

Verified by:



# POIG Verification Report for Musim Mas Group

Follow up of the desk verification audit 2020

Evaluation date : 15 – 18 November 2022 and 29 November – 2  
December 2022

Report date : 6 November 2023

Verification Type : Onsite Audit

## Organisation Contact

Musim Mas Group  
Contact Person : Olivier Tichit  
Email : [olivier.tichit@musimmas.com](mailto:olivier.tichit@musimmas.com)

## Local Preferred by Nature Contact

PT Nature Economy and People Connected  
Contact Person : Lita Natasastra  
Email : [lnatasastra@preferredbynature.org](mailto:lnatasastra@preferredbynature.org)

## TABLE of CONTENTS

INTRODUCTION	3
1. SCOPE OF THE VERIFICATION	4
2. VERIFICATION PROCESS	5
3. VERIFICATION RESULT	6

## INTRODUCTION

In 2020, Preferred by Nature conducted remote audit to four subsidiaries of Musim Mas Group: PT Maju Aneka Sawit (MAS POM), PT Globalindo Alam Perkasa (GAP POM), PT Sukajadi Sawit Mekar 1 (SSM1 POM) and PT Sukajadi Sawit Mekar 2 (SSM2 POM). Overall, there was no Non-Conformance in the 2020 POIG remote audit. However, there are indicators including Major Indicators that require onsite audit to confirm the conformance.

The twelve Partial Conformance of Major Indicators that require onsite audit to confirm the Full Conformance are as follow:

1. Major Indicator 1.1.3 needs to interview key stakeholders on HCS forest areas. Since the key stakeholders could not be contacted for online interviews then an onsite audit is necessary.
2. Major indicator 1.2.1 needs to do site verification/ ground-truthing to confirm if there is any potential new development or drainage ditches.
3. Major Indicator 1.4.1 needs to do site verification on the use of chemical and interview with workers.
4. Major Indicator 1.5.1 needs to site verification on the use of chemical fertilizer and preference for alternatives.
5. Major Indicator 1.6.1 needs to follow up with interview with stakeholder and onsite audit to verify that no GMO are being grown.
6. Major indicator 1.7.2 needs to follow up with onsite audit to verify results.
7. Major indicator 1.8.2 needs to follow up with onsite audit to confirm that plans are being implemented.
8. Major Indicator 2.1.1. Resource access to independent expert advice. Key stakeholders and affected communities' interviews need to be conducted onsite.
9. Major Indicator 2.2.2. Onsite audit is required to interview workers and communities and to confirm garden sizes.
10. Major Indicator 2.3.5. Onsite audit is required to interview with affected parties to confirm the identified conflicts.
11. Major Indicator 2.4.2. An onsite audit needs to be conducted to interview a sample of community members and observe implementation.
12. Major Indicator 2.5.12. An onsite audit needs to be conducted to interview a sample of workers and observe implementation (where applicable).

The purpose of this audit is to confirm the findings from 2020 remote audit, to close out all partial conformance and to verify indicators that were not desk-auditable in 2020.

Dispute resolution: If Preferred by Nature clients encounter organisations or individuals having concerns or comments about Preferred by Nature services, these parties are strongly encouraged to contact the relevant Preferred by Nature regional office. Formal complaints and concerns should be sent in writing.

Impartiality commitment: Preferred by Nature commits to using impartial auditors and our clients are encouraged to inform Preferred by Nature management if violations of this are noted. Please see our Impartiality Policy here: <http://www.PreferredbyNature.org/impartiality-policy>

## 1. SCOPE OF THE VERIFICATION

### 1.1 Normative Reference

This verification is conducted based on the following document:

- Palm Oil Innovation Group (POIG) Charter Verification Indicator, version 2.0 September 2019
- Palm Oil Innovation Group Charter Verification Indicators – Remote Desk Audit Verification Guidance Note October 2020 (Version 2.2)

### 1.2 Company and Contact Details

<b>Company name:</b>	Musim Mas Group
<b>Business address:</b>	Jl. K.L. Yos Sudarso Km 7,8, Tanjung Mulia, Kota Medan 20241, Provinsi Sumatra Utara, Indonesia.
<b>Contact person:</b>	Olivier Tichit
<b>Telephone:</b>	+62 61 6615511
<b>E-mail:</b>	<a href="mailto:olivier.tichit@musimmas.com">olivier.tichit@musimmas.com</a>
<b>Web site:</b>	<a href="http://www.musimmas.com/">http://www.musimmas.com/</a>
<b>Other certifications held</b>	RSPO, ISCC, ISPO, ITSNC

### 1.3 General Description

This verification is conducted for four mills that were audited remotely in 2020. These four mills are: PT Maju Aneka Sawit (MAS POM), PT Globalindo Alam Perkasa (GAP POM), PT Sukajadi Sawit Mekar 1 (SSM1 POM) and PT Sukajadi Sawit Mekar 2 (SSM2 POM).

Detail of the Scope				
Palm Oil Mill	Address	Location		Supply Base
		Longitude	Latitude	
Maju Aneka Sawit	Desa Tanah Putih, Kecamatan Telawang, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah, Indonesia	112.64761	-2.478166	Tanah Mas Estate Kas Desa Penyang Kas Desa Tanah Putih
Globalindo Alam Perkasa	Desa Natai Baru, Kecamatan Mentaya Hilir Utara, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah	112.77484	-2.66758	Alam Sahara Estate

Sukajadi Sawit Mekar 1	Desa Sehabi, Kecamatan Telawang, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah, Indonesia	112.53972	-2.368111	Sehabi Estate Seranau Estate Kas Desa Sehabi
Sukajadi Sawit Mekar 2	Desa Sehabi, Kecamatan Telawang, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah, Indonesia	112.602611	-2.37025	Bukit Linang Estate Bukit Limas Estate Sari Mas I Estate Bakung Mas Estate Kas Desa Kenyala

## 2. VERIFICATION PROCESS

### 2.1 Inspection Body – Preferred by Nature

Name	Accreditation Body	Accreditation Code	Expiration date
Preferred by Nature	ASI (RSPO SCCS, FSC COC and FSC FM)	ASI-ACC-066	March 30, 2022 (RSPO SCCS) October 25, 2024 (FSC COC and FSC FM)
<p><b>Description:</b> Preferred by Nature (formerly NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate in 100+ countries. We work with companies of all sizes dealing with various agricultural products including coffee, tea, cocoa, and tropical fruit. To date, over 2 million hectares of agriculture farms are included in our certification services against international sustainability standards. More than 4,200 companies and organisations along the global timber and agriculture supply chain have been Chain of Custody certified by us.</p>			

### 2.2 Verification Team

Name	Qualification
Yudi Iskandarsyah	Yudi earned his forestry degree from Bogor Agricultural University and his master's degree in environmental management from Yale University. Yudi has attended trainings of FSC FM Expert Course in 2017, Sustainable

	Agro-cultural Network (SAN) in 2017, and ISO 9001:2015 IRCA Lead Auditor. He is also a POIG approved auditor. He has experiences as an auditor in forestry, forest products industry and palm oil plantation in environmental and social aspects. He has conducted palm oil mill and plantation audits under POIG scheme.
<b>Wahyu F. Riva</b>	Wahyu has been working in the field related to natural resource management for about 15 years. He earned his forestry and magister degree from Bogor Agricultural University. He had work at LEI, ICRAF and CIFOR. He is the founder and director of CV IDEAS Consultancy Services and PT IDEAS Semesta Energi. He had act as secretary for JNKTI between 2014-2017. Wahyu is also qualified as lead auditor for FSC, IFCC-PEFC, GFTN-WWF, C.A.F.E Practices, Organic, ISCC and SVLK.

## 2.3 Method

- Verification is focused on partially conformance and not desk base auditable indicators from the evaluation report in 2020. There are 41 partially conformance indicators including 12 major indicators and 5 not desk auditable indicators.
- Onsite Verification. The verification is conducted through site visit, documents review and interviews with relevant staff. Due to time limitations and Covid-19 precautionary approach, the interview with communities was conducted in the office.

## 3. VERIFICATION RESULT

### 3.1 Summary

This verification concludes that all identified partial-conformities are closed, and **the company is verified to be in conformance with all indicators that were not-desk auditable.**

1. Major Indicator 1.1.3. Interviews with key stakeholders on HCS forest areas have been conducted and the result confirmed the company's fully conformance to this indicator.
2. Major Indicator 1.2.1. Based in interviews with staff and review of the map during onsite audit, there are areas of undeveloped peatland conserved by the company. The onsite audit results confirmed the company's fully conformance to this indicator.
3. Major Indicator 1.4.1. Site verification on the use of chemical and interview with workers have been conducted and the result confirmed the company's fully conformance to this indicator.
4. Major Indicator 1.5.1. Site verification on the use of chemical fertilizer and preference for alternatives, and interview with workers have been conducted and the result confirmed the company's fully conformance to this indicator.

5. Major Indicator 1.6.1. Interview with stakeholders and onsite audit have been conducted. The result confirmed that no GMO are being grown and company's fully conformance to this indicator.
6. Major indicator 1.7.2. Document review, interview with staff and worker as well as observation in the field have been conducted to evaluate the company's water management plan. The result confirmed the company's fully conformance to this indicator.
7. Major indicator 1.8.2. An onsite audit has been conducted to confirm that management plans for all RTE species are being implemented. The result confirmed the company's fully conformance to this indicator.
8. Major Indicator 2.1.1. Interviews with key stakeholders and affected communities' have been conducted onsite to evaluate company's FPIC process. The result confirmed the company's fully conformance to this indicator.
9. Major Indicator 2.2.2. Interviews with workers and communities have been conducted on garden/farmland for food security. The result confirmed the company's fully conformance to this indicator.
10. Major Indicator 2.3.5. Onsite audit has been conducted to interview affected parties to confirm the identified conflicts. The result confirmed the company's fully conformance to this indicator.
11. Major Indicator 2.4.2. An onsite audit has been conducted to interview a sample of community members and to observe implementation of social program to mitigate social impact. The result confirmed the company's fully conformance to this indicator.
12. Major Indicator 2.5.12. An onsite audit has been conducted to interview a sample of workers and observe implementation (where applicable) on the topic of recruitment and employment fee. The result confirmed the company's fully conformance to this indicator.

## 3.2 Details of the Findings

The following section describes evidence of Organisation partial-conformities identified during the remote audits and results of the onsite audit.

### 1. Environmental Responsibility

#### 1.1 High Carbon Stock and High Conservation Values

Partial-Conformance:		Major: 0	Minor: 1
Indicator:	1.1.1 Prior to establishing new plantations or expanding existing ones, <sup>1</sup> an HCV-HCSA assessment, <sup>2</sup> using HCV-HCSA Assessment Manual which combines biodiversity, carbon conservation and social considerations (including community needs) has been conducted. <sup>3</sup>		

<sup>1</sup> Does not apply to infill areas less than 2 hectares, provided this is not encroaching on protected lands (e.g., riparian zones, HCV, etc.). Where the previous HCS assessments are older than 36 months, a new assessment would need to be conducted.

<sup>2</sup> This must be carried out by a licensed assessor under the HCVRN scheme.

<sup>3</sup> An HCV-HCSA assessment is not required for new plantings:

- i. in areas not covered by native vegetation, provided there is a valid HCV assessment and a Land Use Change Analysis; and
- ii. in areas covered by native vegetation, provided there are valid standalone HCV and HCSA assessments.

## Description of Partial-Conformance from Remote Audit in 2020

A report that identified and mapped HCV (High Conservation Values) and HCS (High Carbon Stock) areas in PT Maju Aneka Sawit (MAS) is available. The assessment is standalone HCV and HCS assessment. HCV assessment for MAS was conducted following the HCVRN (High Conservation Values Resource Network) Common Guidance and HCS assessment for MAS was conducted following the HCSA (High Carbon Stock Approach) toolkits which combined biodiversity, carbon conservation and social considerations including wider landscape. The report also provided information on social considerations such as land tenure, participatory mapping, FPIC process and public consultation during the assessment. At the end recommendations is also provided to determine the area for community needs which is laid out in ICLUP (Integrated Conservation and Land Use Plans).

The assessment covered Tanah Mas, Sari Mas I, Bakung Mas Estates started in August 2017. The HCV assessment report was submitted to HCVRN for quality panel review and published on HCVRN website with final report result satisfactory on 15 October 2018. The HCS assessment report was then submitted to HCSA for peer review and published in HCSA website on 19 November 2018.

A report that identified and mapped HCV and HCS forest areas in PT Sukajadi Sawit Mekar (SSM) is available. The assessment is standalone HCV and HCS assessment. HCV assessment for SSM was conducted following the HCVRN Common Guidance and HCS assessment for SSM was conducted following the HCSA toolkits which combined biodiversity, carbon conservation and social considerations including wider landscape. The report also provided information on social considerations such as land tenure, participatory mapping, FPIC process and public consultation during the assessment. At the end recommendations is also provided to determine the area for community needs which is laid out in ICLUP.

The assessment covered Sebaby, Seranau, Bukit Linang and Bukit Limas Estates started in August 2017. The HCV assessment report was submitted to HCVRN for quality panel review and published on HCVRN website with final report result satisfactory on 29 August 2018. The HCS assessment report was then submitted to HCSA for peer review in June 2017 and was published in HCSA website on 19 November 2018.

A report that identified and mapped HCV and HCS forest areas in PT Globalindo Alam Perkasa (GAP) is available. The assessment is standalone HCV and HCS assessment. HCV assessment for GAP was conducted following the HCVRN Common Guidance and HCS assessment conducted following the HCSA toolkits which combined biodiversity, carbon conservation and social considerations including wider landscape. It was started in August 2017 which covered Alam Sahara Estate. The report also provided information on social considerations such as land tenure, participatory mapping, FPIC process and public consultation during the assessment. At the end recommendations is also provided to determine the area for community needs which is laid out in ICLUP.

The HCV assessment report was submitted to HCVRN for quality panel review and published on HCVRN website with final report result satisfactory on 2 May 2018. The HCS assessment report was submitted for HCSA peer-reviewed in June 2018 and published in HCSA website on 4 September 2018.

Based on the documents review (including satellite imagery showing for GAP version dated September 2020, for SSM version August 2020 and for MAS version November 2020) and interview with MM staffs, there were new plantings in MAS, SSM and GAP. Documents are



available to support the process include NPP, HCV assessment reports, HCSA Assessment and LUCA (Land Use Change Analysis).

After 2014, there were new plantings in PT SSM, PT MAS and PT GAP following RSPO New Planting Procedure (NPP). NPP notification was completed on 18 June 2015 for PT SSM and PT MAS, on 21 September 2015 for PT GAP.

New planting took place in different estate and different years. In Sebabi Estate, new planting was in 2019 of about 18.82 ha. In Seranau Estate, new planting in 2019 of about 20.29 ha. In Bukit Linang Estate, new planting from 2015-2017 and 2019-2020 took place. In Bukit Limas Estate, new planting was in 2016-2017 and 2019-2020.

For plantings in 2015-2017, they followed NPP, HCV and HCS (through LUCA) documents. No planting took place in 2018. HCV-HCS reports evaluated by HCVRN through ALS (Assessor Licensing Scheme) and HCSA mechanisms. Therefore, the plantings in 2019-2020 followed the latest HCV-HCS studies.

Similar situation in MAS and GAP, new planting took place in MAS of about 378.31ha (2017 – October 2020 period), and in GAP about 3,147.89 ha (2015 – October 2020 period).

No interview with relevant stakeholders conducted.

It can be concluded that this indicator is partially conformed since still need interview with community through onsite audit.

<b>Evaluation Findings:</b>	Interviews were conducted at MAS, GAP and SSM 1&2 with communities' representatives who confirmed that HCV and HCS studies conducted in the past. Communities were also consulted in the assessment process on community needs. Field visit was also conducted to observe new planting areas at MAS, GAP and SSM 2 (2020).
<b>Status:</b>	Partial conformance with indicator 1.1.1. is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Since no key stakeholders can be contacted for interview via telephone or electronically during remote audit then field visits were conducted. Interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village).

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.1.2 HCS forest areas are identified and mapped.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
HCS maps for MAS, SSM and GAP are available in their HCS assessment reports. A report that identified and mapped HCS areas in PT MAS is available. High Carbon Stock Assessment of PT Maju Aneka Sawit Central Kalimantan, Indonesia dated 13 November 2018. A report that identified and		

mapped HCS forest areas in PT GAP is available. High Carbon Stock Assessment of PT Globalindo Alam Perkasa Central Kalimantan, Indonesia dated 24 May 2018. A report that identified and mapped HCS forest areas in PT SSM is available. High Carbon Stock Assessment of PT Sukajadi Sawit Mekar Kalimantan, Indonesia dated 3 August 2018. The report has gone through peer review by HCSA.

It can be concluded that this indicator is partially conformed since still need to confirm HCS areas by onsite sampling.

<b>Evaluation Findings:</b>	Field visit to a sample of HCS areas were conducted to confirm HCS areas in GAP, SSM 1 and SSM 2 (Estate Sari Mas).
<b>Status:</b>	Partial conformance with indicator 1.1.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	On site sampling and field visit to HCS areas.

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.1.3 After March 2014 no new plantings take place in HCS forest areas identified for conservation.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>From interview with staff in charge in HCS and also documents review, no new plantings took place in HCS forest areas identified for conservation in MAS, SSM and GAP. Satellite imagery review were also provided to show that no new planting in HCS forest areas.</p> <p>During the HCS assessment process, there was a process of 'take and give' of HCS areas in SSM and GAP. Such a process is possible to take place in the HCS assessment where areas are swapped to get the most out of HCS areas allocation. These swaps have undergone HCVRN review. No interview with relevant stakeholders conducted.</p> <p>It can be concluded that this indicator is partially conformed since key stakeholders cannot be contacted by phone or electronically, then a site visit will be necessary.</p>		
<b>Evaluation Findings:</b>	Interviews were conducted at MAS, GAP and SSM 1&2 with communities' representatives confirmed that the company have conducted HCS studies. Communities confirmed that there were areas acquired from community lands to become new planting sites and not in HCS forest areas category.	
<b>Status:</b>	Partial conformance with indicator 1.1.3 is closed. The organisation has full conformance with this indicator.	
<b>Evaluation Method:</b>	Since no key stakeholders can be contacted for interview via telephone or electronically during remote audit then field visits were conducted. Interview with affected	

	community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenya village).
--	---

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	1.1.4 Community participatory mapping has identified and mapped garden and future farmlands <sup>4</sup> that are fundamental to meeting their basic food needs over the license period of the plantation and excluded them from being considered HCS forest.
-------------------	---

**Description of Partial-Conformance from Remote Audit in 2020**

Participatory mapping is conducted in the HCS assessment processes. The HCS assessment reports for MAS, SSM and GAP were all published in November 2018, November 2018 and September 2018 respectively. During public consultation processes, communities indicated areas that are important for them to provide their basic food needs over the license period of plantation i.e., garden, (rubber plantation, and vegetable crops) and future farmlands that were then identified and mapped to be excluded from become HCS forest areas in MAS, SSM and GAP.

No interview conducted with relevant stakeholder.

It can be concluded that this indicator is partially conformed since stakeholders cannot be contacted by phone or electronically, then a site visit will be necessary.

<b>Evaluation Findings:</b>	Interview with communities' representatives confirmed that participatory mapping was conducted for villages around the company areas. Community participated in the mapping of resources which include not only garden or future farm land but also other resources such as infrastructures in the villages.
-----------------------------	--

<b>Status:</b>	Partial conformance with indicator 1.1.4 is closed. The organisation has full conformance with this indicator.
----------------	--

<b>Evaluation Method:</b>	Since no key stakeholders can be contacted for interview via telephone or electronically during remote audit then field visits were conducted. Interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenya village).
---------------------------	--

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
-----------------------------	-----------------	-----------------

<sup>4</sup> Applies to lands where communities have legal, customary or user rights to the land.

<b>Indicator:</b>	1.1.5 HCS forest areas are actively conserved as part of a community participatory land-use plan including FPIC <sup>5</sup> , and an integrated conservation and land use plan (that includes HCV areas, riparian zones, and peatland areas).
<b>Description of Partial-Conformance from Remote Audit in 2020</b>	
[Not desk auditable.]	
<b>Evaluation Findings:</b>	Onsite sampling of HCS areas in PT MAS and SSM and interview with staff confirmed that HCS areas are conserved as part of integrated conservation and land use plan. A visit to HCV areas in PT GAP located close to HCS areas in GAP confirmed that the HCS areas existed and conserved as part of integrated conservation and land use plan also.
<b>Status:</b>	The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Onsite visit to HCS areas and interview with staffs

## 1.2 Peatland

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.2.1 <b>Undeveloped areas of peatland (of any depth) are not developed or drained.</b>	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Based on soil map and satellite imagery shown via screen sharing, peatland is available in MAS (Bakung Mas, Sari Mas and Tanah Mas Estates), SSM (Bukit Limas and Bukit Linang Estates) and GAP (Alam Sahara Estate). From planting maps review, there has been no development in peatland (of any depth) after November 2015 when Musim Mas Group made commitment to POIG Charter. The latest development on peatland in MAS, SSM, and GAP were in 2007.</p> <p>As part of the Musim Mas Group's participation in ISCC, a commitment was made to protect peatland starting from the end of 2007. Therefore MAS, SSM, and GAP are also bound to the commitment.</p> <p>It can be concluded that this indicator is partially conformed since this is a major issue.</p>		
<b>Evaluation Findings:</b>	Based on interview with staff and from map provided, there are areas which are undeveloped peatland. Such areas are not part of HCV or HCS but being conserved by the company as part of their commitment to NDPE policy.	

<sup>5</sup> Applies to lands where communities have legal, customary or user rights to the land.

<b>Status:</b>	Partial conformance with indicator 1.2.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Field visit to available undeveloped peatland

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.2.3 Where there is existing planting on peat, critical peatland ecosystems are identified and assessed for restoration opportunities.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Current plantation existed on peat in MAS, SSM and GAP. Through the engagement with the Indonesian Ministry of Environment and Forestry, MAS, SSM and GAP are to identify critical peatland ecosystems since 2017 and 2018.</p> <p>The identification process which aims at eventually evaluating the critical peatland ecosystems is conducted through monitoring the water management in the oil palm planted peatland. Peatland monitoring includes periodic measurement of the water table, monitor the rainfall intensity as well as monitoring peat subsidence in the plantations. Letter of agreement on monitoring the water table and rainfall intensity was signed in 2017-2018 for MAS, SSM and GAP and the monitoring report from the company have been filed once every three months to the government since then.</p> <p>There is no specific timeframe for the monitoring activities, but the government will evaluate the results and make the decision on the status of the assessed areas and also restoration opportunities in accordance to government regulation. The number and locations of surface water monitoring and rainfall monitoring plots are determined by the government as it's laid out in the letter to the companies. There has been feedback from the companies to the government on the location of the monitoring plots that were not appropriately located. Some plots located in mineral soils for instance and correction has been made accordingly.</p> <p>For MAS, the number and distribution of the monitoring plots is indicated in government decision letter SK.89/PPKL/PKG/PKL.0/12/2017 in 2017. For SSM, the number and distribution of the monitoring plots is indicated in government decision letter SK.89/PPKL/PKG/PKL.0/9/2018 in 2018. For GAP, the number and distribution of the monitoring plots is indicated in government decision letter SK.44/PPKL/PKG/PKL.0/11/2017 in 2017. For MAS, and GAP, there was a revision based on feedback from GAP in 2018.</p> <p>The latest report to the government was submitted for the period of July-September 2020 for MAS, SSM and GAP</p> <p>It can be concluded that this indicator is partially conformed since it should be followed with onsite audit.</p>		
<b>Evaluation Findings:</b>	Based on interview with staff and production document of peatland plantation and map analysis during the onsite	

	audit, no critical ecosystem found in the field. However, the company has been monitoring the peatland plantation following the government requirements. Monitoring points were determined by the government and the company submit monitoring report which include water table level and also subsidence regularly. The report now can be submitted electronically through Ministry of Environment and Forestry website SiMATAG-0,4m.
<b>Status:</b>	Partial conformance with indicator 1.2.3 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Onsite audit following interview with staff and map analysis

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.2.5 For existing plantings on peat, records show that the water table is maintained (at an average of 50cm (between 40 - 60 cm) below ground surface measured with groundwater piezometer readings, or an average of 60 cm (between 50 - 70 cm) below ground surface as measured in water collection drains) through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and water gates at the discharge points of main drains (RSPO Criteria 7.5, 7.7 and 7.8).		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>Monitoring records are available for MAS, SSM and GAP for the period of January-October 2020.</p> <p>Water monitoring plots use groundwater piezometer for monitoring the water table. From the records of MAS, SSM and GAP, water table on average is maintained between 40-60 cm below ground surface.</p> <p>It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to sample recording methods and infrastructure and interview workers.</p>			
<b>Evaluation Findings:</b>	Recent monitoring record were reviewed. The average water table is maintained between 40-60 cm below ground surface. Field observation in MAS, GAP and SSM water table level monitoring points were conducted during which the monitoring staff download data from using data logger and also manual measurement was conducted for comparison. The difference is small between data collected automatically with manually collected data. In order to ease the measurement process, now monitoring staff uses laser device to measure the water table level.		
<b>Status:</b>	Partial conformance with indicator 1.2.5 is closed. The organisation has full conformance with this indicator.		

<b>Evaluation Method:</b>	Document review, interview with staff and observation in the field.
---------------------------	---

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.2.6 Where drainability assessments have identified areas unsuitable for oil palm replanting, including the likely GHG emissions associated with continued cultivation, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of GHG emissions, fires, flooding and/or saltwater intrusion, growers cease replanting and implement rehabilitation.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>Drainability assessments have been conducted in MAS, SSM and GAP for the plantation that have reached 15 years old. The next assessment will be carried out next year for the areas that have already reached 15 years old. However, the assessment did not show areas that are unsuitable for oil palm planting.</p> <p>Additionally, MAS, SSM and GAP also developed plots to monitor peat subsidence in their plantation. Monitoring is done four times a year.</p> <p>It can be concluded that this indicator is partially conformed since it needs to follow up with onsite audit to confirm implementation.</p>			
<b>Evaluation Findings:</b>	Drainability assessment at MAS, GAP and SSM for plantation more than 15 years old. From assessment report, interview with R&D and field visit to study areas, it can be concluded that no planted areas above 15 years old that are not unsuitable for replanting.		
<b>Status:</b>	Partial conformance with indicator 1.2.6 is closed. The organisation has full conformance with this indicator.		
<b>Evaluation Method:</b>	Document review, interview with staff and field observation		

### 1.3 Greenhouse gas (GHG) accountability

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.3.1 All sources of GHG emissions, including those related to land use and non-land use activities, are identified and monitored using the RSPO PalmGHG methodology or		

	equivalent. <sup>6</sup>
<b>Description of Partial-Conformance from Remote Audit in 2020</b>	
<p>GHG emissions from all sources of both related to land use and non-land use activities are identified and monitored using the latest RSPO Palm GHG version 4.0. in MAS, SSM 1, SSM 2 and GAP.</p> <p>Identification and monitoring documents are provided and reviewed for MAS (2011-2019), SSM 1 (2006-2019), SSM 2 (2011-2019) and GAP (Jan-Dec 2019). For GAP, since it was just commissioned in Oct 2019, the available data used in calculating the emissions was from Nov-Dec 2019. The data was then normalized to sync with the full year actual data from its supply base which is Alam Sahara Estate. It was assumed that the data reflected the expected full operation in 2020. The calculation included the hypothetical production for the year 2020 using the data from two months FFB production as the basis to calculate one year emission. However, it would overestimate the emission for that year in GAP since the actual production was only in two months.</p> <p>The GHG calculations for MAS, SSM1, SSM2 and GAP are following the RSPO PalmGHG methodology and submitted to the RSPO.</p> <p>It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to confirm sources and monitoring procedures.</p>	
<b>Evaluation Findings:</b>	Interview with staff and document review showed that SOP is available that guide the identification and monitoring of GHG emissions sources from land and non-land sources. Based on onsite audit document review, all data and information were then collected and analysed at head office to be reported to RSPO using the latest Palm GHG calculator.
<b>Status:</b>	Partial conformance with indicator 1.3.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Onsite audit to check the document (SOP) and implementation in the field

#### 1.4 Pesticide use minimisation

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.4.1 Highly toxic, bio-accumulative and persistent pesticides (PBT) are prohibited. This includes chemicals listed by the following: a) World Health Organization Class 1A or 1B, Stockholm or Rotterdam Conventions, b) FSC 'Highly Hazardous' list, c) SAN prohibited pesticide list and d) Paraquat.	

<sup>6</sup> The latest version of the RSPO Palm GHG methodology must be used.



### Description of Partial-Conformance from Remote Audit in 2020

Musim Mas Group has developed some policies toward the use of chemicals in their operations. One of the policies is to ban the use of paraquat since 2011 within their operations. As part of their commitment, they also have developed internal standard and best practices to exclude chemicals listed by WHO, international conventions, FSC and SAN as prohibited use.

MM Group has developed phase out plan for 10 pesticides from the period of 2018-2021. However, due to the absence of alternate choice of one of these pesticides, such pesticide will still be and only used for emergency situation subject to approval from POIG OC. MM Group has also been granted exemption letter from POIG for the use and phased out plan for several prohibited pesticides as indicated in the letter from POIG Organizing Committee (POIG OC) on Clarifications and decisions on Musim Mas Group request for exemption for the list of POIG prohibited pesticides currently used by the company dated 20 December 2018. This letter also applies to MAS, SSM 1, SSM 2, and GAP.

Out of 10 pesticides active ingredients, 4 are already phased out in the period of 2018- October 2020. There are still 6 pesticides active ingredients that 2 of them will be phased out in December 2020 and 3 of them will be phased out in December 2021 while one pesticide active ingredient will only be used for emergency and subject to get approval from POIG OC.

From company records in pesticide stock (list of chemical pesticides available in the estates) and record of chemical pesticides application from Jan-Oct 2020 and a recommendation letter from R&D for pesticide use, there have been no application of Brodifacoum, Permethrin which are phased out in 2018, Benomyl and Glufosinate-ammonium which are phased out in 2019. Interview with management also mentioned that no application of Carbofuran.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit of chemical use and interview with workers.

<b>Evaluation Findings:</b>	Based on field observation in the chemical storage at PT MAS, GAP and SSM 1&2 and interview with staff and workers, no prohibited pesticide use. No use of emergency and prohibited pesticide. No emergency and prohibited pesticide in the stock as well.
<b>Status:</b>	Partial conformance with indicator 1.4.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Onsite audit and interview with workers

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.4.2 The grower preferences natural weed and pest control and IPM.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
MAS, SSM and GAP have procedure in handling pest that put preference on manual and non-chemical control on pest, pest monitoring activities or early warning for pesticide application. It is all combined		

in Integrated Pest Management which is being practiced at MAS, SSM, and GAP. Through *screen sharing* during remote audit, records of activities using natural weed and pest control and IPM were provided. Other record such as activities to monitor and control pests such as rat and caterpillar. These two pests have been controlled using non-chemical (natural enemy) application. Planting beneficial plants such as *Antigonon leptopus*, *Turnera subulata* and *Cassia cobanensis* are for providing nature and food for natural predator for controlling leaf eating caterpillar while the use of *Tyto alba* (owl) through provision of owl barn is intended to control rat in the plantation. From the review of pest control procedure, pest monitoring record in 2020 and application of pesticides in 2020, pesticide is used selectively as long as infestation is under the threshold.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to confirm implementation.

<b>Evaluation Findings:</b>	Based on observation during field visit at PT MAS, GAP and SSM 1&2, it can be concluded that the companies planted beneficial plants such as <i>Antigonon leptopus</i> , <i>Turnera subulata</i> and <i>Cassia cobanensis</i> to control leaf eating caterpillar and also use owl ( <i>Tyto alba</i> ) to control rat.
<b>Status:</b>	Partial conformance with indicator 1.4.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Field observation and interview with staff/worker

### 1.5 Chemical fertilizer

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.5.1 Use of chemical fertilisers is minimised through producers demonstrating preferential use of alternatives <sup>7</sup> to manage soil fertility.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>From document review and interview with staff, the application of fertilizer in MAS, SSM 1, SSM 2 and GAP has already followed recommendation from R&amp;D on fertilizer use to avoid unnecessary application of fertilizer.</p> <p>In addition to chemical fertilizers, ashes from the boiler and decanter solid are also applied especially on sandy and peat soil areas in order to help manage soil fertility. The use of empty fruit bunch application in sandy soil plantation is also to manage soil fertility. Since 2014, application was using fiber instead of EFB to make it easier for soil to absorb nutrient from the material. Policy for application of boiler ashes, decanter solid and empty fruit bunch is available in the group agricultural practices. Every year, Research and Development group will provide recommendation on fertilizer use in terms of effective time, dose and application technique based on R&amp;D research experiences (using soil and leaves sample, and manure historical block as the basis for analysis).</p>		

<sup>7</sup> Alternative methods include: 'precision agriculture', the use of organic fertilisers and the use of organic residues as a source of nutrients, including those resulting from the processing of oil palm bunches.

The companies also have land application activities where wastewater from effluent processing facilities is discharged to POM nearby plantation. Since MAS, SSM1 and SSM 2 mills have methane capture utilization facilities, wastewater discharged are more served to water the plantation areas. GAP does not have yet methane capture facilities.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to confirm chemical fertiliser use and preference for alternatives.

<b>Evaluation Findings:</b>	Document review showed that the companies has been using chemical fertilizer use but also has preference for alternatives to use non-chemical materials to maintain soil fertility. Materials used include fibre, dried decanter solid and boiler ash. Interview with staff mentioned the use of such materials in the plantation. Observation in the field (MAS, GAP and SSM) confirmed that practices. Other material used in plantation is from processed POME that served as fertilizer to the soil through Land Application.
<b>Status:</b>	Partial conformance with indicator 1.5.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Document review, interview with staff and observation in the field

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.5.2 Phosphorus and nitrogen levels in relevant watercourses are monitored and when the results of monitoring indicate an increased level of such elements in water due to fertiliser application, company will adjust fertiliser rates and procedures.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM and GAP have been monitoring phosphorous and nitrogen levels in relevant watercourses in their plantations. Sampling points were identified to represent the inlet and outlet of watercourses and the number depends on watercourses that pass-through plantation and potentially affected by activities in the plantation agricultural practices (application of fertilizer). The monitoring plots installed in the upstream and downstream area representing inlet and outlet of the rivers. Maps of sampling points were presented through screen sharing. Government regulation is used as a reference to determine the threshold of N and P in the watercourses. Ammonia (NH<sub>3</sub>) is also added into monitoring system.</p> <p>The result of the analysis and comparison between inlet and outlet is available for review. Overall, the monitoring results of N, P and ammonia in MAS, SSM and GAP are still below the threshold of government regulation PP 82/2001 which are for Phosphate as P (0,2), Ammonia (undefined), Nitrate (10), and Nitrite (0.06).</p> <p>As an example, in MAS there are 9 monitoring points which cover 4 rivers (Rinjau, Lada, Lais and Aba rivers) that encompass the concession areas. The monitoring plots installed in the upstream and downstream area representing inlet and outlet of the rivers.</p>		

Musim Mas Group has developed a procedure (2017) which also apply for MAS, SSM and GAP to guide what should be done if an increase level of phosphorous and nitrogen in the watercourses is identified. The measures include the adjustment of fertilizers rate and procedures. Interview with staff confirmed and procedure is also shown through screen sharing.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to interview workers, and to evaluate monitoring sites.

<b>Evaluation Findings:</b>	Based on information from document review and interview with workers, a field visit to the monitoring area where sample collected to test P and N rate in the plots that represent inlet and outlet of the rivers. All confirmed with the remote audit finding in 2020.
<b>Status:</b>	Partial conformance with indicator 1.5.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Document review, interview with workers and visiting monitoring sites.

#### 1.6 GMOs prohibition

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.6.1 <b>The use of GMOs in the management area is prohibited.</b>	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Oil palm seedlings used are supported by certificate of origin. Interview with company staffs mentioned that no GMO is used in the plantation. Internet search also revealed that there is no GMO palm oil seedlings.</p> <p>It can be concluded that this indicator is partially conformed since it needs a follow up with an onsite audit to verify that no GMOs are being grown.</p>		
<b>Evaluation Findings:</b>	Based on interview with staff at nursery and also workers' family member that there are no GMOs are being grown in the plantation and also in workers' housing garden. For oil palm seedlings, certificates are provided from the producers.	
<b>Status:</b>	Partial conformance with indicator 1.6.1 is closed. The organisation has full conformance with this indicator.	
<b>Evaluation Method:</b>	Field visit to Nursery and worker's housing	

## 1.7 Water accountability

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.7.1 Water use, consumption and pollution by plantation operations and mills are monitored.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>In both mills and plantations (estates), water use, consumption and pollution are monitored. The monitoring system include measurement of water comes in and out from the system. The water monitoring is obtained from the measurement of water flow meter which are installed in the mills and estates. Water monitoring records are available and reviewed.</p> <p>For MAS, SSM 1, SSM 2, and GAP each of them have a report on water footprint which was published in June 2020. The report provides information on water use, consumption and pollution in plantation operations and mills from Jan-Dec 2019.</p> <p>The report is based on the monitoring of water footprint using the water footprint network methodology. The calculation used both pre-defined number (default values) and from direct measurement. Water footprint measured not only water consumed but also water returned to the area by the mills and plantations. Calculation of water pollutions was through the data from POME flow meter monitoring and the volume or doses of pesticides and fertilizers applied in the plantations.</p> <p>For 2019 water monitoring calculation, the consumption of water in MAS, SSM 1, SSM 2, and GAP is less than the total water received from the rain in the area during that year. It can be concluded that this indicator is partially conformed since it needs a follow up with onsite review of monitoring stations and methodology.</p>			
<b>Evaluation Findings:</b>	Based on document review, interview with staff and observation in the field, it can be concluded the company monitor water use, consumption, and pollution both in plantations and mills. Water flow meter are both installed in the mills and plantation (housing, office and other building) to monitor water use. Flow meter is also installed in POME processing that can be used to calculate the pollution.		
<b>Status:</b>	Partial conformance with indicator 1.7.1 is closed. The organisation has full conformance with this indicator.		
<b>Evaluation Method:</b>	Document review, interview with staff and observation in the field		

<b>Partial-Conformance:</b>		<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.7.2 The water management plan includes targets and measures to minimize and/or reduce water use, consumption,		

and pollution, including in both plantations and mills.<sup>8</sup>

### Description of Partial-Conformance from Remote Audit in 2020

The water management plan for MAS, SSM 1, SSM 2, and GAP includes targets and measures to minimize and/or reduce water use, consumption and pollution in both plantations and mills. MMG has the interim target using 2016 as the baseline with the use of fertilizer as a benchmark under similar climatic conditions and rainfall rate. If the fertilizer usage is 10% below the 2016 level, then the grey water consumption target is 2.75% below the 2016 level. If the fertilizer usage is 20% below the 2016 level, then the grey water consumption target is 5.5% below the 2016 level. If the fertilizer usage is 30% below the 2016 level, then the grey water consumption target is 8.25% below the 2016 level.

From the monitoring records mentioned in the findings for indicator 1.7.1 and interview with Sustainability staff, the water use, consumption, and pollution of the mills and plantations are within the target.

The water management plan is developed to reduce water consumption and preserve water.

In terms of measure to minimize the water use, consumption, and pollutions from the mills and plantations include monitoring the effectiveness of water management, implementing Best Management Practices both in mills and plantations related to water, increase awareness of the important of water conservation and wise use for workers and communities.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to verify results.

#### Evaluation Findings:

MM has set the target as a group for water management. Therefore, the calculation is based on group performance. The result is still within the target. Document review, interview with staff and worker as well as observation in the field showed that all efforts have been done to minimize the use of water both in mill and plantations. Applying Best Management Practices both in mill and plantations help to minimize the use and consumption as well as pollution of water.

#### Status:

Partial conformance with indicator 1.7.2 is closed. The organisation has full conformance with this indicator.

#### Evaluation Method:

Document review, interview and observation in the field

#### Partial-Conformance:

Major:

Minor: 1

#### Indicator:

1.7.4 A water stewardship assessment is undertaken involving

<sup>8</sup> The scope is the entire area under management. The plan distinguishes among water that is used and that is consumed (e.g. disappears in industrial processes). It includes specific reduction targets, as well as pollution abatement measures.

	relevant stakeholders to address water equity issues. <sup>9</sup>
<b>Description of Partial-Conformance from Remote Audit in 2020</b>	
<p>Stakeholder consultations have been conducted to address water equity issues in form of public meeting. The meeting was attended by representatives of stakeholders from affected villages where the companies (MAS, SSM 1, SSM 2, GAP) have operations.</p> <p>From the stakeholder consultation's documents, it is noted that water is adequately available for all. Other things discussed during the consultations were the importance of maintaining water quality and preventing water pollution from human activities. Issues such as maintaining the riparian areas which serve as buffer zone. Communities also expressed their aspirations and expect the company to provide assistance such as to provide water tanks for the villages, cleaning up the river from sedimentation (normalized river) and make water well for the villages. The consultations are regularly conducted along with other company activities.</p> <p>Interview with stakeholders could not be conducted.</p> <p>It can be concluded that this indicator is partially conformed since key stakeholders cannot be contacted by phone or electronically, then a site visit will be necessary.</p>	
<b>Evaluation Findings:</b>	<p>Since no key stakeholders can be contacted for interview via telephone or electronically during remote audit then field visits were conducted. From interview with community representatives from villages in MAS, GAP and SSM, they confirmed that there were regular meetings with the company. Stakeholder consultation is conducted every year to discuss about company activities with community. Water issues was among the topic that has been discussed. Communities mentioned that water is accessible to community either from surface and ground water. Companies have been supportive to community water needs by providing water tank, pump and also other facilities based on community request. So far community receive support both from the companies and also from government program.</p>
<b>Status:</b>	<p>Partial conformance with indicator 1.7.4 is closed. The organisation has full conformance with this indicator.</p>
<b>Evaluation Method:</b>	<p>Interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)</p>

## 1.8 Protect and conserve wildlife

<sup>9</sup> A plan to engage relevant stakeholders is available, which entails steps towards their engagement to arrive at an equitable and sustainable use of shared water resources.

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	1.8.1 Comprehensive biodiversity surveys to identify HCV 1-3 have been undertaken.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>For MAS, HCV reassessment has been conducted on 12 October 2018, for SSM on 27 August 2018 and for GAP on 2 May 2018. All have been peer reviewed on HCVRN quality panel review and the evaluation result for all HCV assessment of MAS, SSM and GAP is satisfactory. From document reviews, surveys to identify HCV 1-3 have been conducted comprehensively during HCV assessment through combined activities which include desk study, field work (by sampling) and interview with workers and local communities to identify the available species of flora and fauna, and their important habitats. Interview with management mentioned that HCV 1-3 have also been conducted even before the recent HCV assessment both by internal staff and also with the support from consultants.</p> <p>It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to review the actual areas designated as HCV 1-3</p>			
<b>Evaluation Findings:</b>	Areas for HCV 1 and 3 allocated in MAS, GAP and SSM. Document showed that only HCV 1 and 3 found and no HCV 2. List of identified flora and fauna is provided in the document based on survey. Field visit and observation of the HCV areas conducted. On the ground, signboards were installed to show HCV areas with basic information about the type of HCV and total areas and prohibitive actions.		
<b>Status:</b>	Partial conformance with indicator 1.8.1 is closed. The organisation has full conformance with this indicator.		
<b>Evaluation Method:</b>	Document review, interview with staff and field observation		

<b>Partial-Conformance:</b>		<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	1.8.2 Management plans for all rare, threatened or endangered species include actions for their protection, survival, and prevention of poaching, in the landscape outside the management area. <sup>10</sup>		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			

<sup>10</sup> Examples of positive actions for the survival of RTE species outside the plantation or concession boundaries include: environmental education programmes with neighbouring communities; business contracts with smallholders/others that include specific clauses requiring no poaching and other protection measures; reporting illegal activities to environmental/other appropriate agencies; hiring patrols for monitoring outside the concession boundary (if permitted by law); engagement with specialised NGOs or other organisations to work on species and habitat conservation; funding for protected areas outside of concession boundaries; engaging with and supporting adjacent landowners or concession holders in identifying and protecting habitats located outside boundaries that are used by RTE species for reproduction, migration, feeding, and shelter/roosting.



Landscape level conservation areas management and monitoring plans (2019-2023) have been developed for MAS, SSM and GAP. Within the management and monitoring plans include awareness campaign for staff, worker, and also local community from affected villages in collaboration with BKSDA (Regional Conservation Office) on the importance of wildlife and its habitat conservation and to avoid illegal activities such as hunting.

Agreement with communities from affected villages to protect and sustain HCV and HCS areas. The company has also made commitment to implement FPIC process in working with communities with regard to activities in the land related to HCV and HCS. Initial agreement was made on 30 November 2015 and was renewed on 30 April 2019 for MAS with Tangar, Baampah, Kenya, Hanjalipan, Sebabi, Penyang and Tanah Putih villages. Initial agreement was made on 30 November 2015 and was renewed on 6 March 2019 for SSM with Sebabi, Kenya and Tanah Putih villages. Initial agreement was made on 22 January 2016 and was renewed on 13 November 2018 for GAP with Natai Baru and Bagendang Tengah villages. The renewed agreement following the new HCV and HCS assessment which were peer reviewed under HCVRN and HCSA scheme.

Moreover, another agreement was also made with communities on integrated conservation and land use plan (ICLUP) from affected villages in January 2019 for MAS and SSM, in November 2018 for GAP.

It can be concluded that this indicator is partially conformed since it needs a follow up with onsite audit to confirm that plans are being implemented.

<b>Evaluation Findings:</b>	Interview with staff and communities during field visit mentioned that there were activities the companies conducted to increase community awareness to conservation. Community representatives also confirmed that they have signed agreement to collaborate with community on conservation of HCV and HCS areas.
<b>Status:</b>	Partial conformance with indicator 1.8.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Document review, interview and field observation

## 2. Partnerships with Communities

### 2.1 Free, Prior and Informed Consent

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	2.1.1 Resourced access to independent expert advice is offered at each stage of an FPIC or conflict resolution process to affected communities.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		

MAS, SSM 1, SSM 2 and GAP has procedures for FPIC (updated in January 2016), includes the offering of access to independent expert advice for affected communities during the FPIC process.

Independent experts were selected from individual or institution who has competencies and credibility to handle conflicting problems between company and community. List of independent experts in 2020 period is available and reviewed during this audit in each company. The list of independent experts includes the village head, community leaders, local government services and local NGO. The list has been socialized to the surrounding communities and posted on several locations in the villages as affected communities in October 2020.

<b>Evaluation Findings:</b>	Based on interviews during onsite visit with the affected community has confirmed that they have received a list of independent experts and has posted it at the village office and other strategic places. The community stated that they were directly involved voluntarily in determining the independent expert. The community is also given the freedom and access to be able to choose independent experts according to the needs of the community, if there are problems that occur between the community and the company. The community has confirmed that the company had conducted regular socialization (once every 3 months) related to independent experts as part of the FPIC process.
<b>Status:</b>	Partial conformance with indicator 2.1.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenya village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.1.2 Processes of consultation and negotiation, in accordance with internationally recognised FPIC standards, are not constrained by local legal frameworks.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2 and GAP has procedures for stakeholder consultation (updated in January 2016) and negotiation process (updated in February 2018). These procedures are in accordance with FPIC guidance published by RSPO (2015) and are not constrained by local legal framework.</p> <p>Based on interview with company staffs, stakeholder consultation is conducted annually to affected parties. The last stakeholder consultation was conducted on 10 March 2020 for all companies. Based on review of the consultation records and interview with company staffs, majority of suggestions from the community are related with implementation of CSR program. Each of these suggestions has been responded by all the company and some are still in progress for implementation. For instances, suggestions related to infrastructure maintenance such as</p>		

canal and water reservoir maintenance has been implemented by the company. However, with regard to the request to improve community income generation, the company is still looking for a program that is suitable to community needs and conditions.

The negotiation process is also conducted in each activities of land compensation process. Based on interview with company staffs and document review, the negotiation process is in accordance with FPIC standards.

It can be concluded that this indicator is partially conformed since still need interview with key stakeholders and affected community through onsite audit.

<b>Evaluation Findings:</b>	Based on interview on the field with company staffs and affected community has confirmed that the stakeholder consultation is conducted annually to affected parties. Consultation related to implementation of social programs such as road repair (infrastructure), education (scholarships), health (medical equipment), training for women, etc. The community has confirmed that each of these suggestions has been responded and implemented by all company such as related to infrastructure maintenance and water reservoir maintenance. The community also has confirmed that FPIC had been carried out by the company in relation to land compensation negotiations. Negotiation is one of the stages in the settlement of land compensation. This process has been carried out by the company and is in accordance with the company's FPIC procedures, are not constrained by local legal frameworks.
<b>Status:</b>	Partial conformance with indicator 2.1.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenya village)

Partial-Conformance:	Major: 0	Minor: 1
<b>Indicator:</b>	2.1.3 When acquiring land or replanting existing plantations, measures are taken to redress any issues arising from the lack of or inadequate FPIC processes carried out when those plantations were established. In such cases, participatory surveys will be conducted to identify HCVs 4, 5 and/or 6 that existed before the plantation was established.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
[Not desk auditable]		

<b>Evaluation Findings:</b>	Based on document reviews and interviews with company staffs, in the period 2014 – 2020, the company has acquired land from the community: MAS with an area of 1,029.51 ha from 342 people, GAP with an area of 317,69 ha from 93 people. SSM area of 491.41 ha from 178 people. Based on interviews with the community has confirmed that the land acquisition process has been carried out by the company in accordance with land compensation and FPIC procedures. The community also has confirmed that the company had carried out the land compensation process by involving the community in a participatory manner, starting from land verification, negotiations, until an agreement was reached as evidenced by a joint agreement letter. The community also has confirmed that the company had carried out an HCV assessment and participatory mapping in 2018. The community has confirmed that the HCV assessment and participatory mapping were carried out in a participatory manner with the community. Based on field observations in the HCV 4 and 5 areas in MAS, GAP and SSM, the attributes of HCV 4 and 5 are in the form of rivers. Apart from being a source of water for the community, the river is also used by the surrounding community to catch fish. For HCV 6, there are sacred graves which only exist in the MAS and SSM areas. No HCV 6 was found in the GAP area. HCV 4, 5 and 6 have been monitored by the company every year and reports are available. Based on interview with the community has confirmed that the areas that had been identified as HCV 4,5 and 6 had no oil palm planting activities. This area has been designated as an area of high conservation value that must be preserved. The company has also conducted regular monitoring of HCV 4, 5 and 6 areas.
<b>Status:</b>	The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Document reviews, interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.1.4 Plantations have not been developed on land acquired through expropriations in the national interest (eminent domain) after March 2014.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
[Not desk auditable.]		

<b>Evaluation Findings:</b>	MAS, SSM, and GAP (mills and estates) are located on land for plantations and have obtained the legitimate land right in the form of HGU before March 2014. MAS has HGU on 2007, SSM has HGU on 1999 and 2005, and GAP has HGU on 2008. In the Indonesian context, the legalities for land rights in the form of HGU are evidence that the land was not acquired through expropriations in the national interest. Compensated land from all the company to community who claimed the land within HGU. Land has been acquired from the local communities within the HGU. The process of land acquisition is according to FPIC processes such as negotiation processes, land compensation processes and participatory mapping processes. Based on document reviews, interviews with company staff and the community, it was confirmed that the acquisition was not through exploration in the national interest.
<b>Status:</b>	The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Document reviews, interview with company staffs, and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)

## 2.2 Food security

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.2.1 Food security for workers, smallholders, and indigenous and local communities affected by existing plantations is assessed and included in a social management plan. The scope of the food security assessment includes the additional impacts that oil palm production operations may have, including on land, water, labour and infrastructure as well as substitutability between income generation for food purchase and subsistence food production of workers, smallholders and affected communities.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2 and GAP has conducted food security assessment for workers and local communities in SIA. SIA was conducted in December 2009 for MAS, May 2008 for SSM and December 2010 for GAP. The report covers impact of oil palm production operation including land, water, labour and infrastructure as well as substitutability between income generation for food purchase and subsistence food production of workers and affected communities.</p> <p>The food security assessment for local community has also been conducted during participatory mapping process, including land, water, and infrastructure. The result of food security assessment</p>		

for workers and communities has been incorporated into the social management plan that is implemented, monitored, and reported every year.

The social management plan and implementation is monitored on annual basis includes, for workers such as providing clean water, developing food garden, and maintaining road access in the company areas; for affected communities such as developing food garden, providing livestock and fish seeds, and maintaining road access.

Based on interview with sampled workers, the company has provided clean water, developed food garden, and maintained road access in the company areas.

It can be concluded that this indicator is partially conformed since still need interview with more relevant workers and affected community through onsite audit.

<p><b>Evaluation Findings:</b></p>	<p>Based on interviews company staffs, workers and field observations at estate and mill housing, workers have made gardens around the housing area. Workers use the existing land around the housing by planting vegetables and fruits. This garden was created as part of food security. Interviews with workers stated that the creation of this garden has provided positive benefits for workers because some of their daily needs can be met by planting vegetables and fruit around the housing. They don't buy some kinds of vegetables and fruits anymore because they already have vegetable and fruit plants around the house (yard).</p> <p>Based on field observation at estate housing, the company has also provided a vegetable garden which is used for workers based on the block in which they live. Each housing block is given the opportunity to grow vegetables which is done in mutual cooperation. These agricultural products can be used and harvested by residents of each housing block.</p> <p>Based on interview with the community has confirmed that the company has provided various social programs such as clean water, developing food garden, providing livestock and fish seeds, maintaining road access and improvement of the environment. The community explained that most of the residents' livelihoods were farmers in oil palm and rubber plantations. The community states that the fulfillment of basic needs to support food security can already be fulfilled from the agricultural or plantation products they work on.</p>
<p><b>Status:</b></p>	<p>Partial conformance with indicator 2.2.1 is closed. The organisation has full conformance with this indicator.</p>
<p><b>Evaluation Method:</b></p>	<p>Interview with company staffs (mill and estate), interview with workers (mill and estate), field observation (mill and estate housing), and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru</p>

	village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebaby village and Kenyala village)
--	---

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	2.2.2 After March 2014, in new plantations or expansion of existing plantations, a minimum of 0.5 ha <sup>11</sup> of garden or farmland per person is identified via participatory mapping, and enclaved for meeting food security needs.
-------------------	--

**Description of Partial-Conformance from Remote Audit in 2020**

New planting has been conducted in MAS about 378.31 ha (2017, 2019 – October 2020 period), SSM about 550.73 ha (2015 – 2017 and 2019 - October 2020 period) and GAP about 3,147.89 ha (2015 – October 2020 period).

The companies have conducted participatory mapping in surrounding communities in 2018. The participatory mapping process includes identified minimum of 0.5 ha of garden or farmland per person for meeting food security needs in outside the company areas or village areas. Interview with company staffs also confirmed that the participatory mapping process has been conducted with participatory manner in affected communities associated with meeting food security needs. Report and maps of participatory mapping process is reviewed during this audit.

The farmers have also voluntarily signed a statement stating that the land is not their main source of income and they still have other sources of income to meet their daily needs. The statement and other supporting document of land compensation process is reviewed during this audit, including map of acquired land and availability of land in the village areas for meeting food security needs.

It can be concluded that this indicator is partially conformed since still need interview with more relevant workers and affected community and confirming garden size through onsite audit.

<b>Evaluation Findings:</b>	Based on interview with company staffs has confirmed that the company have conducted participatory mapping in surrounding community in 2018, includes identified minimum of 0.5 ha of garden or farmland per person for meeting food security needs in outside the company areas or village areas. Company staffs have also confirmed that the participatory mapping process has been conducted with participatory manner in affected community associated with meeting food security needs. Interview with affected community has confirmed that the community has voluntarily signed a statement stating that the land is not their main source of income and they still have other sources of income to meet their daily needs. Interview with
-----------------------------	---

<sup>11</sup> The area may be outside the concession, and it may exceed the minimum of 0.5 ha per person (in a family unit of indigenous or local communities) depending on fallow periods, garden and farming systems, soil fertility etc.

	the community also has confirmed that statement and other supporting document of land compensation process is made and implemented, including map of acquired land and availability of land in the village areas for meeting food security needs.
<b>Status:</b>	Partial conformance with indicator 2.2.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sehabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sehabi village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.2.3 Measures designed to maintain or enhance local food security are included in participatory land use planning, including transparency in any land allocation process.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2 and GAP has measures designed to maintain or enhance local food security which are included in participatory land use planning based on participatory mapping process in 2018 (refer to indicator 2.2.1 above).</p> <p>Based on interview with company staffs and the review of participatory mapping report, the participatory mapping has been conducted through a participatory manner by involving all affected communities, includes transparency in any land allocation process. Communities were involved in a series of discussion and negotiation including taking part in the field measurement of the land. Report and maps of participatory mapping process are reviewed during this audit.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with key stakeholders through onsite audit.</p>		
<b>Evaluation Findings:</b>	<p>Based on interview with community has confirmed that they are directly involved in every participatory mapping process. The community was directly involved from the start in participatory mapping activities such as initial planning, mapping, and field verification. The results of the mapping have also been socialized to the community during public consultations which are held every year by the company. The community also has confirmed that the existence of participatory mapping could help the community and the company to reduce the potential for land conflicts that occurred within the company's area. With participatory mapping, the community and the company together can know the boundaries of the land that will be managed by the company. The company stated that land compensation is always carried out in accordance with FPIC procedures</p>	



	and land conflict resolution procedures. This statement has also been confirmed with the community.
<b>Status:</b>	Partial conformance with indicator 2.2.3 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.2.4 Evidence that measures identified in assessments and planning are being implemented and are effective.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
[Not desk auditable.]		
<b>Evaluation Findings:</b>	<p>Based on interviews with company staffs and field observations at estate and mill housing has confirmed that the workers have made gardens around the housing area. Workers use the existing land around the housing by planting vegetables and fruits. This garden was created as part of food security. Interviews with workers stated that the creation of this garden has provided positive benefits for workers because some of their daily needs can be met by planting vegetables and fruit around the housing. Workers confirmed that the company has also provided a vegetable garden which is used for workers based on the block in which they live. Each housing block is given the opportunity to grow vegetables which is done in mutual cooperation. These agricultural products can be used and harvested by residents of each housing block. Based on interviews with the community has confirmed that the company has provided various social programs such as clean water, repair of road infrastructure, construction of places of worship, and improvement of the environment. The community explained that most of the residents' livelihoods were farmers in oil palm and rubber plantations. The community states that the fulfilment of basic needs to support food security can already be fulfilled from the agricultural or plantation products they work on.</p>	
<b>Status:</b>	The organisation has full conformance with this indicator.	
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), field observation (mill and estate housing) and interview with affected community around the company area: MAS	

	(Tanah Putih village, Sehabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sehabi village and Kenyala village)
--	---

### 2.3 Effective conflict resolution

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.3.1 The mutually agreed and documented system for dealing with complaints and grievances is accessible to all affected parties.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2, and GAP has developed procedures for internal complaints and grievances (updated in October 2019) and external complaints and grievances (updated in October 2019).</p> <p>The procedures of internal complaints and grievances are applied for workers dan procedures of external complaints and grievances are applied for stakeholders such as community, organization, and other relevant parties.</p> <p>The procedures for internal and external complaints and grievances are socialized to affected parties every year in stakeholder consultation process.</p> <p>Interview with company staffs and sample of workers stated that the procedures area accessible to all affected parties, including workers and affected communities.</p> <p>The company has provided 4 mechanism for internal complaints and grievances: (1) fill the complaint and grievances book in the main office; (2) fill the complaints and grievances book in the estate managed by field assistants; (3) Bipartite meeting (between the company and workers); and (4) complaints and grievances boxes in several places.</p> <p>Based on documents review, majority of internal complaint and grievance are received through estate field assistant and bipartite. All the internal complaints and grievance reports are prepared monthly and documented.</p> <p>The company also provides two mechanisms for external complaints and grievances: (1) fill the complaint and grievances book in the main office, and (2) through stakeholder consultation.</p> <p>In 2019 and 2020 period, for MAS and GAP, there is no complaint and grievances. For SSM, there is 1 grievance received in December 2019 related with smallholder program and has been responded by the company in 2020. All the external complaints and grievance reports are prepared annually and documented.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with key stakeholders through onsite audit.</p>		
<b>Evaluation Findings:</b>	Based on interview with company staff has confirmed that the procedures for internal and external complaints and	

	<p>grievances are socialized to affected parties every year in stakeholder consultation process. The procedures area accessible to all affected parties, including workers and affected community. Accessibility of complaints for workers or community can be done through: (a) Company personnel who are always ready to receive complaint reports during working hours; (b) Written letter addressed to sections/divisions in the company; (c) Suggestion boxes are located near work areas, available 24/7 with no CCTVs or guards. Based on interview with workers has confirmed that the majority of internal complaint and grievance are received through estate field assistant and bipartite. All the internal complaints and grievance reports are prepared monthly and documented. Based on interviews with the community has confirmed that the processes and procedures for dealing with complaints and grievances are accessible to all affected parties. All the external complaints and grievance reports are prepared annually and documented, such as smallholder program. The complaints and grievances mechanism states that the company is obliged to respect and guarantee the anonymity (confidentiality of identity) of reporters, human rights defenders, community spokespeople and whistle blowers and protect individuals/parties who submit complaints and grievances. The complainant can state his or her name clearly but it will not be shared with other than grievance handler, unless the complainant is unwilling to include the reporter's personal identity or without name. This aims to avoid conflict (risk of possible revenge) or other acts of intimidation/discrimination from the affected party. Interview with workers revealed that they can keep their identities confidential when they submit complaints or grievances. The company has socialized the complaints and grievance mechanism to workers and stakeholders. In the socialization it was explained that workers and stakeholders were given the opportunity to obtain information about the mechanism. Interviews with workers and stakeholders confirmed that they have received sufficient information about the complaints and grievance mechanisms and know how to address these grievances and complaints. For example, a worker conveys about a leaky house. The worker will convey the leaking condition of his house to the field assistant. The field assistant then writes down the worker's complaint in the complaint book. Furthermore, the field assistant will convey it to the manager for follow-up. The manager will send a house builder to fix the leaking house. Based on interviews with workers, complaint can be quickly followed up by the company.</p>
<p><b>Status:</b></p>	<p>Partial conformance with indicator 2.3.1 is closed. The organisation has full conformance with this indicator.</p>
<p><b>Evaluation Method:</b></p>	<p>Interview with company staffs, interview with workers and interview with affected community around the company</p>

	area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)
--	---

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	2.3.2 The system provides a clear and known procedure with an indicative time frame for each stage.
-------------------	---

**Description of Partial-Conformance from Remote Audit in 2020**

MAS, SSM 1, SSM 2 and GAP has procedures with clear indicative time frame for each stage of complaints and grievances.

For internal complaints and grievances, the procedures describe the time frame for handling grievances: 30 days for grievances from individual and 14 days for grievances from group of people or organization.

For external complaints and grievances, the procedures describe the time frame for handling grievances: 14 days for grievances from individual, 10 days for grievances from group of people or organization, and 7 days for grievance from stakeholders.

It can be concluded that this indicator is partially conformed since still need interview with key stakeholders through onsite audit.

<b>Evaluation Findings:</b>	Based on interview with company staffs and workers has confirmed that for internal complaints and grievances, the procedures describe the time frame for handling grievances: 30 days for grievances from individual and 14 days for grievances from group of people or organization. Company staffs also has confirmed that for external complaints and grievances, the procedures describe the time frame for handling grievances: 14 days for grievances from individual, 10 days for grievances from group of people or organization, and 7 days for grievance from other stakeholders (e.g., smallholders, general public). For external complaints and grievances, based on interview with the community has confirmed that the procedures describe the time frame for handling grievances: 14 days for grievances from individual, 10 days for grievances from group of people or organization, and 7 days for grievance from other stakeholders (e.g., smallholders, general public). Based on interviews with company staff, each stage from the complaint process to complaint resolution is carried out according to the problems that occur. The maximum time given for each stage really depends on the problem being faced. So the company determines the maximum time with the aim of being more flexible according to the problems that occur but still following the maximum time limit stated
-----------------------------	---

	in the procedure. This procedure also states that if it is urgent, the resolution of this complaint can be accelerated.
<b>Status:</b>	Partial conformance with indicator 2.3.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.3.3 The system keeps parties to a grievance informed of its progress.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2 and GAP has procedures to keep parties to a grievance informed of its progress. The procedures stated that the individual, organization and stakeholders submitting the complaints and grievances will be informed in accordance with the time frame specified in the procedures.</p> <p>Based on interview with sample of workers and confirmed by company staffs, the submitted internal grievances such as related to housing repair and other facilities used by workers are responded immediately by field assistants and the progress is informed to the workers.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with affected parties through onsite audit.</p>		
<b>Evaluation Findings:</b>	<p>Based on interview with company staffs and workers has confirmed that the submitted internal grievances such as related to housing repair and other facilities used by workers are responded immediately by field assistants and the progress is informed to the workers. For example, a worker conveys about a leaky house. The worker will convey the leaking condition of his house to the field assistant. The field assistant then writes down the worker's complaint in the complaint book. Furthermore, the field assistant will convey it to the manager for follow-up. The manager will send a house builder to fix the leaking house. Based on interviews with workers, complaint can be quickly followed up by the company. Based on interview with the community has confirmed that the procedure and progress of external grievance submitted by the company had been informed of developments to the community through various media, such as face-to-face meetings and by phone. For example, community complaints related to smallholder program development requests. The community has confirmed that the company has provided information on the progress of the smallholder program</p>	

	request to the community and has followed up through field verification and provided explanations in accordance with applicable regulations.
<b>Status:</b>	Partial conformance with indicator 2.3.3 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.3.4 The system includes the options of a) access to independent legal and technical advice; b) support from representatives of local communities' own choosing, and c) third party mediation.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>MAS, SSM 1, SSM 2 and GAP has procedure that describes the option of access to independent legal and technical advice. List of independent expert advice is publicly available, particularly for affected communities (refer to indicator 2.1.1). The procedure also includes the option of support from representatives of local communities own choosing. All the parties are also given the opportunity to contact, select and use any independent expert to supports them as mediators.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with affected parties through onsite audit.</p>		
<b>Evaluation Findings:</b>	Based on interviews with the community has confirmed that they have been given information and access to voluntarily choose independent experts if there are problems between the community and the company. The community is also given the freedom and access to be able to choose independent experts according to community needs. This list of independent experts also includes self-selected representatives from local communities. This is to ensure that if there are problems, the community can choose independent experts voluntarily as part of the third-party mediation process.	
<b>Status:</b>	Partial conformance with indicator 2.3.4 is closed. The organisation has full conformance with this indicator.	
<b>Evaluation Method:</b>	Interview with affected community around the company area: MAS (Tanah Putih village, Sebabi village, and Penyang village), GAP (Natai Baru village and Bagendang	

	Tengah village) and SSM (Tanah Putih village, Sebabi village and Kenyala village)
--	---

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	2.3.5 Evidence that where conflicts have arisen the conflict resolution mechanism is being used and outcomes are considered mutually agreed including by affected parties.
-------------------	--

**Description of Partial-Conformance from Remote Audit in 2020**

Based on document review on external complaint and grievance report, there is no record of conflict between the company and other parties, including with surrounding communities.

Based on interview with the company staffs and the review of stakeholder consultation report, it is confirmed that no conflict has arisen between the company and stakeholders.

However, based on online news search by the auditors, there were two reported news published in local media about conflict related to SSM:

- (a) dispute with Sebabi village community in February 2020 regarding land boundary and request for smallholder scheme.
- (b) employee strikes in July 2020 regarding availability of an ambulance, harvesting tools, and target workdays.

Those two cases were not listed in SSM external complaint and grievance report. Because cases published in media are considered (by the company) as not being reported by a complainant through the existing complaint and grievance mechanism according to the current procedure. However, based on interview with company staffs and documents review, those two cases have been resolved in accordance with the time frame specified in the external complaint and grievance procedure and its resolution process is documented. Evidence of the process including mutual agreement with affected parties is available and reviewed during this remote audit.

The conflict resolution mechanism was being used partially; the company did not register cases published in media because the existing complaint and grievance procedure did not mention how to consider reported news. The company revised its external complaint and grievance procedure on 2 June 2021 to add “follow up for news related to external complaints and grievances published in the mass media (print / electronic)”

The company actually did resolve those conflicts, outcomes are considered mutually agreed including affected parties. But the auditors have not been able to interview the affected parties to confirm. This indicator is partially desk auditable therefore the conformance can only be determined after a site visit is conducted (i.e. interview with the affected party).

<b>Evaluation Findings:</b>	Based on interviews with Sebabi village community has confirmed that the land boundary case and the request for smallholder schemes have been resolved. The two cases were resolved through several meetings and field verification between the company and the community, including the involvement of the local government. Regarding the land boundary case, based on the results of
-----------------------------	---

	<p>field verification between the community, the company and the local government, the land boundary between the community's land and the company's land have been accordance with the land boundary based on the HGU. As for the case of requests for smallholder development, the local government and the company have explained that the smallholder partnership obligations listed in the Minister of Agriculture Regulation No. 26 of 2007 is not retroactive, but applies since the provisions of the regulation are enacted. The HGU owned by SSM were in 1999 and 2005. So SSM is not subject to the obligation to develop plasma plantations. The two of cases have been resolved through mediation with various parties, including the involvement of the local government (Regent of Kotawaringin Timur). This case has been resolved through the Kotawaringin Timur Regent's Letter No. 525.25/0136/PEM/II/2020 on 11 February 2020. This Regent's letter contains the chronology and resolution of the cases. With the issuance of this letter from the Regent, the cases regarding land boundaries and requests for smallholder schemes have been completed and there are no more problems related to this case. Based on interviews with the community, they have accepted the resolution of this case because a letter has been issued from the local government (Kotawaringin Timur Regent's Letter No. 525.25/0136/PEM/II/2020 on 11 February 2020). This letter has also been communicated to the community and the community has accepted the government's decision. So this case is declared closed. Based on interviews with company staff and workers have confirmed that the case of employee strikes has been resolved. The resolution of this case was carried out through a meeting between the union, the company and the local government (Manpower and Transmigration Office, Kotawaringin Timur). Related to the availability of ambulances, the company has repaired the ambulance and will add 1 unit of ambulance. For harvesting tools, the company has responded that the harvesting tools are valid for 1 year, but if before 1 year they are naturally damaged and due to use for harvesting work, the company will replace the harvesting tools. Meanwhile, with regard to work targets, the company explained that the company has never set a work time target for workers. The company has a policy and commitment that working hours are 7 hours per day and 40 hours per week.</p>
<p><b>Status:</b></p>	<p>Partial conformance with indicator 2.3.5 is closed. The organisation has full conformance with this indicator.</p>
<p><b>Evaluation Method:</b></p>	<p>Interview with company staffs, interview with workers and interview with Sebabi village community</p>

## 2.4 Social condition



<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.4.1 Social impact assessments and plans for the avoidance or mitigation of impacts address the issues of potential human rights violations, social conflicts, impacts of migrant workers on local communities, and land grabbing.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>MAS, SSM 1, SSM 2 and GAP has conducted social impact assessment (SIA) for MAS in December 2009, for SSM in May 2008 and for GAP in December 2010. The SIA report includes potential human's rights violation, social conflicts, and land grabbing. There is no migrant worker since all the workers are from local workers.</p> <p>Based on the SIA report, MAS, SSM 1, SSM 2 and GAP developed management and monitoring plan for mitigation of social impact which are annually monitored and reported. The management and monitoring plans include the development of social programs for workers and affected communities.</p> <p>Consultation with affected parties and communities has been conducted annually for mitigation of the social impact. FPIC process has also been implemented to mitigate land conflict through land compensation process according to the land compensation procedures.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with samples of community member and observe implementation of social program in the field through onsite audit.</p>			
<b>Evaluation Findings:</b>	<p>Based on review of the SIA report and plan, shows that the mitigation of impact includes housing programs such as providing housing for workers and their family, environmental sanitation around the housing; healthcare programs such as providing health facilities (clinics, doctors, nurses and ambulances) for workers and local community; education program such as scholarship, incentives for teachers; and empowerment of women program such as gender committee, training for women related to family planning, integrated healthcare centre, and protection from violence and discrimination. No other SIA conducted after 2008-2010. The company stated that there were no significant changes in social impact, so the previous SIA was still relevant to be used as a reference in preparing social impact management and monitoring plans. However, in 2018, the company conducted a study on participatory mapping. This study aims, among other things, to determine changes and social and economic dynamics in communities around the company area, ownership and control of community land and to evaluate the development of social programs or community empowerment to support food security and community welfare. Recommendations from the results of this study have been integrated into the social management plan. Based on interview with company staffs has confirmed that all the company has developed management and monitoring plan for mitigation of social impact which are</p>		

	annually monitored and reported. The management and monitoring plans include the development of social programs for workers and affected communities. Based on interview with community has confirmed that consultation with affected communities has been conducted annually for mitigation of the social impact. The community also has confirmed that the FPIC process has also been implemented to mitigate land conflict through land compensation process according to the land compensation procedures.
<b>Status:</b>	Partial conformance with indicator 2.4.1 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs and interview with affected community around the company area: MAS (Tanah Putih village, Sebaby village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebaby village and Kenyala village)

<b>Partial-Conformance:</b>	<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	2.4.2 Social impact assessments and plans for the avoidance or mitigation of impacts address key equity issues, including housing, healthcare, education, and empowerment of women.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>As stated in the finding for indicator 2.4.1 above, the company has conducted social impact assessment and developed plans for mitigation of the social impact.</p> <p>Based on review of the SIA report and plan, shows that the mitigation of impact includes housing programs such as providing housing for workers and their family, environmental sanitation around the housing; healthcare programs such as providing health facilities (clinics, doctors, nurses and ambulances) for workers and local community; education program such as scholarship, incentives for teachers; and empowerment of women program such as gender committee, training for women related to family planning, integrated healthcare centre, and protection from violence and discrimination.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with samples of community member and observe implementation of social program in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	Beneficiaries are all company workers and affected communities around the company area: MAS (Tanah Putih village, Sebaby village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebaby village and Kenyala village). Based on interviews with workers, they experience great benefits when working at the company, such as getting free	

	<p>housing, free medical check-ups, free children's education, and free drinking water. Interviews with the community also stated that they had received social programs every year and the community was given the freedom to submit social program proposals, especially when the company held annual consultations in every village. One measure of the success of social programs is that they feel satisfied and useful with the company's social programs. The company has also conducted periodic monitoring related to the implementation of social programs. Based on interview with company staffs has confirmed that the company has conducted social impact assessment and developed plans for mitigation of the social impact. Based on interview with company staffs, workers and field observation has confirmed that the company has implemented social program for mitigation of impact includes housing programs such as providing housing for workers and their family, environmental sanitation around the housing; healthcare programs such as providing health facilities (clinics, doctors, nurses and ambulances) and development of gender committee. Based on interview with community has confirmed that the company has implemented social program such as education program (books, educational equipment, scholarship and incentives for teachers), empowerment of women program (training for women related to family planning), integrated healthcare centre, and protection from violence and discrimination.</p>
<p><b>Status:</b></p>	<p>Partial conformance with indicator 2.4.2 is closed. The organisation has full conformance with this indicator.</p>
<p><b>Evaluation Method:</b></p>	<p>Interview with company staffs (mill and estate), interview with workers (mill and estate), field observation (mill and estate), and interview with affected community around the company area: MAS (Tanah Putih village, Sebaby village, and Penyang village), GAP (Natai Baru village and Bagendang Tengah village) and SSM (Tanah Putih village, Sebaby village and Kenyala village)</p>

## 2.5 Workers' rights

<p><b>Partial-Conformance:</b></p>	<p><b>Major: 0</b></p>	<p><b>Minor: 1</b></p>
<p><b>Indicator:</b></p>	<p>2.5.1 Permanent, full-time employment is used for all core work performed by the company. Casual, temporary and day labour is limited to jobs that are genuinely temporary or seasonal, and account for no more than 20% of the workforce.</p>	
<p><b>Description of Partial-Conformance from Remote Audit in 2020</b></p>		
<p>Based on document review, all workers of MAS, SSM 1, SSM 2 and GAP are permanent workers for estate and mill. Casual, temporary, part time and daily labour account for 0% of the workforce.</p>		

Based on interview with the company staffs confirmed that all workers are permanent workers. There is no casual, temporary and daily labour in all the company. Interview with sample of plantation and mill workers also confirmed that they are permanent workers.

It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.

<b>Evaluation Findings:</b>	Based on interview with the company staffs has confirmed that all workers are permanent workers for estates and mills. Based on interview with workers also has confirmed that they are permanent workers. Based on interview with company staffs, workers and field observation has confirmed that there is no casual, temporary and daily labour in all the company.
<b>Status:</b>	Partial conformance with indicator 2.5.2 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.3 Wages are paid to all workers regularly, on time, directly to the worker and in legal tender or cheque.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Based on document review of Labour Collective Agreement (the latest version for 2020 - 2022 period) and sample of payroll records for MAS, SSM 1, SSM 2 and GAP, wages are paid directly to all workers every month by transfer to their personal bank account. Interview with sample of workers confirmed that wages are paid every month on the 5<sup>th</sup> by transfer to their personal bank account. They also said there is a portion of salary payment in advance at the end of the second week in every month about IDR 300,000.00 for all workers that are in need. This will be deducted at the end of the month from their pay check.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	Based on interview with workers has confirmed that wages are paid directly to all workers every month by transfer to their personal bank account in IDR currency. The workers also confirmed that wages are paid every month on the 5 <sup>th</sup> or 6 <sup>th</sup> by transfer to their personal bank account. Interview with workers stated that there is a portion of salary payment in advance at the end of the second week in every month about IDR 300,000.00 for all workers that are in need. This will be deducted at the end of the month from their pay check.	

<b>Status:</b>	Partial conformance with indicator 2.5.3 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	2.5.4 Wage advances, loans and deductions are legal, recorded, communicated and available to workers upon request, and do not result in debt bondage.
-------------------	---

#### Description of Partial-Conformance from Remote Audit in 2020

Wage is deducted for workers' share for national health insurance or BPJS insurance, cooperative member fee, workers union member fee and income tax. All deductions are in accordance with the applicable law and has recorded and documented. It is applied for MAS, SSM 1, SSM 2, and GAP.

Based on interview with sample of workers stated that wage deducted such as BPJS insurance, cooperative member fee, workers union member fee and income tax has been communicated and agreed with them. All wage deduction is recorded in payroll or wage slip every month.

Based on interview with the company staffs and sample of workers confirmed that no indication of debt bondage due to wage advance or loan.

It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.

<b>Evaluation Findings:</b>	Based on interview with company staffs has confirmed that wage is deducted for workers' share for national health insurance or BPJS insurance, cooperative (koperasi) member fee, workers union member fee and income tax. All deductions are in accordance with the applicable law and has recorded and documented. Based on interview with workers has confirmed that wage deducted such as BPJS insurance, cooperative member fee, workers union member fee and income tax has been communicated and agreed with them. Based on interview with workers stated that there is a portion of salary payment in advance at the end of the second week in every month about IDR 300,000.00 for all workers that are in need. This will be deducted at the end of the month from their pay check. All wage deduction is recorded in payroll or wage slip every month. Based on interview with the company staffs, workers and field observation also has confirmed that no indication of debt bondage due to wage advance or loan.
<b>Status:</b>	Partial conformance with indicator 2.5.4 is closed. The organisation has full conformance with this indicator.

<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)
---------------------------	---

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
-----------------------------	-----------------	-----------------

<b>Indicator:</b>	2.5.5 All workers, including casual, temporary, seasonal and migrant workers, are provided compensation and benefits consistent with applicable law, including health, pension and social security.
-------------------	---

**Description of Partial-Conformance from Remote Audit in 2020**

All workers of MAS, SSM 1, SSM 1 and GAP are permanent workers (refer to indicator 2.5.1 above).

Based on document review (payroll records) and interview with the company staffs, the company has provided benefits in the form of BPJS insurance that covers health, accident, and pension. The BPJS insurance for workers is obligated by the government.

Based on interview with sample of workers stated that they obtain benefit in the form BPJS insurance that covers health, accident, and pension. They also stated that all the workers also have other benefit provided by the company such as housing; healthcare; transportation; childcare; annual leave; and utilities (electricity and water) for all workers' housing.

It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.

<b>Evaluation Findings:</b>	Based on interview with company staffs has confirmed that all workers are permanent workers. Based on document review of Labor Collective Agreement (the latest version for 2020 - 2022 period) and sample of payroll records for MAS, SSM 1, SSM 2 and GAP, the company has provided compensation in the form of wages are paid directly to all workers every month by transfer to their personal bank account. Interview with a sample of workers confirmed that wages are paid every month on the 5th by transfer to their personal bank account. The amount of wages are legally compliant; i.e., basic wages meet at least the legal minimum and OT wages meet at least the legally prescribed rates. Based on interview with the company staffs has confirmed that the company has provided benefits in the form of BPJS insurance that covers health, accident, and pension. The BPJS insurance for workers is obligated by the government. Based on interview with workers also has confirmed that they obtain benefit in the form BPJS insurance that covers health, accident, and pension. Field observation and interview with workers has confirmed that all the workers also have other benefit provided by the company such as housing; healthcare; transportation; childcare; annual leave; and utilities (electricity and water) for all workers' housing.
-----------------------------	--

<b>Status:</b>	Partial conformance with indicator 2.5.5 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.6 The normal work week does not exceed 48 hours, not including overtime, and workers are entitled to at least one day off in 6 consecutive days. Overtime in excess of what is permitted by law is prohibited, and workers report that all overtime is voluntary.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Based on review of Labour Collective Agreement (the latest version for 2020 - 2022 period) for MAS, SSM 1, SSM 2, and GAP, the detail of working hours and overtime for all workers is included in the agreement. The working hours is seven hours per day for Monday – Thursday and Saturday, and five hours for Friday. The total working hours is 40 hours per week. Maximum overtime is 3 hours per day or 14 hours a week. Both working hours and overtime of all workers are in accordance with the applicable law.</p> <p>Based on review of sample of workers attendance records, some mill workers had overtime work for 3.5 – 4 hours per day. It happened during the peak season of oil palm harvest. However, Musim Mas Group has obtained a permission letter from Directorate General of Development, Labour Inspection and Occupational Health and Safety, Ministry of Manpower in May 2017. The permission letter is applicable for all the company under Musim Mas Group.</p> <p>Based on interview with sample of workers, it is confirmed that the implementation of working hours and overtime is the same as described above. They also state that all the workers will sign a voluntary overtime work form before they start the overtime work.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	<p>Based on the document review (List of Overtime Workers) contains data about workers' names, shift times, working days, working hours, holidays and number of overtime hours. This Overtime Worker List is created for each worker for a period of one month. Confirmation to workers states that they have received and approved the List of Overtime Workers provided by the company every month. All of the data verified has allowed by local law, regulation or collective agreement. Based on the document review (List of Overtime Workers), no violations of laws and internal company rules (CLA) were found in the application of overtime rules in the company. Based on interview with company staffs has confirmed that the detail of working hours and overtime for all workers is included in the agreement. The working hours is seven hours per day for</p>	

	Monday – Thursday and Saturday, and five hours for Friday. The total working hours is 40 hours per week. Maximum overtime is 3 hours per day or 14 hours a week. Both working hours and overtime of all workers are in accordance with the applicable law. Based on interview with workers has confirmed that the implementation of working hours and overtime is the same as described above. They also state that all the workers will sign a voluntary overtime work form before they start the overtime work. Based on interviews with workers, they stated that they were free to choose whether to work overtime or not. They also stated that the company does not force workers to work overtime. There is no penalty for workers who refuse to work overtime.
<b>Status:</b>	Partial conformance with indicator 2.5.6 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.7 All workers are provided legally mandated public holidays and periods of leave consistent with applicable law, including paid annual, parental, compassionate, and sick leave. Workers not covered under applicable laws are entitled to equivalent benefits. <sup>12</sup>	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Review of Labour Collective Agreement (the latest version for 2020 - 2022 period) shows that all workers are provided holidays on Sunday and other public holidays stated by the government. Workers also receive 12-days of annual leave, sick leave, two days of menstruation leave, three days of leave for marriage purpose, and 90-days of maternity leave.</p> <p>As stated in the finding for indicator 2.5.1 above, all workers are permanent workers and covered under applicable law on holidays and leave. Holidays and leave for all workers are in accordance with this applicable law.</p> <p>Based on interview with sample of workers, it is confirmed that holidays and leave received by workers are the same as described above.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	Based on documents review (attendance list, sample of payroll, salary/wages slip) and interview with company	

<sup>12</sup> Entitlements for workers not covered under applicable law will be calculated on a pro rata basis, in proportion to the entitlement of a similar full-time worker.



	<p>staffs has confirmed that that all workers are provided holidays on Sunday and other public holidays stated by the government. Workers also received 12-days of annual leave, sick leave, two days of menstruation leave, three days of leave for marriage purpose, and 90-days of maternity leave. Company staffs has confirmed that all workers are permanent workers and covered under applicable law on holidays and leave. Holidays and leave for all workers are in accordance with this applicable law. Based on interview with workers and field observation at mill and estate also confirmed that holidays and leave received by workers are the same as described above.</p>
<b>Status:</b>	<p>Partial conformance with indicator 2.5.7 is closed. The organisation has full conformance with this indicator.</p>
<b>Evaluation Method:</b>	<p>Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)</p>

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	<p>2.5.8 Records are maintained and demonstrate that hours of work do not exceed the maximum allowed by local law, regulation or collective agreement or 48 hours (per 2.5.6 above), whichever is lower.</p>	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>Based on review of sample of attendance of workers records and interview with the company staffs demonstrated that hours of work and overtime is maintained and recorded in a computerized working hour monitoring tool.</p> <p>Interview with sample of workers confirmed that working hours for each worker is not exceeding 40 hours per week. This is in accordance with the regulations (refer to indicator 2.5.6 above).</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	<p>Based on review of sample of attendance of workers records and interview with the company staffs demonstrated that hours of work and overtime is maintained and recorded in a computerized working hour monitoring tool. Based on interview with company staffs has confirmed that hours of work and overtime is maintained and recorded in a computerized working hour monitoring tool. Based on interview with workers has confirmed that working hours for each worker is not exceeding 40 hours per week. This is in accordance with the regulations.</p>	

<b>Status:</b>	Partial conformance with indicator 2.5.8 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate) and interview with workers (mill and estate)

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.10 Young workers legally permitted to work but subject to compulsory education laws only work outside school hours.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
[Not desk auditable.]		
<b>Evaluation Findings:</b>	This indicator is Not Applicable	
<b>Status:</b>		
<b>Evaluation Method:</b>		

<b>Partial-Conformance:</b>	<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.11 The company maintains an up-to-date list of hazardous activities and functions in the workplace that are prohibited for young workers consistent with or exceeding national regulation, where applicable.	
<b>Description of Partial-Conformance from Remote Audit in 2020</b>		
<p>There is no young worker employed by MAS, SSM 1, SSM 2 and GAP since all workers are above 18-years old (refer to indicator 2.5.10 above), thus is not necessary for it to have list of hazardous activities and functions in the workplace that are prohibited for young workers.</p> <p>Interview with the company staffs and sample of plantation and mill workers also confirmed that there is no young worker employed by all the company.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>		
<b>Evaluation Findings:</b>	This indicator is Not Applicable	
<b>Status:</b>		
<b>Evaluation Method:</b>		

<b>Partial-Conformance:</b>		<b>Major: 1</b>	<b>Minor: 0</b>
<b>Indicator:</b>	2.5.12 No fees or costs are charged to workers, directly or indirectly, for recruitment or employment services by recruitment agencies, private employment agencies or the employer. Where it is discovered that fees have been charged, workers are reimbursed the total amount paid.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>Based on interviews with sample of plantation and mill workers in MAS, SSM 1, SSM2 and GAP, it is confirmed that there is no fee or cost charged to workers for the recruitment by the company. The company does not engage recruitment agencies or private employment agencies for employment service.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>			
<b>Evaluation Findings:</b>	Based on interviews with company staffs, workers and field observation has confirmed that there is no fee or cost charged to workers for the recruitment by the company. Based on interview with company staffs and workers also has confirmed that the company does not engage recruitment agencies or private employment agencies for employment service.		
<b>Status:</b>	Partial conformance with indicator 2.5.12 is closed. The organisation has full conformance with this indicator.		
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate), interview with workers (mill and estate) and field observation (mill and estate)		

<b>Partial-Conformance:</b>		<b>Major: 0</b>	<b>Minor: 1</b>
<b>Indicator:</b>	2.5.13 The retention of passports, other government-issued identification and any personal valuables by the employer or third-party recruitment or employment agency is strictly prohibited in policy and monitored in practice.		
<b>Description of Partial-Conformance from Remote Audit in 2020</b>			
<p>Interview with sample of plantation and mill workers in MAS, SSM 1, SSM2 and GAP stated that there is no retention of passport, other government-issued identification, and any personal valuables by the company.</p> <p>Confirmation with the company staffs also stated that the company will not retain identification or personal valuable of its workers in the recruitment process.</p> <p>It can be concluded that this indicator is partially conformed since still need interview with more samples of workers and observe implementation in the field through onsite audit.</p>			
<b>Evaluation Findings:</b>	Based on interview with company staffs and workers has confirmed that there is no retention of passport, other government-issued identification, and any personal valuables		

	by the company. Based on interview with company staffs also confirmed that the company will not retain identification or personal valuable of its workers in the recruitment process.
<b>Status:</b>	Partial conformance with indicator 2.5.13 is closed. The organisation has full conformance with this indicator.
<b>Evaluation Method:</b>	Interview with company staffs (mill and estate) and interview with workers (mill and estate)