Conflicts both internally and externally, in general the FPIC process has been carried out according to procedures, so that there are no land or social conflicts.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is no land conflicts in the following uncertified management unit:</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul (Sawita Mill and supply base)</li> <li>2. PT SMART (Bukit Kapur Mill and supply base)</li> <li>3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>4. PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>5. PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>7. PT Mitra Karya Agroindo (Tangar Mill and supply base).</li> <li>8. PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</li> <li>10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base).</li> <li>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base)</li> <li>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base)</li> <li>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> <li>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base)</li> <li>17. PT Kruing Lestari Jaya (Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pulos Estate and Sungai Pikan KKPA)</li> <li>18. PT Harapan Rimba Raya (Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA).</li> <li>19. PT Rimbaraya Tamajaya (Sungai Pahu Estate and Sungai Pahu KKPA), which will be supply base for Sungai Kedang Mill.</li> <li>20. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill that has been certified</li> <li>21. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill that has been certified</li> <li>22. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill that has been certified</li> <li>23. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</li> </ol> <p>Based on the auditor's search through news from the internet, no information on land conflicts was found in the above uncertified management unit. However, on the RSPO website (Complaint Panel) there is information about complaints from various stakeholders against GAR and this has been explained by the company regarding the progress of the settlement as described above.</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. Based on information from electronic media on March 1, 2022, there was information that PT. Agro Lestari Sentosa for not building plasma plantations for the community. Based on confirmation with representatives of PT. Agro Lestari, it is known that the plasma area is still in the NPP process and the target is to complete the NPP by the end of the 2023 quarter.</p> <p>In addition, based on electronic media on December 13, 2022, there is information on problems between Koperasi Perkebunan Bataduh Raya and PT. Bangun Nusa Mandiri. Based on confirmation with representatives of PT. Bangun Nusa Mandiri is known that there have been 15 agreements between cooperatives and companies, including PT. BNM is committed to building a plasma of 557.47 Ha and developing an area of 180 Ha for partnerships. Regarding overlapping land, the solution is <i>VaiCIAS</i> Data, namely the handover of land in PT. BNM with the Head of the Village and Koperasi Perkebunan Bataduh Raya.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2	<p><b>Company Group/Holding Statement:</b> The company has a procedure for handling employee complaints before becoming into conflicts. The procedure is SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016.</p> <p>Procedures related to employee complaints are regulated in the internal flow of form because employees are included in the category of internal stakeholders. The media of complaint used is an official letter submitted through the worker union or put in the suggestion box provided in strategic locations.</p> <p>During 2021, there were no new complaints regarding employment through the RSPO website, as for the progress of previous complaints, they have closed status.</p> <p><b>Auditor Verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p> <p><b>Auditor Verification:</b> There is information from electronic media on November 24, 2021, it is known that there was mediation by the Head of the Central Seruyan Sector Police regarding the termination of employment of one of the employees of PT. Adi Tunggal Mahajaya. As for the demands submitted, namely the issue of compensation for work termination that was not provided by the company and the 2014 CSR agreement, namely related to clean water, local workers, agriculture, fish ponds, health, transportation</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>cooperation agreements and receipt of FFB from the community, as well as CPO transport SPK from the community.</p> <p>Based on confirmation with PT. Adi Tunggal Mahajaya, it is known that the employee has the status of a contract employee/PKWT for 1 year and is not renewed because he does not meet the competency requirements. In addition, based on labor regulations after the UUCK was issued, companies are no longer obliged to provide compensation to workers whose contracts have been terminated. The realization of CSR is carried out in stages and this demand is the program of the previous Village Head.</p> <p>In addition, there was an issue in the electronic news on September 30 2022 that there was an employee who had died who had been abandoned by PT. Kruing Lestari Jaya and their rights are not fulfilled. However, there is information from the management of the Ikentim organization that there was no abandonment of the corpse. This is in accordance with confirmation from the management representative of PT. Kruing Lestari Jaya that the company has facilitated the corpse to be delivered and buried in Resak according to the wishes of the family.</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	<p><i>Company Group/Holding Statement:</i></p> <p>Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/1/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> <li>1. PT Djuandasawit Lestari (Muara Kandis Estate &amp; Muara Tawas Estate)</li> <li>2. PT Sawit Mas Sejahtera (Sawit Mas Estate)</li> <li>3. PT Bumi Sawit Permai (Bumi Sawit Estate)</li> <li>4. PT Forestralestari Dwikarya (Tanjung Rusa Estate)</li> <li>5. PT Sumber Indah Perkasa (Sungai Buaya Estate, Sungai Merah Estate)</li> <li>6. PT Ivo Mas Tunggal (Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate, Nenggala Estate)</li> <li>7. PT Buana Wiralestari Mas (Kijang Estate, Nagamas Estate, Nagasaki Estate)</li> <li>8. PT Ramajaya Pramukti (Ramarama Estate)</li> <li>9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate)</li> <li>10. PT Agrokarya Prima Lestari (Muara Tawang Estate, Kuayan Estate, Bukit Sentuhai Estate, Tajur Beras Estate, Seranau Estate)</li> <li>11. PT Buana Adhitama (Sapiri Estate)</li> <li>12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate)</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>13. PT Mitra Karya Agroindo (Sungai Nusa Estate)            14. PT Aditunggal Mahajaya (Sungai Ayawan Estate)            15. PT Satya Kisma Usaha (Medang Sari Estate)            16. PT Buana Adhitama (Bukit Dua Estate)            17. PT Agrolestari Sentosa (Jalemo Estate)            18. PT Binasawit Abadipratama (Perdana Mill)            19. PT Agrokarya Prima Lestari (Kuayan Mill)            20. PT Mitrakarya Agroindo (Tangar Mill)            21. PT Agrolestari Sentosa (Jalemo Mill)            22. PT Adi Tunggal Mahajaya (Sako Mill)            23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)            24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma).</p> <p>Beside that, there are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> <li>16. PT Mitrakarya Agroindo (Sulin Plasma)</li> <li>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</li> <li>18. PT Adi Tunggal Mahajaya (Sako Plasma)</li> <li>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</li> <li>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma).</li> </ol> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</p> <p>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate).</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated August 4, 2021, including:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya</li> <li>2. PT Harapan Rimba Raya</li> <li>3. PT Rimbaraya Tamajaya</li> <li>4. PT Agrolestari Subur Sejahtera</li> <li>5. PT Agrolestari Hijau Sentosa</li> <li>6. PT Kharisma Riau Sentosa Prima</li> <li>7. PT Mitranusa Permata.</li> </ol> <p>The company is still collecting information and documentation related to compliance with legal documents such as HGU, Environmental Documents and SHM (for plasma).</p> <p><i>Auditor Verification:</i>  Legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. Supply base for Kasuari Mill are PT Sinar Kencana Inti Perkasa and PT Sumber Indah Perkasa. The legal non compliance which still on process is EIA revision in PT Sumber Indah Perkasa and Hazardous waste permit in PT Sinar Kencana Inti Perkasa.</li> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. Supply base for Kuayan Mill are PT Agrokarya Prima Lestari and PT Buana Adhitama.</li> <li>- PT Mitrakarya Agroindo (Tangar Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim Mill and supply base), there is a legal non-compliance. Supply base for Sungai Kikim Mill are PT Sawit Mas Sejahtera and PT Bumi Sawit Permai. The legal non compliance which still on process is EIA revision.</li> <li>- PT Agrolestari Sentosa (Jalemo Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill and supply base), there is a legal non-compliance. Supply base for Sako Mill are PT Adi Tunggal Mahajaya, PT Mitra Karya Agroindo and PT</li> </ul>



2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Agrokarya Prima Lestari. The legal non compliance which still on process is Land Use Title (HGU).</p> <ul style="list-style-type: none"> <li>- PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is communities plantation.</li> <li>- PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha).</li> <li>- PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha).</li> <li>- PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha).</li> <li>- PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha).</li> <li>- PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha).</li> <li>- PT Ivomas Tunggal: there is an area still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha).</li> <li>- PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha).</li> <li>- PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha).</li> <li>- PT Bumipalma Lestari-persada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha).</li> <li>- PT Kruing Lestari Jaya (Sungai Perak Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> </ul> <p>In 2022, GAR has made additional units by acquiring 4 factories namely Sungai Perak Mill, Sungai Kedang Mill, Bukit Perak Mill, Bumi Palma Mill and 15 plantations (11 own plantations namely Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Pahu Estate, Bukit Permai Estate, Bukit Lestari Estate, Kharisma Estate and 4 plasma plantations/KKPA namely Sungai Pikan Plasma, Sungai Tohan Plasma, Sungai Pahu Plasma, Kharisma Plasma).</p> <p>Internal audit activities have been carried out, as follows:</p> <ol style="list-style-type: none"> <li>1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Pilos Estate and Sungai Pikan KKPA with an internal audit on 17 May 2022.</p> <ol style="list-style-type: none"> <li>PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit on 17 May 2022.</li> <li>PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit on 17 May 2022.</li> <li>PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit on 28 March 2022.</li> <li>PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit on 8 August 2022.</li> <li>PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit on 7 November 2022.</li> </ol> <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR, with details as follows:</p> <ol style="list-style-type: none"> <li>PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.</li> <li>PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.</li> <li>PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).</li> <li>PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</li> <li>PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.</li> <li>PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.</li> <li>PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</li> </ol>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>The acquisition company already has legality in the form of HGU, but other legalities such as environmental documents and other permits are being collected and will be completed when an internal audit of the acquisition units is carried out.</p> <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate)</li> <li>2. PT Sumber Indah Perkasa (Mambruk Estate)</li> <li>3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate)</li> <li>4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate).</li> </ol> <p>PT. Agrolestari Sentosa (Jalemo Mill and supply bases), still on process to revise EIA document.</p> <p>There are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)</li> <li>2. PT Ramajaya Pramukti (Ramarama Plasma)</li> <li>3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma)</li> <li>4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>5. PT Djundasawit Lestari (Pandawa Plasma)</li> <li>6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma)</li> <li>7. PT Palmindo Bilton Berjaya (Tanjung Sawit Plasma)</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma)</li> <li>9. PT Sawitakarya Manunggul (Sawita Plasma)</li> <li>10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma)</li> <li>11. PT Kresna Duta Agroindo (Rantau Panjang Plasma)</li> <li>12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma)</li> <li>13. PT Paramitra Internusa Pratama (Belian Plasma)</li> <li>14. PT Paramitra Internusa Pratama (Muara Tawang KKPA)</li> <li>15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA)</li> <li>16. PT Mitrakarya Agroindo (Sulin Plasma)</li> <li>17. PT Agrokarya Prima Lestari (Sapiri Plasma)</li> <li>18. PT Adi Tunggal Mahajaya (Sako Plasma)</li> <li>19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma)</li> <li>20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma).</li> </ol>

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
		Based on auditor verification, there is still progress in obtaining legality documents for the uncertified units so that GAR has included the certification plan for the uncertified units in the timebound plan.

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

3.4.1. Identification of Findings, Corrective Actions and Observations at RC Assessment

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
<i>No Non-Conformance were found in this audit activity</i>					
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, Corrective Actions and Observations at ASA 2.1 Assessment

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Evidence observed</b> (filled by auditor):			
<i>There is No non-compliance was found in this RSPO ASA-2.1 onsite audit activity.</i>			
<b>Non-Conformance Description</b> (filled by auditor):			
<b>Root Cause Analysis</b> (filled by organization audited):			
<b>Correction</b> (filled by organization audited):			
<b>Corrective Action</b> (filled by organization audited):			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verified by</b> :			



3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	<p><b>The unit of certification complies with all relevant laws and regulations.</b></p> <ul style="list-style-type: none"> <li>Based on the results of the study of the Checklist and Testing Machinery and Work Equipment Licensing List for PHLM documents, it is known that there are several types of permits that have passed the re-examination period, such as Sterilizer No. 4 (1 April 2023), Diesel Genset No. 2 (17 April 2023) and others.</li> <li>The company shows a certificate from PT Samudra Karya Mustika PJK3 Development and Certification of K3 Specialist Fire Fighting Experts, dated 29 November 2022, which among other things explains that on behalf of Budi Setiawan he has attended guidance and IHT on 29 October – 12 November 2022 and the license and certificate are still in process at the Ministry of Manpower of the Republic of Indonesia.</li> <li>The company showed a Certificate from PT Tranindo Pratama Mulia, dated December 14, 2022, which among other things explained on behalf of Ona Suharto Tamarshi the extension of the SKP and General AK3 Authority Card was still being processed at the Indonesian Ministry of Manpower.</li> </ul> <p>Companies have the opportunity to ensure that factory machine inspections are carried out and K3 Expert certificates/licences are issued by the Indonesian Ministry of Manpower.</p>
2	3.6.1	<p>Based on the results of observations at the POM, it was found that third-party drivers were wearing <i>Gambir</i> shoes and loafers when weighing FFB at the weighbridge. Then the company has conducted socialization and given warnings to third parties regarding the orderly use of PPE in the mill area. Then, the company also provides special PPE inventory for third parties who will enter the factory area if found not using PPE in accordance with the risk analysis and control at the mill.</p> <p>The company has the opportunity to ensure that the implementation of risk analysis and control in the mill is in accordance with the stipulated conditions.</p>
3	6.7.1	<p>The company has the opportunity to ensure that periodic P2K3 meetings involve employees</p>
4	7.7.2	<p>The company carried out an inventory of peat areas in 2019 from the Ministry of Environment and Forestry and reported to the RSPO on April 7, 2020, which explained the area of peat land in the company's operational area. In this report, information was obtained that the area of embedded peat land was 2,642.8 Ha with details; Kanopan Ulu Estate 285.21 Ha and Adipati Estate 2,357.59 Ha.</p> <p>Meanwhile, based on the soil survey and matrix template, the area of embedded peat is only found in the Adipati estate area, namely 2,363.31 Ha.</p> <p>Then a re-survey was carried out by the company's internal team in December 2021 with the results that the Kanopan Ulu Estate area was not included in the peat category, thus the only area identified as peat was in the Adipati Estate with a total area of 2,490 Ha with an area of embedded peat of 2,363.31 Ha (based on December 2021 measurements).</p> <p>The results of the company's ASA 2.1 assessment have shown evidence of communication with the RSPO via email on 21 September 2022 regarding peat area inventory reporting, which states that the company was given a reporting period from 6 November 2022 to 5 November 2023.</p> <p><b>Companies have the opportunity to report peat inventory data to the RSPO secretariat according to the specified time.</b></p>

**3.4.4. Noteworthy Positive Components**

<b>No</b>	<b>Description</b>
1	Commitment to implement the principles of sustainable oil palm plantation management.
2	The company has competent human resources in their respective fields.
3	Presentation of documents is quite good
4	Obtained ISPO certificate
5	Reached the Blue Proper

3.5 Summary of Arising Issues from Public and Auditor Verification



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Environmental Agency of Labuhanbatu Utara Regency</b>  <b>Interviewee: Environmental Control</b>  <b>Date: 06 June 2023</b></p> <p>The company's commitment to the environment can be seen from routine reporting in the form of management and monitoring documents, periodic management of LB3 and liquid waste, as well as the company's participation in the 2022 PROPER program with a blue rating. There is involvement of the service to the company, it can be concluded that the relationship between the service and the company is going well. Regarding permits, the company is currently extending permits for the utilization of wastewater to the application area as well as extending the TPS LB3 permit.</p> <p>Until June 2023, there were no reported 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 require further verification</p>
<p><b>PT Amindi Barokah Sumut – Hazardous and Toxic Waste Transporter</b>  <b>Date: 06 June 2023</b></p> <p>Contractor activities in the hazardous waste transporter at PT SMART Tbk and PT MP LWI. The cooperative relationship with the company is going well. Contractor payments are made on time with each picking waste period and agreement is renewed once a year.</p> <p>Provision of PPE is carried out by the contractor, in the form of safety helmets, shoes and gloves. The contractor has enrolled its employees in the <i>BPJS</i> health program, in handling accidents through the nearest clinic or <i>puskemas</i>, there were no accidents in the last 2 years. While working, contractors receive supervision from the company, in the form of mandatory use of PPE and safety briefings.</p>	<p>There are no negative issues that need further verification.</p>
<p><b>Gender Committee</b>  <b>Interviewee: Head of Gender Committee of PHLE</b></p> <ul style="list-style-type: none"> <li>• The committee is formed with the management and membership of female employees and male representation.</li> <li>• The committee's duties include conducting counselling on maternal and child health, women's skills, as well as preventing harassment and reporting procedures and providing assistance if there are complaints from members/employees regarding incidents of harassment.</li> <li>• There were no reports/complaints regarding acts of harassment or regarding gender-related violations experienced by members during 2022-2023.</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>"Pelaku Pembacokan Kanitpam Perkebunan PT Smart Padang Halaban Diciduk Polisi - BIDIK NASIONAL" (<a href="https://bidiknasional.com/2023/01/16/pelaku-pembacokan-kanitpam-perkebunan-pt-smart-padang-halaban-diciduk-polisi/">https://bidiknasional.com/2023/01/16/pelaku-pembacokan-kanitpam-perkebunan-pt-smart-padang-halaban-diciduk-polisi/</a>)</p> <p>Based on the online media link above, it is known that there was a case of abuse against security officers at PT SMART Tbk in relation to the theft of FFB which previously occurred at Padang Halaban Estate. Currently the perpetrator has been handled by the police and is being processed legally.</p>	<p>From the results of the auditor's verification, the company has shown evidence:</p> <ul style="list-style-type: none"> <li>• Police Report Receipt Letter (No. STTLP/69/I/2023/SPKT/Polres Labuhanbatu/POLDASU) on 16 January 2023</li> <li>• Evidence of surrendering the victim's rights (as the head of the security unit at PT SMART Tbk) as an employee.</li> <li>• Based on interviews with management, currently the case is still in the legal process. Assistance to the victims' families morally and corporately is also ongoing, for example; by providing compensation and scholarships to the victim's children.</li> </ul>
<p>"Surat Pernyataan PT Smart Tbk Padang Halaban Untuk GEMA AKU – Media Humas Polri" (<a href="https://www.mediahumaspolri.com/surat-pernyataan-pt-smart-tbk-padang-halaban-untuk-gema-aku/">https://www.mediahumaspolri.com/surat-pernyataan-pt-smart-tbk-padang-halaban-untuk-gema-aku/</a>)</p> <p>"PT. SMART,Tbk Padang Halaban Diduga Gagal Terapkan UU Perkebunan". - Swara Hati Rakyat" (<a href="https://www.swarahatirakyat.com/2023/01/pt-smarttbk-padang-halaban-diduga-gagal.html?m=1">https://www.swarahatirakyat.com/2023/01/pt-smarttbk-padang-halaban-diduga-gagal.html?m=1</a>)</p> <p>Based on the online media link above, PT SMART Tbk Padang Halaban is suspected of having failed to implement the Plantations Law through tackling road damage which has impacted village community activities on access to the Sumatran causeway.</p>	<p>From the results of the auditor's verification, the company has shown evidence to follow up on road damage in the form of:</p> <ul style="list-style-type: none"> <li>• Minutes of the Labuhanbatu Utara Regent's Meeting (No. 00075/328/Development/2023) on 24 February 2023 regarding the construction of Poros Aek Kuo Street to Pulo Jantan Post, together with PT SMART Padang Halaban, PT Torganda Aek Kuo, and PT Marbau Jaya Indah Raya Aek Korsik.</li> </ul> <p>Following up on the results of the meeting held on 21 February 2023, the conclusions of the meeting are as follows:</p> <ul style="list-style-type: none"> <li>- The government of Labuhanbatu Utara Regency has asked 3 companies that pass through the Aek Kuo road axis to the Pulo Jantan road post to repair the road regularly until the road conditions are stable</li> <li>- Construction of the road is ± 20 km long</li> <li>- Division of zones for 3 companies to carry out road maintenance in alternating zones.</li> <li>• Minutes of the Mutual Agreement Meeting on March 14, 2023, which was attended and signed by: Chairperson of Commission B DPRD North Labuhanbatu, economic and development assistant, BAPPEDA, PUPR Service, Aek Kuo District representative, representatives of PT SMART – PHL, PT Torganda, and PT Marbau Jaya Indah Raya.</li> </ul> <p>With the conclusion of the deal:</p> <ul style="list-style-type: none"> <li>- Road repairs in Zone I along ± 5.2 km divided between 3 companies; PT SMART Tbk: 2.0 km, PT Torganda: 2.0 km and PT Marbau Jaya Indah Raya: 1.2 km.</li> <li>- Road repairs in Zone V along ± 1.5 km divided between 2 companies; PT SMART Tbk: 0.5 km and PT Torganda: 1.0 km</li> <li>- Repairs will be supervised by the PUPR Service to maintain the quality of work.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<ul style="list-style-type: none"> <li>- The ground breaking will be held on March 31, 2023 in Aek Kuo District</li> <li>• From the results of interviews with management, PT SMART Tbk is currently in the progress of road construction.</li> </ul>
<p><b>Plantation Agency of Labuhanbatu Utara District</b></p> <ul style="list-style-type: none"> <li>• The company has a good relationship and communication with the Agency</li> <li>• The company always involves the Dinas in every CSR activity the company.</li> <li>• The company has routinely submitted mandatory reports to the Agency</li> <li>• During the past year there were no fires in the company area.</li> <li>• There are no issues related to the disturbance of plantation business by the community.</li> </ul>	<p>There are no negative issues that require further verification.</p>
<p><b>Worker Union – SPSI</b></p> <ul style="list-style-type: none"> <li>• Internal union meetings were held whenever it's needed, and at least twice a month.</li> <li>• The wages paid by the company were in accordance with the applicable minimum wage.</li> <li>• The new CLA has been approved by the Manpower Agency of Labuhanbatu Utara Regency and valid until 2024</li> <li>• PPE has been providing in accordance to the results of risk identification in each work unit</li> </ul>	<p>In general, there are no negative issues that need further verification.</p>
<p><b>PT Tiga Mustika Agung (Housing Contractor)</b></p> <ul style="list-style-type: none"> <li>• The contractor has a good relationship with PT SMART Tbk for this type of work is <b>Housing Contractor</b>.</li> <li>• Work agreements are made using a tender system and every contract made contains aspects of employment and OHS for workers, for example related to BPJS payments and the provision of PPE to workers.</li> <li>• Contract payments are made in a timely, fair and transparent manner. The company's payment system is understood by the contractor.</li> </ul>	<p>In general, there are no negative issues that need further verification.</p>
<p><b>Manpower Agency of Labuhanbatu Utara Regency.</b></p> <ul style="list-style-type: none"> <li>• Relations of communication and cooperation have been established quite well during the 2023 period.</li> <li>• In general, currently the company has carried out obligations and work norms in accordance with applicable regulations starting from the stipulation of minimum wages, overtime, and other provisions properly.</li> <li>• The worker unions are currently also actively communicating with the company as well as the agency and have their own CLA which has been ratified by the relevant agency.</li> <li>• Over the past year (2023) there have been no complaints, grievances or industrial disputes reported to the service.</li> </ul>	<p>There are no issues/events/complaints that require further verification by the auditor.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• There are still non-permanent workers in estate with casual daily contract (BHL) and have contract workers (PKWT) status. The casual daily contract (BHL) with type of job description is loose fruit picker and contract workers (PKWT) with type of job description is palm oil maintenance.</li> <li>• All casual daily contract workers (BHL) and contract workers (PKWT) have been registered.</li> </ul>	
<p><b>Head of the Brussels Village &amp; Head of Padang Halaban Village</b></p> <ul style="list-style-type: none"> <li>• 50% of Brussels villagers work at PT SMART Tbk</li> <li>• No disputes for the last one year</li> <li>• Relations with PT SMART Tbk are going well.</li> <li>• Information on job vacancies is always conveyed to the village head.</li> </ul>	<p>There are no issues that require further verification by the auditor.</p>
<p><b>PT Universal Transindo Mas - FFB Transporter</b></p> <ul style="list-style-type: none"> <li>• Providing FFB transport units for Kanopan Ulu Estate and Padang Halaban Estate.</li> <li>• Providing PPE for contractor workers is the responsibility of the contractor (PT Universal Transindo Mas)</li> <li>• Agreements regarding the obligation to fulfill legal regulations, such as payment of minimum wages and BPJS membership for contractor workers, have been acknowledged and implemented</li> <li>• There are no complaints regarding payments and other agreements</li> <li>• Road conditions are good</li> <li>• Socialization of company policies and compliance related to RSPO has been provided</li> <li>• Assessment is carried out by the SPO Officer</li> <li>• Collaboration has been carried out since 2003.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>National Land Agency of Labuhanbatu Utara Regency.</b></p> <ul style="list-style-type: none"> <li>- The Company has carried out Reporting on mandatory land used at least 1 time a year in accordance with <i>Permen ATR</i> No. 7 of 2017.</li> <li>- Requests for information responded quickly.</li> <li>- The comment, information request and response from the National Land Agency has responded by company.</li> <li>- There are no land dispute issues</li> <li>- Road clearance has been completed through agreemen</li> </ul>	<p>There are no negative issues that need further verification.</p>



4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p><b>PT SMART, Tbk</b> Management Representative</p>  <p><b><u>Yahya Mustakim</u></b> Wednesday, 30 August 2023</p> </div> <div style="text-align: center;"> <p><b>PT Mutuagung Lestari, Tbk</b> Lead Auditor</p>  <p><b><u>Octo HPN Nainggolan</u></b> Wednesday, 30 August 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.	Man Power Agency Labuhanbatu Utara District	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
2.	Agriculture Agency Labuhanbatu Utara District	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
3.	Land Agency Labuhanbatu Utara District	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
4.	Environmental Agency Labuhanbatu Utara District	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
5.	PT Universal Transindo Mas	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
6.	PT Tiga Mustika Agung	Labuhanbatu Utara District	Phone	By phone	6 June 2023	✓	
7.	PT Amindi Barokah Sumut	Labuhanbatu District	Phone	By phone	06 June 2023	✓	
8.	Gender Committee PHLE	Labuhanbatu District	-	Direct Interview	06 June 2023	✓	
9	Sawit Watch	Bogor, Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	30 May 2023		✓
10	WWF	Jakarta, Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Email	30 May 2023		✓
11	WALHI	Jakarta, Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Email	30 May 2023		✓
12	AMAN	Jakarta, Indonesia	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Email	30 May 2023		✓
13	<b>Padang Halaban Mill</b> <ul style="list-style-type: none"> <li>• 2 security officer</li> <li>• 3 grading officer</li> <li>• 1 weighbridge clerk</li> <li>• 1 WTP operator</li> <li>• 1 WWTP operator</li> <li>• 1 warehouse operator</li> <li>• 1 hazardous storage operator</li> </ul>	Labuhanbatu District	-	Direct Interview	06 June 2023	✓	
14	<b>Padang Halaban Estate</b> <ul style="list-style-type: none"> <li>• 2 warehouse operator</li> <li>• 1 hazardous storage operator</li> <li>• 2 housing resident</li> <li>• 2 daycare officers</li> <li>• 2 mechanics 1 welder</li> </ul>	Labuhanbatu District	-	Direct Interview	07 June 2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
15	<b>Pernantian Estate</b> <ul style="list-style-type: none"> <li>• 3 warehouse operator</li> <li>• 1 hazardous storage operator</li> <li>• 2 housing resident</li> <li>• 2 daycare officers</li> <li>• 1 mechanic</li> </ul>	Labuhanbatu District	-	Direct Interview	08 June 2023	✓	
16	<b>Kanopan Ulu Estate</b> <ul style="list-style-type: none"> <li>• 2 warehouse operator</li> <li>• 1 hazardous storage operator</li> <li>• 2 housing resident</li> <li>• 2 daycare officers</li> <li>• 2 mechanics 1 welder</li> <li>• 8 fertilizer worker</li> <li>• 6 harvest worker</li> <li>• 3 herbicide applicator</li> </ul>	Labuhanbatu District	-	Direct Interview	07 June 2023	✓	
17	<b>Adipati Estate</b> <ul style="list-style-type: none"> <li>• 2 herbicide applicator</li> <li>• 3 harvest worker</li> <li>• 2 warehouse operator</li> <li>• 1 hazardous storage operator</li> <li>• 2 housing resident</li> <li>• 2 daycare officers</li> <li>• 2 mechanics 1 welder</li> </ul>	Labuhanbatu District	-	Direct Interview	08 June 2023	✓	
18	Head of the Brussels Village	Labuhanbatu District	-	Direct Interview	06 June 2023	✓	
19	Head of the Padang Halaban Village	Labuhanbatu District	-	Direct Interview	06 June 2023	✓	

**Appendix 2. Assessment Program**

DATE	5 – 10 June 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 5 June 2023</b>		
10:40 – 13:15	<ul style="list-style-type: none"> <li>Jakarta → Medan (Garuda Indonesia GA-186)</li> <li>Medan → Padang Halaban Palm Oil Mill – PT SMART Tbk</li> </ul>	AFF/ELU/BEN/IDR
16:05 – 21:01		
<b>Tuesday, 6 June 2023</b>		
08:00 – 09:00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	AFF/ELU/BEN/IDR
09:00 – 12:00	<b>Public Consultation :</b> <ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Labuhanbatu Utara Regency by Phone</li> <li>Public consultation with affected communities around the plantation and previous land owners (direct interview)</li> <li>Interviews with Gender Committees, Trade Unions, Local contractors, Employee cooperatives, third party suppliers (direct interview or by phone)</li> </ul>	IDR/ELU  AFF  BEN
12:00 – 14:00	<b>Break</b>	AFF/ELU/BEN/IDR
14:00 – 16:00	<b>Field observation to Padang Halaban POM</b> <ul style="list-style-type: none"> <li>Supply Chain Flow (Receiving FFB, Weighing FFB), CPO tanks and PK bulking</li> <li>Observation of the processing and mechanism of employment aspects</li> <li>Observation of Chemical Storage, PPE Storage, Hazardous Waste Storage, Fire Control Simulation</li> <li>Mill Waste Management / WWTP, WTP, monitoring wells, mill housing</li> </ul>	AFF IDR/ BEN ELU
16:00 – 17:00	<b>Presentation of Daily Progress</b>	AFF/ELU/BEN/IDR
<b>Wednesday, 7 June 2023</b>		
08:00 – 12:00	<b>Field Observation Kanopan Ulu Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental Aspects, Conservation, Waste Management, Waste, LA and HCV</li> <li>Observation of warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities)</li> </ul> <b>Field Observation Padang Halaban Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV</li> </ul>	AFF   IDR   BEN

DATE	5 – 10 June 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental Aspects, Conservation, Waste Management, Waste, LA and HCV</li> <li>Observation of warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities)</li> </ul>	ELU
12:00 – 14:00	<b>Break</b>	AFF/ELU/BEN/IDR
14:00 – 16:00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist</li> <li>Verification of stakeholder consultation result and field visit</li> </ul>	AFF/ELU/BEN/IDR
16:00 – 17:00	<b>Presentation of Daily Progress</b>	AFF/ELU/BEN/IDR
<b>Thursday, 8 June 2023</b>		
08:00 – 12:00	<p><b>Field Observation Pernantian Estate</b> Aspect to be verified :</p> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental Aspects, Conservation, Waste Management, Waste, LA and HCV</li> <li>Observation of warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities)</li> </ul> <p><b>Field Observation Adipati Estate</b> Aspect to be verified :</p> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental Aspects, Conservation, Waste Management, Waste, LA and HCV</li> <li>Observation of warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities)</li> </ul>	<p>AFF</p> <p>IDR</p> <p>BEN</p> <p>ELU</p>
12:00 – 14:00	<b>Break</b>	AFF/ELU/BEN/IDR
14:00 - 16:00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist</li> <li>Verification of stakeholder consultation result and field visit</li> </ul>	AFF/ELU/BEN/IDR
16:00 – 17:00	<b>Presentation of Daily Progress</b>	AFF/ELU/BEN/IDR
<b>Friday, 9 June 2023</b>		
08:00 – 10:00	<b>Internal Meeting Auditor Team</b>	AFF/ELU/BEN/IDR

DATE	5 – 10 June 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
10:00 – 12:00	<b>Closing Meeting</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, TimeLine of CAR's, Conclusion)</li> <li>• Comments, Responses and Questions</li> </ul>	AFF/ELU/BEN/IDR
15:19 – 20:20	Padang Halaban Palm Oil Mill – PT SMART Tbk → Medan	AFF/ELU/BEN/IDR
<b>Saturday, 10 June 2023</b>		
10:30 – 12:55	Medan → Jakarta ((Garuda Indonesia GA-185)	AFF/ELU/BEN/IDR