

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

[✓] Surveillance

Name of Management Organisation : **Stabat POM – PT Langkat Nusantara Kepong, subsidiary of Kuala Lumpur Kepong Bhd**
 Plantation Name : **Gohor Lama Estate, Bekiun Estate, Basilam Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Padang Brahrang Estate, and Maryke Estate**
 Location : **Gohor Lama Village, Sub District of Wampu, Langkat District, Province of Sumatera Utara, Indonesia**
 Certificate Code : **MUTU-RSPO/095**
 Date of Certificate Issue : **04 August 2017** Date of License Issue : **18 September 2019**
 Date of Certificate Expiry : **03 August 2022** Date of License Expiry : **03 August 2020**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	01 to 05 July 2019	Sandra Purba (<i>Lead Auditor</i>), Rizliani Aprianita Hasibuan, Briyogi Shadiwa, Afiffuddin, Andreas Budi Rahutomo	Leonada	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	03 September 2019

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Figure 1. Location Map of PT Langkat Nusantara Kepong

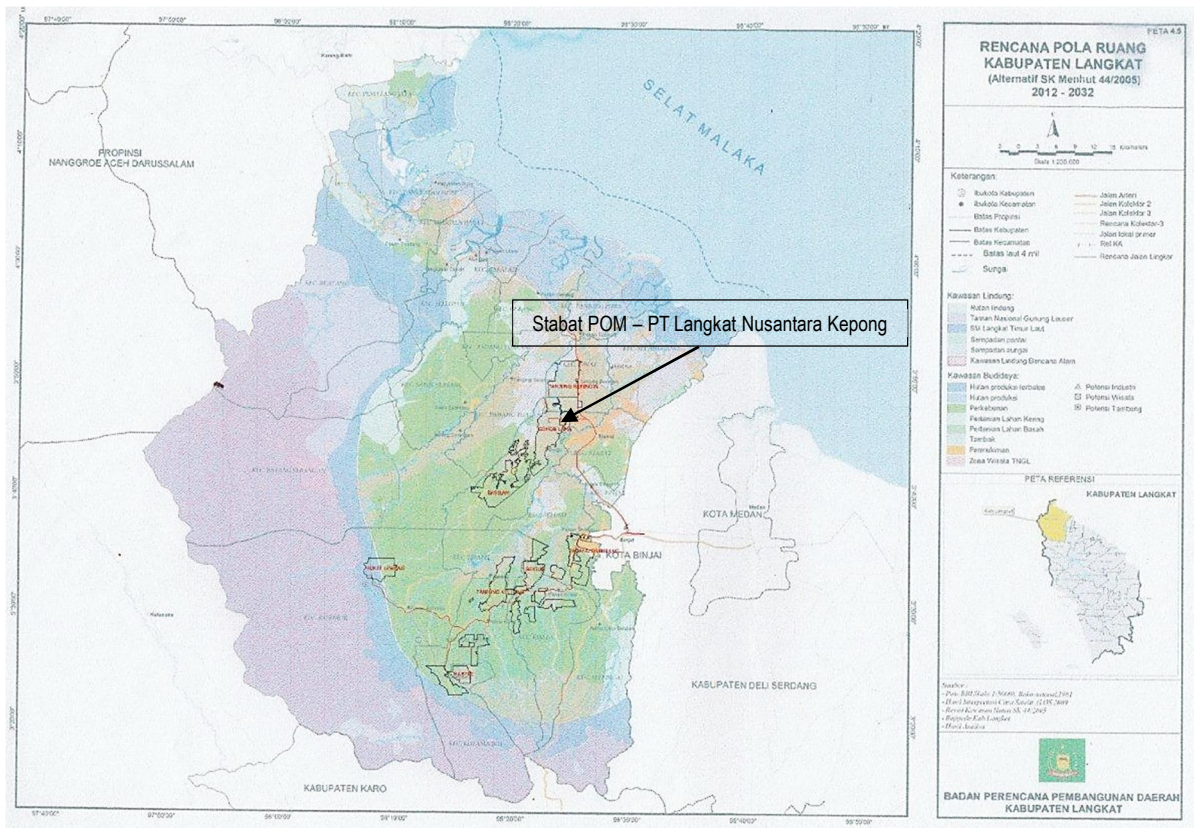


Figure 2. Operational Map of Basilam Estate

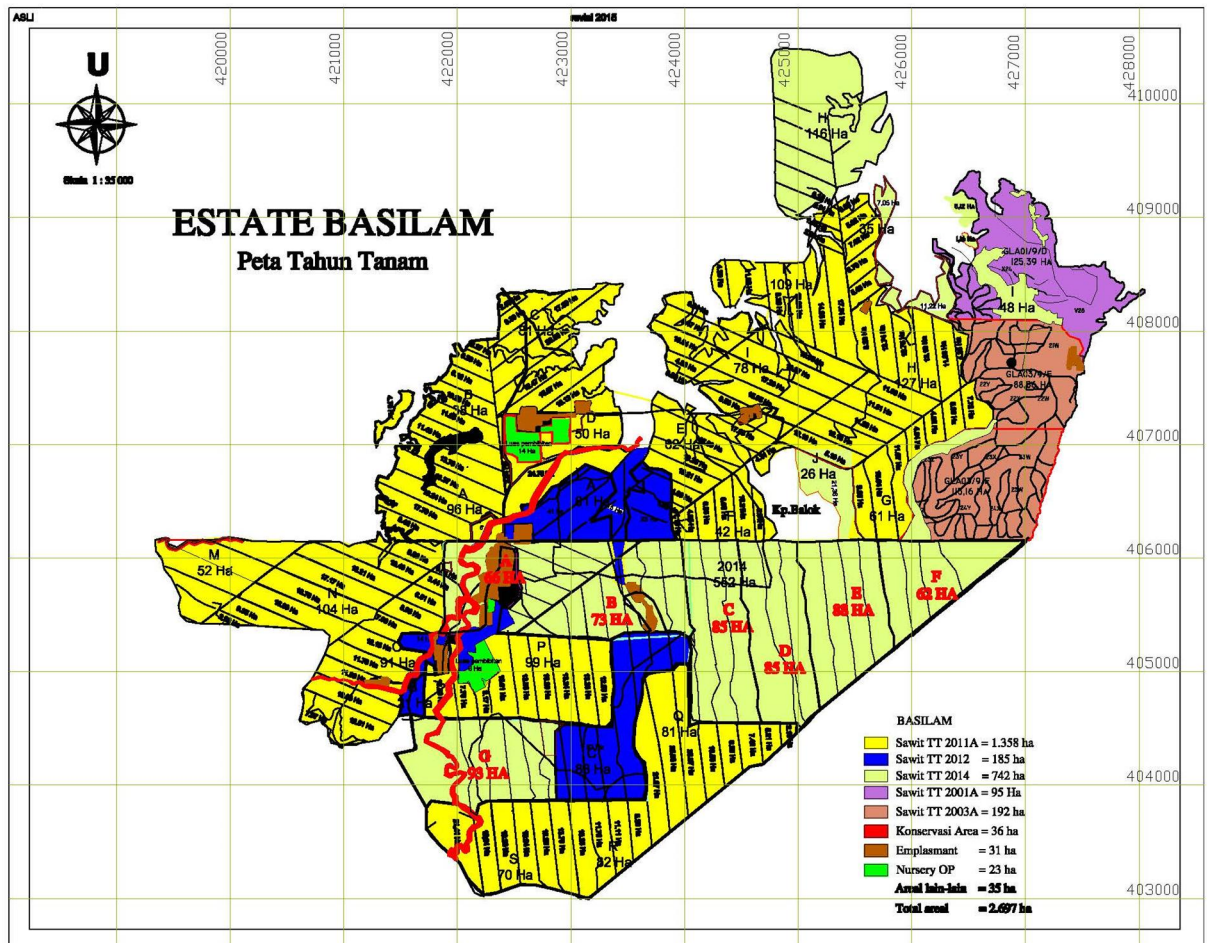


Figure 3. Operational Map of Bukit Lawang Estate

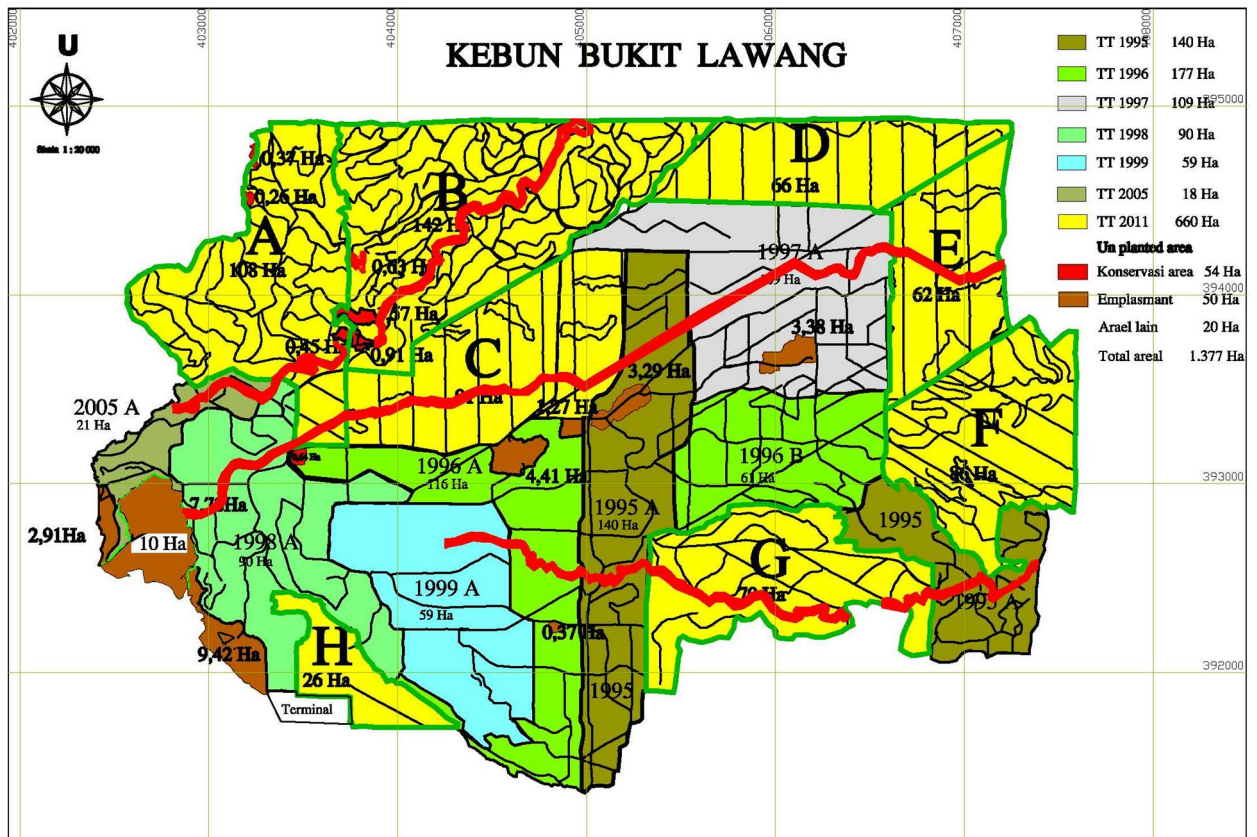


Figure 4. Operational Map of Gohor Lama Estate

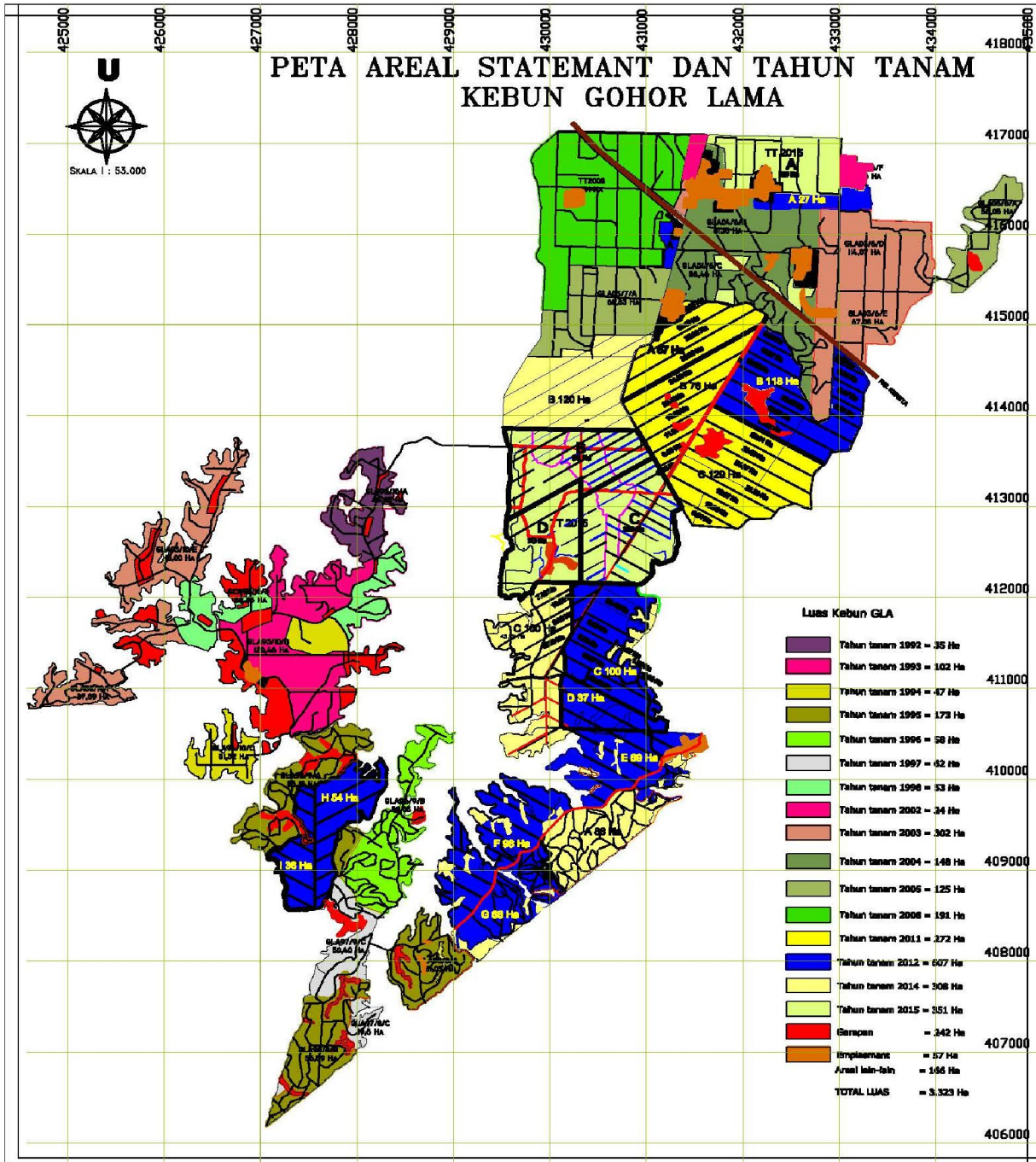


Figure 5. Operational Map of Bekiun Estate

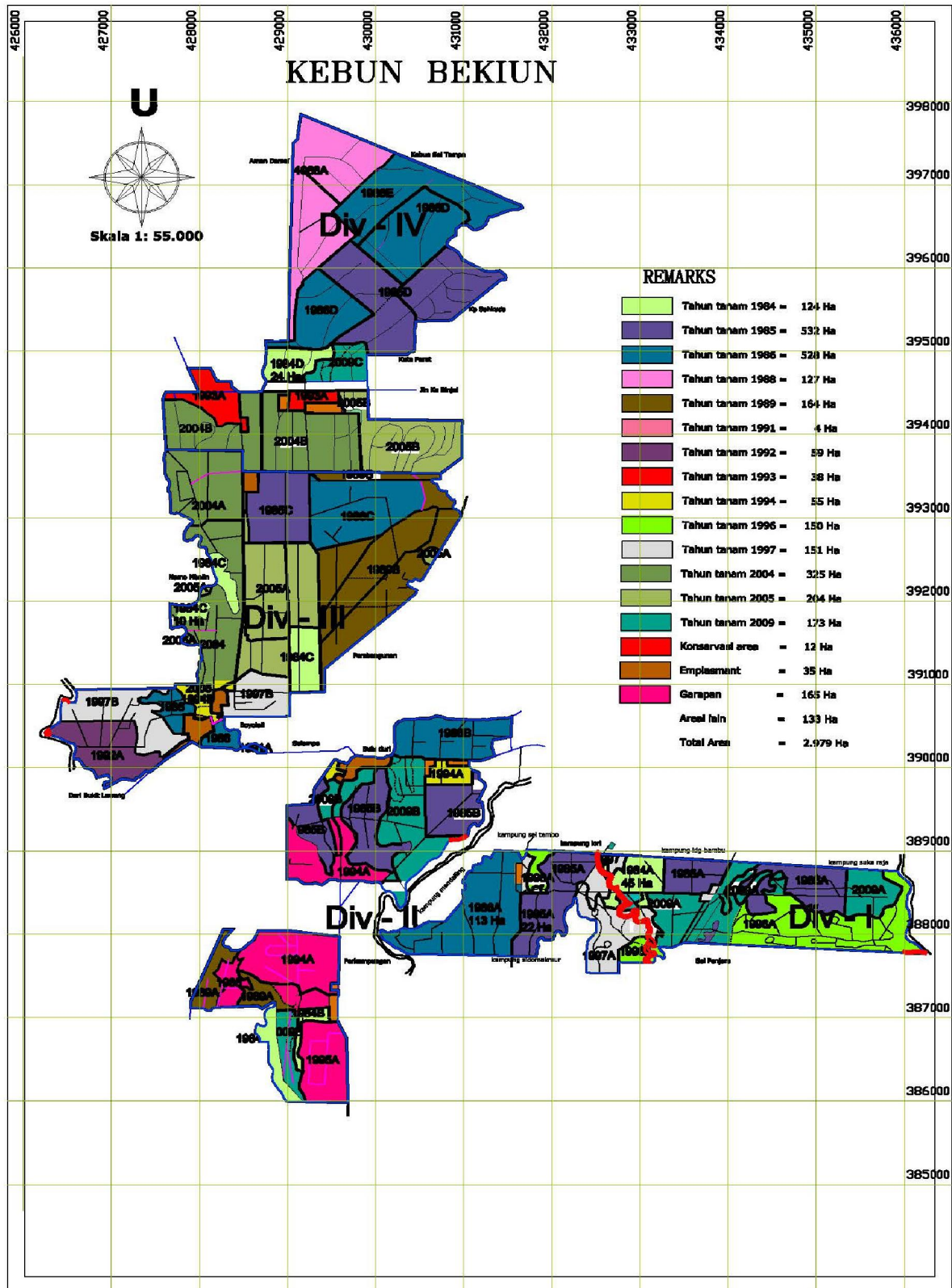


Figure 6. Operational Map of Maryke Estate

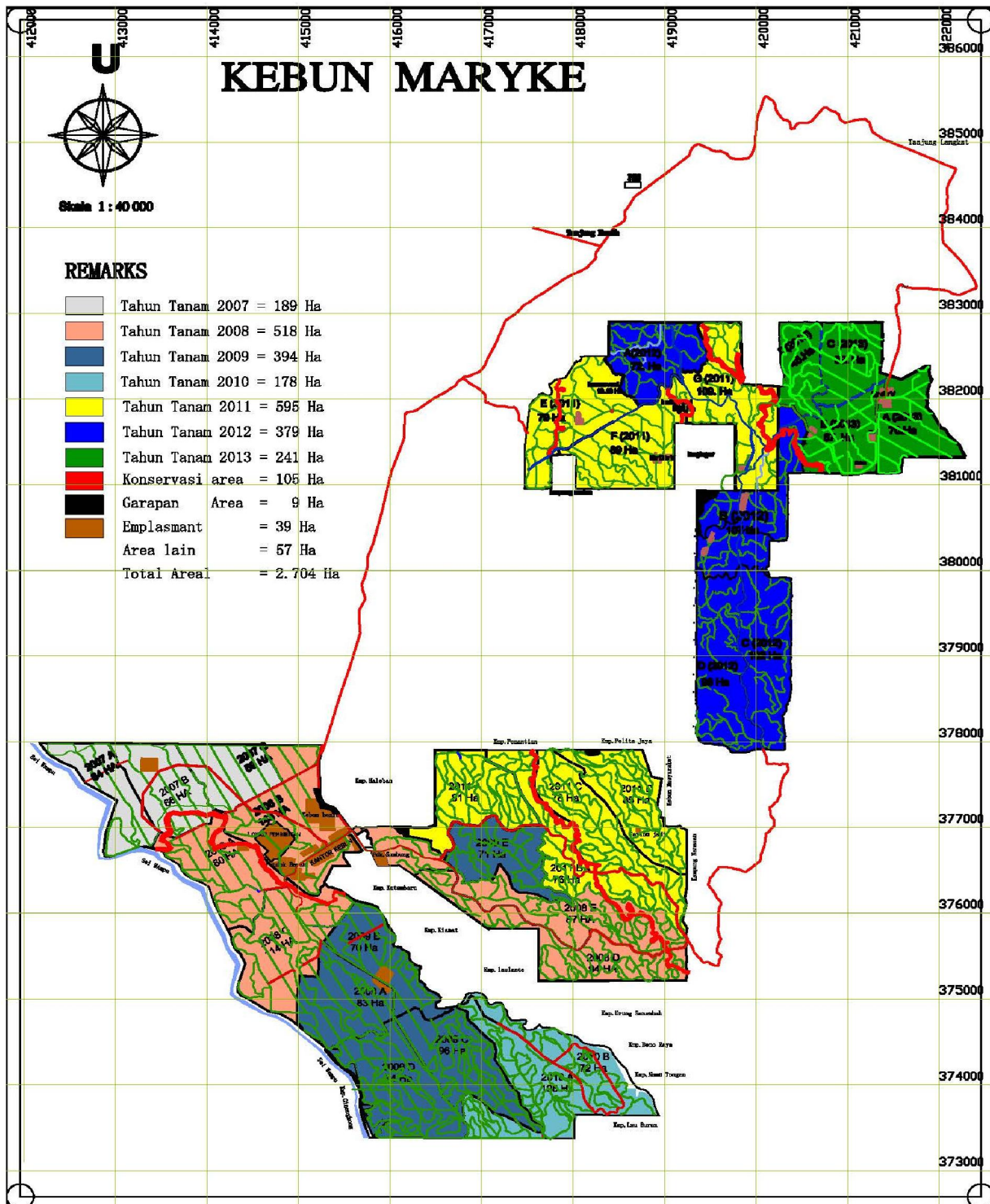


Figure 7. Operational Map of Padang Brahrang Estate

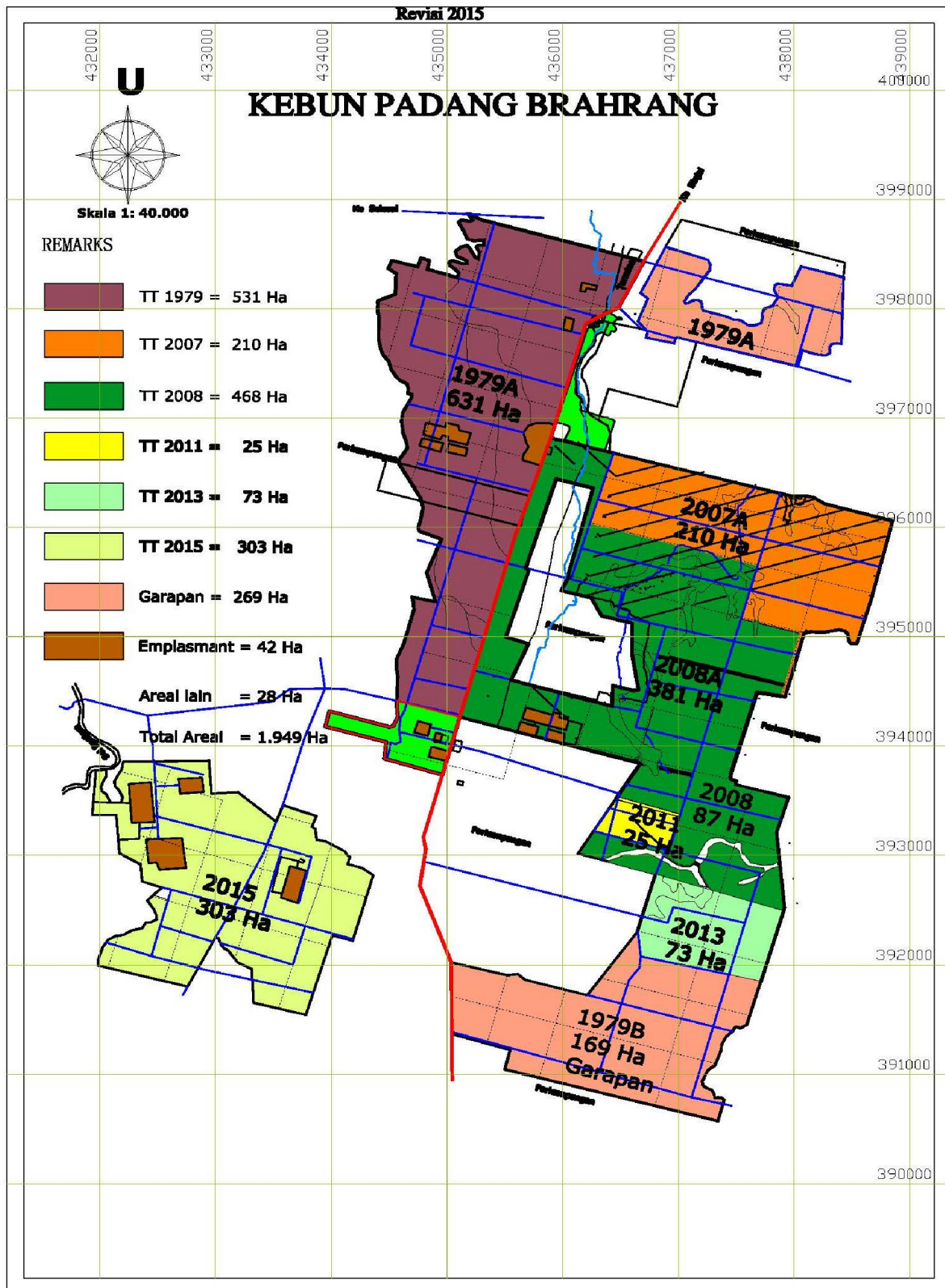
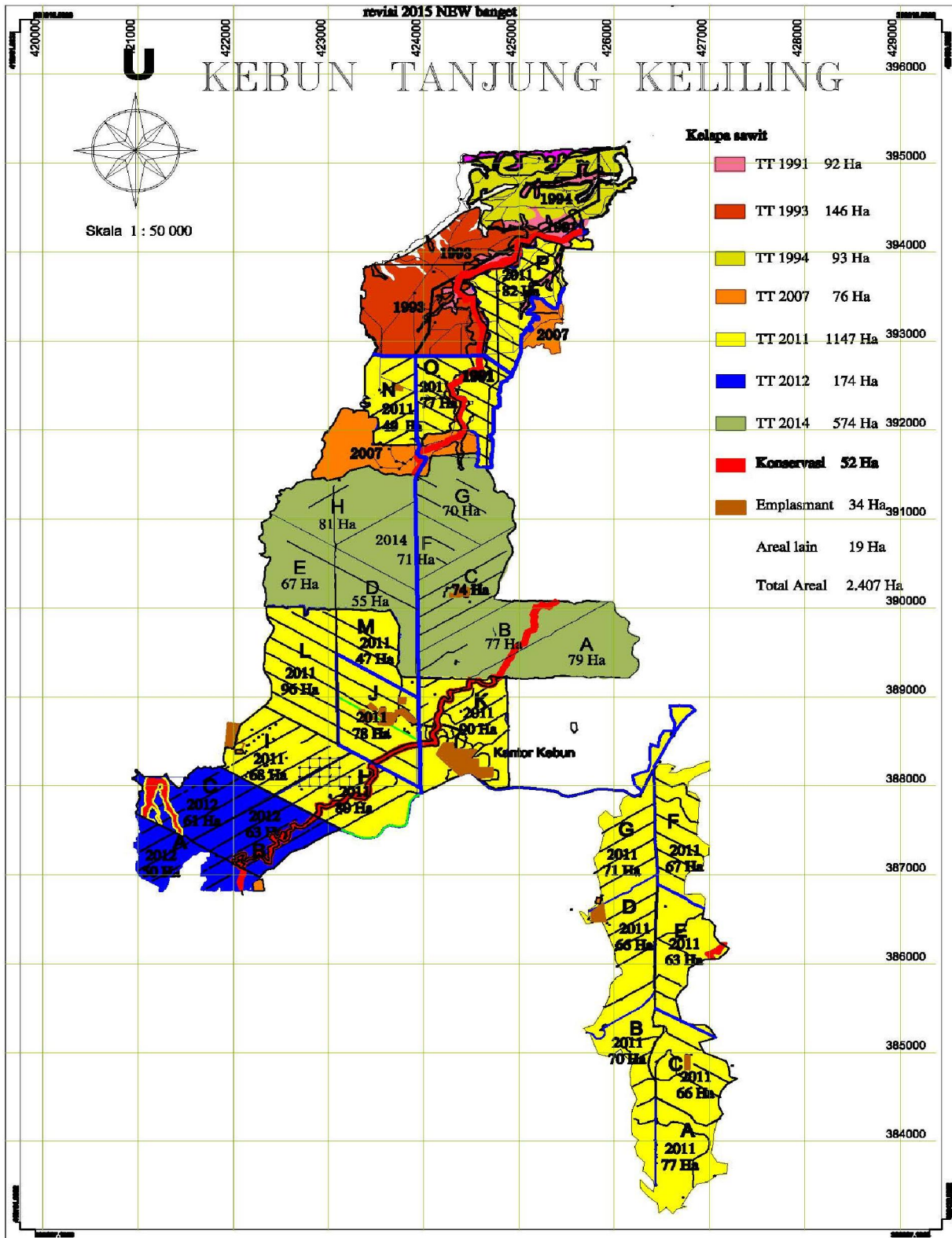


Figure 8. Operational Map of Tanjung Keliling Estate



Abbreviations Used

ALS	:	Assessor Licence Scheme
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (social insurance)
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSPK	:	Crude Sustainable Palm Kernel
CSPO	:	Crude Sustainable Palm Oil
CSR	:	Coorporate Social Responsibility
FFA	:	Free Fatty Acid
EFB	:	Empty Fruit Bunch
EFS	:	Encrypting File System
FFB	:	Fresh Fruit Bunch
GLA	:	Gohor Lama
GM	:	General Manager
HGU	:	Hak Guna Usaha (Land Tenure)
HIRAC	:	Hazard Identification Risk Assessment and Control
HRD	:	Human Resources Department
HCV	:	High Conservation Value
IPM	:	Integrated Pest Management
IUP	:	Plantation permit (Izin Usaha Perkebunan)
KER	:	Kernel Extraction Rate (Rendemen Kernel Kelapa Sawit)
KLK	:	Kuala Lumpur Kepong
LCC	:	Legume Cover Corps
LD	:	Lethal Dosage
LNK	:	Langkat Nusantara Kepong
MCU	:	Medical Check Up
MSDS	:	Material safety data sheet
NCR	:	Nonconformity Report
NGO	:	Non Government Organisation
OER	:	Oil Extraction Rate (Rendemen Minyak Kelapa Sawit)
OHS	:	Occupational Health and Safety
OFI	:	Opportunity for Improvement
PIC	:	Personel In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
P&C	:	Principle and Criteria
PPE	:	Personal Protective Equipment
PTPN	:	PT Perkebunan Nusantara
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened, Endangered
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment

SOP	:	Standart Operating System
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i> (Indonesian Trade Union)
SBSI	:	<i>Serikat Buruh Seluruh Indonesia</i> (Indonesian Worker Union)
ST-2	:	Stage-2 Assessment/Audit
TPS	:	<i>Tempat Penyimpanan Sementara</i> (Hazardous Scheduled Storage)
UKL/UPL	:	<i>Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan</i> (environment management and monitoring)
UMSK	:	<i>Upah Minimum Sektor Kabupaten</i> (Region Minimum Wages)
WHO	:	World Health Organization
WLTK	:	<i>Wajib Laport Tenaga Kerja</i> (Labour Report)
WTP	:	Water Treatment Plant
WWTP	:	Waste-water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT	
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • Indonesian Nasional Interpretasi Prinsip dan Kriteria RSPO 2013 Untuk Indonesia Juli 2016, approved RSPO Governors 30 September 2016. • RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill) • RSPO Certification System for Principles and Criteria, 14 June 2017
1.2	Organisation Information	
1.2.1	Organisation name listed in the certificate	PT Langkat Nusantara Kepong - Kuala Lumpur Kepong Bhd
1.2.2	Contact person	Stephen Tiong Mee Ing
1.2.3	Organisation address and site address	<p>RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000</p> <p>Liasion Office: Komplek Kantor Direksi PTPN II Jl. Medan – Tanjung Korawa KM 17.5 Medan, Sumatera Utara 20362</p> <p>Site: Gohor Lama Village, Sub District of Wampu, Langkat Regent, Province of North Sumatra, Indonesia</p>
1.2.4	Telephone	061 – 7720 0717 / 794 0229
1.2.5	Fax	061 – 794 7412
1.2.6	E-mail	mi.tiong@klk.com.my
1.2.7	Web page address	www.klk.co.id
1.2.8	Management Representative who completed the application for certification	Izham Syahputra (Sustainability/Training Manager)
1.2.9	Registered as RSPO member	18 October 2004 Registration Number 1-0014-04-000-00
1.3	Type of Assessment	
1.3.1	Scope of Assessment and Number of Management Unit	<p>One (1) palm oil mill (Stabat POM) supplied by seven (7) estates:</p> <p>Stabat POM, Gohor Lama Estate, Bekiun Estate, Basilam Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Padang Brahrang Estate, Maryke Estate</p>
1.3.2	Type of certificate	Single
1.4	Locations of Mill and Plantation	

1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Stabat POM	Gohor Lama Village, Sub District of Wampu, Langkat District, Province of Sumatera Utara, Indonesia	03° 45' 35" N 98° 23' 35" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Padang Brahrang	Padang Brahrang Village, Sub District of Selesai, Langkat District, Province of Sumatera Utara, Indonesia	03° 35' 20" N 98° 25' 20" E
	Bekiun	Bekiun Village, Sub-district of Kuala Langkat District, Province of Sumatera Utara, Indonesia	03° 31' 42" N 98° 21' 03" E
	Tanjung Keliling	Tanjung Keliling Village, Sub District of Salapian, Langkat District, Province of Sumatera Utara, Indonesia	03° 30' 46" N 98° 19' 08" E
	Maryke	Maryke Village, Sub District of Salapian, Langkat District, Province of Sumatera Utara, Indonesia	03° 24' 29" N 98° 14' 16" E
	Gohor Lama	Gohor Lama Village, Sub District of Wampu, Langkat District, Province of Sumatera Utara, Indonesia	03° 46' 02" N 98° 23' 08" E
	Basilam	Basilam Village, Sub District of Wampu, Langkat District, Province of Sumatera Utara, Indonesia	03° 40' 15" N 98° 18' 01" E
	Bukit Lawang	Bukit Lawang Village, Sub District of Bahorok, Langkat District, Province of Sumatera Utara, Indonesia	03° 32' 50" N 98° 07' 40" E
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State		17,435 Ha
	• Community		- Ha
1.5.2	Area Statement		
	• Total area		17,435.00 Ha
	• Mature area		13,300.00 Ha
	• Immature area		2,745.00 Ha
	• Mill and sludge area		37.00 Ha
	• Emplishment / Workers Quarter / workers facility		289.00 Ha
	• Infrastructure (road, boundaries, canal)		624.00 Ha
	• Nursery		43.00 Ha
	• Research plot area		115.00 Ha
	• HCV		154.58 Ha
	• Conservation area/ river		112.42 Ha
	• Occupied by government (Sub-district Office)		15.00 Ha
There is an area of 391 ha which is still in the process of completing the area under cultivation by the community that will be taken back by the certificate holder and is currently included in the planting area.			

1.6	Planting Year and Cycles							
1.6.1	Age profile of planting year							
Planting Year	Hectarage (Ha)							Total
	Padang Brahrang	Bekiun	Tanjung Keliling	Maryke	Bukit Lawang	Gohor Lama	Basilam	
1979	240	-	-	-	-	-	-	240
1984	-	82	-	-	-	-	-	82
1985	-	341	-	-	-	-	-	341
1986	-	408	-	-	-	-	-	408
1988	-	135	-	-	-	-	-	135
1989	-	138	-	-	-	-	-	138
1991	-	-	91	-	-	-	-	91
1993	-	40	141	-	-	-	-	181
1994	-	96	103	-	-	-	-	199
1995	-	56	-	-	145	-	-	201
1996	-	-	-	-	180	-	-	180
1997	-	36	-	-	108	-	-	144
1998	-	-	-	-	109	-	-	109
1999	-	-	-	-	58	-	-	58
2000	-	-	-	-	-	-	-	0
2001	-	-	-	-	-	-	101	101
2002	-	-	-	-	-	24	-	24
2003	-	-	-	-	-	241	179	420
2004	-	319	-	-	-	147	-	466
2005	-	207	-	-	16	122	-	345
2007	207	-	82	188	-	-	-	477
2008	444	-	-	523	-	197	-	1,164
2009	-	136	-	415	-	-	-	551
2010	-	-	-	160	-	-	-	160
2011	-	-	1,083	598	664	272	1,360	3,977
2012	-	-	168	362	-	605	187	1,322
2013	73	-	-	215	-	-	-	288
2014	-	-	446	-	-	307	745	1,498
Sub Total Mature Area	964	1,994	2,114	2,461	1,280	1,915	2,572	13,300
2015	281	-	-	-	-	351	-	632
2016	111	144	-	-	-	-	-	255
2017	48	-	-	-	-	541	-	589
2018	-	300	-	-	-	263	-	563

	2019	443	263	-	-	-	-	-	706	
	Sub Total Immature Area	883	707	0	0	0	1155	0	2,745	
	TOTAL	1,847	2,701	2,114	2,461	1,280	3,070	2,572	16,045	
1.6.2	New Planting area after January 2010			-						Ha
1.6.3	Planting Cycle			2 nd Cycle						
1.7	Description of Mill and Supply Base									
1.7.1	Description of Mill									
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel				
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)			
	Stabat POM	70	287,739.50	68,974.60	23.97	10,805.87	3.76			
	<i>*Production data source from July 2018 to June 2019</i> <i>Note. The differenes of FFB processed and FFB producton is due to unripe in previous date.</i>									
1.7.2	Description of Certification Scope of Supply Base									
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill				
						FFB (tonnes/year)	%			
	Padang Brahrang	1,949	1,847	16,120.56	8.73	16,120.56	100			
	Bekiun	2,979	2,701	12,205.60	4.52	12,205.60	100			
	Tanjung Keliling	2,406	2,114	19,536.68	9.24	19,536.68	100			
	Maryke	2,704	2,461	40,695.38	16.54	40,695.38	100			
	Bukit Lawang	1,377	1,280	22,871.28	17.87	22,871.28	100			
	Gohor Lama	3,323	3,070	42,182.43	13.74	42,182.43	100			
	Basilam	2,697	2,572	60,509.35	23.53	60,509.35	100			
	TOTAL	17,435	16,045	214,121.28	13.35	214,121.28	100			
	<i>*Production data source from July 2018 to June 2019</i>									
1.7.3	FFB description from other source									
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill					
					FFB (tonnes/year)					
	Tanjung Beringin (non-certified)	Subsidiary of PT LNK	-	3,600	73,788.82					
	TOTAL					73,788.82				
	<i>*Source Production Data on July 2018 to June 2019</i>									
1.7.4	Product categories			FFB, CPO, PK						
1.8	Tonnage of Product									
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim (tonnes/year)		Actual certified product for last year (tonnes/year)				
	• FFB Production			292,605*		214,121.28				
	• CPO Production			70,550*		51,374.19				
	• Palm Kernel (PK) Production			10,795*		8,043.82				
	<i>*Ext. Volume approved on 31 May 2019 and 19 July 2019</i>									
1.8.2	Product selling									

Tonnage of selling product	Period of actual selling product for last year
• CSPO sold as RSPO certified product	26,603.48
• CSPK sold as RSPO certified product	694.60
• CSPO sold under other scheme	0
• CSPK sold under other scheme	0
• CSPO sold as conventional	19,765.35
• CSPK sold as conventional	7,062.59

1.8.3 Estimate of Certified FFB Claim

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Padang Brahrang	1,949	1,847	20,300	10.99
Bekiun	2,979	2,701	16,200	5.99
Tanjung Keliling	2,406	2,114	23,250	10.99
Maryke	2,704	2,461	46,800	19.02
Bukit Lawang	1,377	1,280	25,600	20.00
Gohor Lama	3,323	3,070	46,050	15.00
Basilam	2,679	2,572	64,300	25.00
TOTAL	17,435	16,045	242,500	15.11

**Projected FFB production for 04 August 2019 to 03 August 2020*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
Stabat POM	70	242,500	58,200	24.00	9,700	4.00	MB

**Projected CSPO and CSPK production for 04 August 2019 to 03 August 2020*

1.9 Other Certifications

ISCC	-
Others	-

1.10 Time Bound Plan

1.10.1 Time Bound Plan for Other Management Units

Time Bound Plan for Other Management Units

No	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
INDONESIA						
	Berau POM PT Hutan Hujan Mas	2018	Sungai Melemah (PT MP)	2018	Berau, Kalimantan Timur	Certified 2019
			Sungai Atap (PT MP)	2018		Certified 2019
			Sungai Segah (PT HHM)	2018		Certified 2019
			Sungai Pura (PT HHM)	2018		Certified 2019
			Sumbarata (PT SSD)	2018		-
	Jabontara POM	2017	Sungai Raya	2017	Berau, Kalimantan Timur	Certified 2018

	PT Jabontara Eka Karsa		Sungai Jantui	2017		Certified 2018
	MAP POM PT Mulia Agro Permai	2018	Menteng Jaya Sawit Perdana	2021	Mentaya Hilir Utara, Kalimantan Tengah	Audited in Nov 2018
MAP Barat (PT MAP)			2018	Baamang, Kalimantan Tengah	-	
MAP Timur (PT MAP)			2018		-	
	KMA POM PT Karya Makmur Abadi	2017	KMA Utara	2018	Mentaya Hulu, Kalimantan Tengah	Certified 2019
KMA Tengah			2018	Certified 2019		
KMA Selatan			2018	Certified 2019		
	SWP POM PT Steelindo Wahana Perkasa	2012	Barat	2013	Belitung, Bangka Belitung	Certified 2014
Utara			2013	Certified 2014		
Timur			2013	Certified 2014		
Selatan			2013	Certified 2014		
	Parit Sembada POM PT Parit Sembada	2013	Parit Sembada	2015	Belitung, Bangka Belitung	Certified 2016
Alam Karya Sejahtera			2018	Under review consignment note for compensation		
	Mandau POM PT ADEI	2012	Kebun Mandau Selatan 1	2012	Bengkalis, Riau	Certified 2012
Kebun Mandau Selatan 2			2012	Certified 2012		
Kebun Mandau Selatan 3			2012	Certified 2012		
Kebun Mandau Selatan 4			2012	Certified 2012		
Kebun Mandau Utara 5			2012	Certified 2012		
Kebun Mandau Utara 6			2012	Certified 2012		
Kebun Mandau Utara 7			2012	Certified 2012		
	Nilo POM 1 PT ADEI	2012	Nilo Barat 1	2012	Pelalawan, Riau	Certified 2014
Nilo Barat 2			2012	Certified 2014		
Kop Petani Sejahtera (KKPA)			2018	-		
Kop Karya Mitra (KKPA)			2018	-		
Kop Tani Harapan Maju (KKPA)			2018	-		
PT Safari Riau			2018	Certified 2018		
KKPA PT Safari Riau			2018	-		
KTA Safari			2018	-		
	Nilo POM 2 PT ADEI	2012	Nilo Timur 1	2012	Pelalawan, Riau	Certified 2014
Nilo Timur 2			2012	Certified 2014		
KKPA SP 1 (PT SWP)			2018	Certified 2018		
KKPA SP 2 (PT SWP)			2018	Certified 2018		
KKPA Sungai Buluh (PT SWP)			2018	Certified 2018		
Ladang Mutiara (PT SWP)			2018	Certified 2018		
	Tapung Kanan POM PT Sekarbumi Alamlestari	2012	Tapung Kanan 1	2012	Kampar, Riau	Certified 2013
Tapung Kanan 2			2012	Certified 2013		
Tapung Kanan 3			2012	Certified 2013		
KKPA (Kopni Sahabat Lestari)			2016	Refuse to take a part RSPO		

	Stabat POM PT Langkat Nusantara Kepong	2014	Basilam	2017	Langkat, Sumatera Utara	process. Certified
			Gohor Lama	2017		Certified
			Tanjung Keliling	2017		Certified
			Maryke	2017		Certified
			Bekiun	2017		Certified
			Padang Brahrang	2017		Certified
			Bukit Lawang	2017		Certified
			Tanjung Beringin	2019		-
	Padang Brahrang POM PT Langkat Nusantara Kepong	2014	Has not been operate			
PENINSULAR MALAYSIA						
	Batu Lintang POM	2013	Pelam	2013	Kulim, Kedah	Certified
			Batu Lintang	2013	Serdang, Kedah	Certified
			Subur	2013	Batu Kurau, Perak	Certified
			Ghim Khoon	2013	Kulim, Kedah	Certified
	Kekayaan POM	2011	Kekayaan	2011	Paloh, Johor	Certified
			Landak	2011	Paloh, Johor	Certified
			Voules	2011	Tenang, johor	Certified
			Bandar Tenggara	2011	Bandar Tenggara, Johor	Certified
			New Pogoh	2011	Tenang, johor	Certified
			Fraser	2011	Kulai, Johor	Certified
			Paloh	2011	Paloh, Johor	Certified
			Sungai Bekok	2011	Bekok, Johor	Certified
			Ban Heng	2011	Pagoh, Muar, Johor	Certified
			See Sun	2011	Renggam, Johor	Certified
	Paloh POM	-	Outside Crop	-	Paloh, Johor	-
	Jerang Padam POM	2012	Ayer Hitam	2012	Bahau, Negri Sembilan	Certified
			Batang Jelai	2012	Rompin, Negri Sembilan	Certified
			Jeram Padang	2012	Bahau, Negri Sembilan	Certified
			Kombok	2012	Rantau, Negri Sembilan	Certified
			Ulu Pedas	2012	Pedas, Negri Sembilan	Certified
			Gunung Pertanian	2012	Simpang Durian, Negri Sembilan	Certified
			Sungai Kawang	2012	Lanchang, Pahang	Certified
			Renjok	2012	Telemong, Pahang	Certified
			Tuan	2012	Telemong, Pahang	Certified
	Tanjung Malim POM	2013	Tanjung Malim	2013	Tanjung Malim, Perak	Certified
			Kerling	2013	Kerling, Selangor	Certified
			Sungai Gapi	2013	Serendah, Selangor	Certified
			Bukit Kato	2013	-	Certified
			Kampar	2013	-	Certified
	Tuan Mee POM	2013	Tuan Mee	2013	Sungai Buloh, Selangor	Certified

	Kuala Pertang POM	2013	Kerila	2013	Tanah merah, Kelantan	Certified
			Pasir Gajah	2013	Kuala Krai, Kelantan	Certified
			Sungai Sokor	2013	Tanah Merah, Kelantan	Certified
	Changkat Chermin POM	2013	Lekir	2013	Batu 12, 32020 Sitiawan, Perak	Certified
			Changkat Chermin	2013	Batu 13 ½, 32400, Ayer Tawar, Perak	Certified
			Raja Hitam	2013	Bt 18, Kg Jering, 32400 Ayer Tawar, Perak	Certified
			Allagar	2013	Ladang Allagar, 34800 Trong, Perak.	Certified
			Glenealy	2013	Jalan Si Putih – Batu Hampar, 32800 Parit, Perak	Certified
			Serapoh	2013	Ladang Serapoh, 32800 Parit, Perak	Certified
			Kuala Kangsar	2013	Ladang Kuala Kangsar, 33700 Padang Rengas, Perak	Certified
			Pinji	2013	Ladang Pinji, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Batu Dua	2013	Ladang Batu Dua, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Menglembu	2013	Ladang Menglembu d/k No. 1, Hala Kledang 4, Taman Kledang, 31450 Menglembu, Perak	Certified
			Kampar	2013	Peti Surat 20, 31907, Kampar, Perak.	Certified
			Subur	2013	34520, Batu Kurau, Perak	Certified
Bukit Kartho	2013	Ladang Bukit Katho, 35500 Bidor, Perak.	Certified			
SABAH, MALAYSIA						
	Mill 2	2009	Pang Burong	2009	Tawau, Sabah	Certified
			Sri Kunak	2009		Certified
			Tundong	2009		Certified
			Ringlet	2009		Certified
	Pinang	2009	Jatika	2009	Tawau, Sabah	Certified
			Sigalong	2009		Certified
			Pangeran	2009		Certified
			Pinang	2009		Certified
	Lungmanis	2010	Tungku	2010	Lahad Datu, Sabah	Certified
			Bukit Tabin	2010		Certified
			Lungmanis	2010		Certified
	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah	Certified
			Sg. Sibalukan	2010		Certified
	Bornion	2010	Bornion	2010	Kinabatangan, Sabah	Certified
			Segar Usaha	2010		Certified

Liberia																																																
Equatorial Palm Oil Mill is expected to commission by 2020	2022	Butaw	2022	Liberia	-																																											
		Palm Bay	2022		-																																											
<p>Based on result of partial audit on 27-30 November 2017 with scopes audit of KKPA Batang Nilo Kecil, KKPA Telayap and KKPA Sering, it is known that some areas of cooperatives do not have legality, among others:</p> <ul style="list-style-type: none"> • KKPA Batang Nilo Kecil (300 members): No evidence of land legality ownership for 300 members (still in process) • KKPA Sering (50 members): 46 people have land legality ownership (Certificate of Ownership), but there are 4 persons who have not been able to show land legality ownership (still in process) • KKPA Telayap (465 members): 450 people already have land legality ownership, but there are 15 people who have not been able to show land legality ownership. <p>In addition, KKPA Telayap also has internal problems between the board and members of the cooperative, so it has not been able to follow the RSPO certification process.</p> <p>The Company has shown the RSPO Certification Socialization News Report for KKPA / Plasma on December 15, 2017 attended by KKPA Batang Nilo Kecil (Petani Sejahtera cooperative), KKPA Sering (Karya Mitra cooperative), PT Safari Riau, KKPA Telayap, KKPA Safari Riau (Terantang Manuk cooperative) and Pelalawan District Agency. The results of the RSPO certification consultation meeting to the KKPA/Plasma only agree to be audited after all legality is available.</p> <p>The company also shows the Licensing Monitoring document with the following details:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Cooperative Name</th> <th>Number of Members</th> <th>SHM</th> <th>STDB</th> <th>Supply to Mill</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>KKPA Batang Nilo Kecil</td> <td>Petani Sejahtera</td> <td>300</td> <td>Available: 264 Not available yet: 36</td> <td>Available: 300</td> <td>NPOM1</td> </tr> <tr> <td>2</td> <td>KKPA Sering</td> <td>Karya Mitra</td> <td>50</td> <td>Available: 46 Not available yet: 4</td> <td>Available: 50</td> <td>NPOM1</td> </tr> <tr> <td>3</td> <td>KKPA Telayap</td> <td>Harapan Maju</td> <td>465</td> <td>Available: 450 Not available yet: 15</td> <td>Not available yet: 465</td> <td>NPOM1</td> </tr> <tr> <td>4</td> <td>KKPA TERANTANG MANUK (KKPA Safari Riau)</td> <td>Terantang Jaya Mandiri</td> <td>325</td> <td>Available: 315 Not available yet: 10</td> <td>Available: 315 Not available yet: 10</td> <td>NPOM1</td> </tr> <tr> <td>5</td> <td>PT. SAFARI RIAU</td> <td colspan="5">Total area of 5,348 Ha for PT Safari Riau, has have HGU of 2,500 Ha and area of 2,848 Ha is still in the process of HGU.</td> </tr> </tbody> </table> <p>Based on the above explanation, it is known that there are still problems of legality on KKPA Batang Nilo Kecil, KKPA Sering, KKPA Telayap, KKPA Safari Riau and PT Safari Riau, so it has not been able to follow RSPO certification process.</p>							No	Estate	Cooperative Name	Number of Members	SHM	STDB	Supply to Mill	1	KKPA Batang Nilo Kecil	Petani Sejahtera	300	Available: 264 Not available yet: 36	Available: 300	NPOM1	2	KKPA Sering	Karya Mitra	50	Available: 46 Not available yet: 4	Available: 50	NPOM1	3	KKPA Telayap	Harapan Maju	465	Available: 450 Not available yet: 15	Not available yet: 465	NPOM1	4	KKPA TERANTANG MANUK (KKPA Safari Riau)	Terantang Jaya Mandiri	325	Available: 315 Not available yet: 10	Available: 315 Not available yet: 10	NPOM1	5	PT. SAFARI RIAU	Total area of 5,348 Ha for PT Safari Riau, has have HGU of 2,500 Ha and area of 2,848 Ha is still in the process of HGU.				
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1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard																																															
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2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ol style="list-style-type: none"> 1. Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verification and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she assigned to verify legal aspect land dispute, HCV and SCCS. 2. Rizliani Aprianita Hasibuan (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified, environment, social and waste management. 3. Briyogi Shadiwa (Auditor). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: Training ISPO Auditor, Awareness RSPO, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify worker welfare and transparency. 4. Andreas Budi Rahutomo (Auditor). Indonesian citizen, Bachelor of Forestry, Gadjah Mada University. Have at least 2 years of experience in forestry and climate change issue including REDD+, and over 5 years of experience in sustainability certification of forestry and palm oil operations. Trainings attended are ISPO Auditor, ISO 9001:2015, ISO 19011:2011, RSPO Lead Auditor, IFCC Auditor, FSC FM Auditor, RSPO SCC Auditor, and GRI Sustainability Reporting. During this audit he performs the assessment in best practices management. 5. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on complaint mechanism and OHS.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 4 auditor and 1 auditor trainee Number of days for ASA 2 at site : 5 days Number of working days for ASA 2 at site : 20 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langkat Nusantara Kepong to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and</p>

RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module E for CPO Mill).

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

Some opportunities for improvement of the results **ASA 2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-3**).

Improvement of findings from main assessment findings were observed by auditors at this **ASA 2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA 2**.

The opening meeting and closing meeting were held attends by company's MR, mill and estates managers, PSQM staff, supervisors, field assistant, head adm and document control of each units. During the closing meeting, there was an interrupted/debate from MR of PT LNK against the NCRs issued.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-2	<p>Stabat POM</p> <ul style="list-style-type: none"> • Loading Ramp. Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified. • Sterilizer Station. Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified. • Press Station. Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified. • Boiler room. Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified. • Engine Room. Observation and interviews with engine room operator regarding employment aspect, OHS aspect and working procedures specified. • Chemical Warehouse. Observation and interviews related to chemical containers management, OHS implementation, medical check up and complaint mechanism. • Weigh Bridge Station. Observation and interview related to FFB receiving and CPO/PK delivery (SCCS implementation) and employment aspect. • Security post. Observations and interview related to receipt of FFB. • Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities • WTP. Observation and interview related management of process and domestic water • Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure. • WWTP. Field observations and interviews with WWTP officer about wastewater management. • Material Warehouse. Observation and Interview related to PPE stock. <p>Gohor Lama Estate</p> <ul style="list-style-type: none"> • Chemical Warehouse. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS. • Chemical mixing area. Observation and related to OHS Implementation and hazardous waste management. • PPE Storage. Observation related to washing of working tools, PPE spray teams and used pesticide containers handling. • Rinse house for spray team. Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling. • Fertilizer warehouse. Observation and interviews related to hazardous management, waste management and implementation OHS.

- **Temporary Hazardous Waste Storage.** Observation and Interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Clinic.** Observation and interviews related to hazardous waste management, employee health care, wages and employment.
- **Fire extinguisher equipment.** Observation for emergency responses and facilities of emergency responses.
- **HGU pole: BPNXLX, BPNXLVIII and BPNXLVII.** Observation related to HGU boundary.
- **Circle & Path Spraying Block 2008 B Division 2.** Observation and interview related to work technic (based on company Procedure), PPE and labor.
- **Harvesting Block 2014 B Division 2.** Observation and interview related to work technic (based on company Procedure), PPE and labor.
- **Pest Spraying Block 2014 B Division 2.** Observation and interview related to work technic (based on company Procedure), PPE and labor.
- **Housing complex.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.

Tanjung Keliling Estate.

- **Housing complex (Division 4).** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Landfill Blok M2011.** Observation regarding management of domestic waste.
- **HCV area, Namancin Lake (block of C20212).** Observation related to HCV management
- **Riparian of Glondang River (block of A2014).** Observation related to HCV management
- **Boundary pole No. CXV, CXVI, CXVII, CXVIII, LXII and LXIII.** Observation of availability and maintenance of boundary poles.
- **Material Warehouse.** Observation and Interview related to PPE stock.
- **Chemical storage.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
- **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Hazardous waste warehouse.** Observation and interviews related to hazardous waste management
- **Clinic.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Spraying House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.

Bekiun Estate

- **Chemical store.** Observation and interview related to OHS, employment and waste management
- **Pre-mixing area.** Observation and interview related to OHS, employment and waste management
- **Washing place and PPE space.** Observation and interview related to OHS, employment and waste management
- **Fuel tank.** Observation and interview related to OHS, employment and waste management
- **Fertilizer store.** Observation and interview related to OHS, employment and waste management
- **Clinic.** Observation and interview related to OHS, employment and waste management
- **Landfill.** Observation waste management
- **Housing complex of Division 2.** Observation and interview workers facility, employment and domestic waste
- **Boundary pole No. 38, 44, 42, 43, 39, 40 and XCVII.** Observation of availability and maintenance of boundary poles.
- **HCV Area.** Observation of existing and maintenance of HCV area.

Public Consultation

- **Man Power Agency**

	<ul style="list-style-type: none"> • Environment Agency • Labor Unions • Gender Committee • Community representative (Head of Padang Brahrang village, Secretary of Bukit Melintang Village and Head of sub village of Perkebunan Bekiun) • Contractor (PT Genio Pratama Mandiri and PT Pratama Satya Citra) • Mill and estate workers
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Consultation of stakeholders for PT. Langkat Nusantara Kepong was held by:</p> <ul style="list-style-type: none"> • Public Notification on 17 June 2019 at PT Mutuagung Lestari Website (www.mutucertification.com) on 17 June 2019 • Public consultation with government of Langkat District conducted on 2 July 2019 • Public consultation meeting with local stakeholder conducted by interview on 2 July 2019 • Public consultation meeting with internal stakeholders on 2 July 2019 • Public consultation with NGO by email conducted on 20 June 2019
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA 3) will be determined 8 – 9 months after this Assessment (ASA 2)

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of LNK Stabat POM – PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and seven (7) oil palm estates.

During the assessment, there were one (1) Non conformity was assigned against Major Compliance Indicator; one (1) non conformity was assigned against Minor Compliance Indicators; and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences. Those corrective actions taken that consist of one (1) Major non-conformity and one (1) Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Stabat POM – PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1 The CH has SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017), as practical guidance to handle the internal and external communication related to information of RSPO, environmental, social and law. Based on these procedure, it is intended to ensure that:</p> <ul style="list-style-type: none"> - The reference document in effective and precise time - The effective dialogue among the company, workers and another party - These procedures also were contained of communication flow chart with internal and external. - The company was stated that the deadline for respond of information request is 15 days. <p>The documents that can be accessed by the public including company policy, regional director memo's, working progress of OHS & RSPO program, OHS & RSPO related matters, crop report, insurance, agreement, details of complaints and complaints, incoming and out coming letter, continuous improvement plan, land use rights, public summary and certification assessment report, and human rights policy.</p> <p>Based on interview with surrounding village officials, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted.</p> <p>1.1.2 The report on the request for information from the parties concerned has been archived and stored. The information can be accessed through the logbook in the office site. The Personal in Charge of providing information are manager, assistant and public relation. CH also showed communication logbook periods 2018-2019. Based on that document verification, there's no requesting document from relevant stakeholder.</p>	

The management has do the mandatory reporting to the relevant agencies, for example: WLTk Reports (Employment Official Report), Environmental Management and Monitoring Report and Reporting Guiding Committee Of Occupational Safety & Health. Based on interview with agencies and community surround, known that all information has been responded by the company.

Status: Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

The CH has a list of information that can be accessed by stakeholders in the SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017). The documents that can be accessed by the public including company policy, regional director memo's, working progress of OHS & RSPO program, OHS & RSPO related matters, crop report, insurance, agreement, details of complaints and complaints, incoming and out coming letter, continuous improvement plan, land use rights, public summary and certification assessment report, and human rights policy.

The documents that not listed above categorized as confidential or limited information by the company, for example; business strategic, financial system and workers personnel data.

Based on interview with surrounding village officials, known that the stakeholder has received socialization and understand how to obtain information from the CH. The CH maintains records of request for information and responses in the logboog on each unit management. Based on document verification, that's known there is no those documents request from stakeholders, but related invitation or request for fund.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1

The CH showed a KLK Business Ethics Policy approved by Chief Executive Officer/CEO on 01 Desember 2014. Besides the business ethics, the CH also makes the work ethic that governs the individual's basic attitudes and the individual's behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in Indonesian Language, explains fair conduct of business, and provides information in accordance with applicable laws. Dissemination of code of integrity and ethical behavior disseminated by specific socialization or morning briefing to all level of workers, or meeting with external stakeholder.

Based on interview with Local Contractor, Employee Cooperative, Labor Union, Gender Committee, as well as the workers in Mill and Estates, they have received information about the code of integrity, and there are no violations related to this.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

OHS

In the aspect of Occupational Safety and Health, the certificate holder shows evidence of compliance with relevant legal requirements, including Quarter I Guiding Committee of Occupational Safety and Health Report 2019, license of heavy equipment operator, first aid officer at work place, steam boiler operator license, license certificate of mill machinery (including inspection and testing), diesel operators, welder licenses, electrical technicians, doctor hygiene certificates and paramedics and fire mitigation officers training.

The certification holder has undertaken prevention and control measures as listed in Work Safety Law no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations,

hazard risk analysis, medical checkup, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with mill workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.

In worker welfare aspect it's known that company has paid the employees wage in accordance with applicable regulation.

In term of best management practices, it was known that estate and mill management has implementing several pursuance with Indonesia laws and regulations, for example has conducting mechanical or zero burning method during land clearing, palms planted were derived from seeds (DxP) producers, recognized by the government of Indonesia. Furthermore, estate (each unit management) has implementing integrated pest management, biological control and only used pesticides listed on pesticide.id.

For the legal Aspects, PT LNK has had of HGU (ownership and operational agreement) and IUP, described in indicator 2.2.1. The land title and permit has covered all the managed area.

2.1.2, 2.1.3 & 2.1.4

Based on the results of the document review and interviews with management, regarding a documented system, a mechanism to ensure compliance with the law and a system for tracking any changes in the law, it is known that there was no change from the previous assessment, which is stated in SOP No. 2 on Compliance with the Rules and Regulations dated August 10, 2017 which describes the person in charge and procedures for the Control of compliance with all applicable laws and regulations with details as follows:

- Responsible for compliance is manager / Head of Administration / sustainability coordinator.
- Responsible for monitoring changes in laws and regulations is the legal coordinator / public relations
- Responsible for evaluation of regulatory compliance is General Manager / Mill Advisor / legal coordinator / team sustainability.

The evaluation of compliance to regulation are done through annual internal audit and as well external audit, the company showed the report of internal audit on 20-25 May 2019.

In the SOP, it also provides that regulatory monitoring activities are carried out in the presence of new regulations and regulatory compliance evaluation activities are conducted annually.

The certificate holder shows the list of legal requirements listed in *Daftar Hukum dan Peraturan yang Baru* document, renewed date February 26, 2019. For 2017 there are 20 regulations, in 2018 there are 10 regulations and in 2019 there are 7 regulations for aspects of legality, K3, employment to the environment.

Status: Comply

2.2

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

2.2.1

Land managed by PT LNK legally under the ownership of PTPN II (Persero), is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958).

The company has carried out land utilization in accordance with the land titles owned, the total area managed by the CH is 20,700 Ha, while for a total scope of certificates covering an area of **17,434.08 Ha**. Details of HGU are as follows:

Details of the HGU certificate:

1. Basilam Estate: certificate No. 1 - 4 of 2003 is valid until 31 December 2024 total area of 2,361.68 Ha.
2. Bekiun Estate: certificate No. 1-9 of 2015 is valid until December 31, 2030 total area 2,979.00 Ha.
3. Bukit Lawang Estate: certificate No. 2 of 1995 valid until 31 December 2024 total area 1,376.96 Ha.
4. Gohor Lama Estate: certificate No. 1 - 5 of 2003 is valid until 31 December 2024 and certificate No. 16 of 2012 is valid until September 8, 2044 total area 5,207.96 Ha, area of 1,550.00 Ha managed by Tanjung Beringin Estate, 335 Ha is managed by Basilam Estate.
5. Maryke Estate: certificate No. 1 / Maryke and No. 1 / Glugur Langkat in 2003 was valid until 31 December 2024, total area 2,703.60 Ha

6. A. Tj. Keliling: certificate No. 1 and 2 of 2003 with the validity period until 31 December 2024 and certificate No. 163 - 173 years 2017 valid until June 21, 2052 total area 2,405.88 Ha
 B. Decree of BPN No.: 1 / HGU / BPN.12 / VI / 2017 dated 21 June 2017 for an area of 91.171 hectares.
7. Padang Brahrang Estate: certificate No. 1 year 1991 is valid until 31 December 2020 a total of 1,949.00 Ha

The company has progressed the extension of the HGU for the Padang Brahrang estate which will expire in 2020, until now the process has reached the issuance of maps of land plots by BPN of North Sumatra.

2.2.2

The company has an SOP on monitoring BPN boundary No. 46 dated July 1, 2015, in the SOP it is stated that monitoring is carried out at least once a year.

Sighted the monitoring and maintenance report on the HGU pole in BKN, TJK and GLA estate, in the monitoring period of 2019, the results of the monitoring indicate that all poles have been installed in the field based on monitoring results for the May 2019.

Based field observations on BPN poles PTPN II L BPN, PTPN II XLIX, PTPN II XLVII and PTPN II XLVII, it was observed that all poles are installed, maintained, access is available, and pole attributes are legible.

2.2.3, 2.2.4, 2.2.5, 2.2.6

There are no open significant conflicts. Based on the ASA 1 report and the statement area, there are HGU areas in Pd Brahrang, Maryke and Gohor Lama which are controlled by the community. Related to this, up to ASA 2, the company has carried out a settlement process:

- An area of 240 hectares in Pd Brahrang, the company has completed a settlement through reporting to the police, meetings with various parties, and mediation meeting regarding to the compensation. Sighted the evidence of granting a compensation to the community in the form of photos and payment receipts of 135 families.
- GLA covering 4 Ha, current status is the company has made an effort to write a letter to BPN for measuring the area, letter no.: GLA / LNK / 144 / X / 2018 dated 15 October 2018.

Based on interviews with community representatives in the villages of Pd Brahrang, Bukit Melintang and Bekiun, there is no conflicts and disputes related to the HGU of PT LNK.

The company has SOP No. 26 regarding procedures for resolving land disputes, published on August 1, 2013. The SOP describes the mechanism for resolving land disputes and disputes over land occupation (squatter disputes).

There is a map showing the cultivated area, mapping is carried out jointly involving all parties, namely the company, the community, BPN and the local government:

- Pd Bharang: map published by BPN on a scale of 1: 15000, total area cultivated by 263 Ha.
- Gohor Lama: on the HGU map no.: 43 / HGU / 2002.
- Bekiun: in the HGU map (certificate no.: 3, 5, and 9).

In terms of conflict resolution, company have a dispute resolution policy explained in the SOP on land dispute resolution No SOP-26 published on August 1, 2013. Resolutions submitted include: conducting deliberations with the defendant to move from the disputed area, paying compensation in accordance with what was agreed upon to the defendant, transferring the defendant to another place offered by the management of the plantation (compensation will be paid according to the market price).

Status: Comply

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

2.3.1, 2.3.2, 2.3.3, 2.3.4

No changes since ST 2 and ASA 1. Based on the social impact assessment report (SIA) of PT Langkat Nusantara Kepong on 30 January - 9 February 2016 by Aksenta, there were no traditional and customary rights within the company' HGU. In line with results of interviews with representatives of the people of Basilam Village, Padang Brahrang and Padang Cermin, it was told that the estates has been exist since 1958.

The land managed by PT LNK which is legally owned under PTPN II (Persero), is one of the Dutch colonial heritage plantations nationalized by the Indonesian Government on the basis of Law Number 86 of 1958 (Erpacht Rights). Then

the erpahct rights were converted into Business Use Rights under the Agrarian Basic Law No. 5 of 1960. These was stated in HCV report by Aksenta in September 2014 and environmental documents owned by the company.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

A documented management plan was available. The CH does not have any cooperation and FFB supply from schemed smallholder or any other out-grower. The existing management plan for estates activity covers all seven estates which includes:

- Crop mature area (ha) projection from 2017 – 2022
- FFB production projection (MT) from 2017 – 2022
- FFB/ha projection from 2017 – 2022
- CPO/ha projection from 2017 – 2022
- Production cost for each ton FFB, in which the trend is projected to decline due to the rise of productivity (ton/ha)

Meanwhile the management plan at mill level was evidenced with a document of Economic Indicators for Mills (5 Years) from 2017 – 2022 which include projected OER and KER, CPO Production, PK Production, production cost projection, and revenue projection. To ensure the availability of funding in the current financial year, the mill has been able to show the document of Estimate for Financial Year 2018/2019 of Stabat POM. The document consists of capital expenditure (buildings, plant and machinery, etc.), indirect cost (salaries, fees, medical, etc.), and operational cost of plantation and mill activity.

The CH has a procedure for Land Clearing and Replanting (no. 9 rev.2 dated 18 January 2018) which states that the land clearing shall not damage riparian buffer zone which is 100 m of big river, and 50 m for small river. The land clearing activity is to be monitored by at least one supervisor. Oil palms are to be replanted after 22 years of age and FFB yield under 14 ton/ha/year. The replanting activity will avoid planting on HCV and peat area.

Following up the previously audited replanting plan, the replanting activity was already on-going during the audit, as evidenced through field observation to Block 2004 A of Gohor Lama Estate, where the activity was conducted by felling and shredding of oil palm including creating 1x1x1 m hole in each palm to eradicate Ganoderma. It was evidenced that there was no fire usage in conducting replanting activity. The CH also provide Replanting Planning for the year 2018 - 2023, for example in Gohor Lama Estate where the replanting activity is planned to be finished in 2019 for 458 ha at block 2002A, 2002C, 2003A, 2003B, 2003C, 2003D, 2004A, 2004B, and 2005A. Oil palm in Gohor Lama Estate was planted in 2002, 2003, and 2004 hence it is still classified into productive period based on oil palm productivity timeframe. However, the replanting in Gohor Lama Estate in general was being conducted to tackle the low productivity issue due to Ganoderma. Beside Gohor Lama Estate, the replanting activity was also taking place at Bekiun Estate as evidence through field visit to block 1986B division 2 which was targeted to be finished by September 2019. This replanting activity was not due to any pest infestation, but merely the normal life cycle of productive palm. Several documented information was in place for e.g. recapitulation of excavator job on June 2019 for canal creation and chipping activity.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1, 4.1.2 & 4.1.3

Consistent with previous audit result, the CH already has estates SOP (starting from Land Clearing to Harvest) and SOP of the mill (starting from receipt of FFB to shipment of CPO & PKO) that has been documented, and authorized by the General Manager. The SOP includes major processes such as harvesting (SOP number 10), transportation (SOP number 11), fertilization (SOP number 7C), IPM (SOP number 17) and supply chain (SOPs 31 and 32). During the audit, a copy of the SOP is available at the audit site and in the Indonesian language. Based on field observations and interviews with workers, for example, on herbicide application activities at block B 2011 of Gohor Lama Estate, fertilizing application at

block B 2012 of Gohor Lama Estate, and harvesting activity at Bekiun Estate it was known that workers have understood the procedures related to their respective jobs. For instance, the procedure for harvesting (SOP 10 rev.1 dated 10 August 2017) states that the ripe FFB criteria is with 10 loose fruits on the ground which is in line with the implemented practices by the harvesters as interviewed during field visit to block 2009B Division 2 of Bekiun Estate. Currently the CH is conducting replanting activity in several areas and it is being conducted as per the related procedure. The oil palm planting activity and seeds standard are based on module by PT AAR i.e. Oil Palm Seedling Practice and Seed Selection conducted on 3 – 4 September 2018 which consists of seedling standard, panting technique and early plant maintenance procedure.

The compliance monitoring against RSPO P&C is conducted based on Procedure no. 14 revision 1 dated 10 August 2017 regarding Sustainability Audit it was known that the audit is to be conducted annually. The company has an annual internal audit covering RSPO P&C, which also includes the proper implementation of working procedures. The latest audit was conducted on 20 – 25 May 2019 which resulted in 5 non-conformances and all have been closed out. The document also includes root cause analysis, correction, and corrective action. Meanwhile the checking or monitoring of operation procedures in estate and mill is conducted through an Annual Agricultural Audit as evidenced by Audit Result Summary dated 23 April – 2 May 2019 conducted by 7 auditors. The scope of the audit covers estate and POM management and operation. Another checking mechanism is the audit conducted by Taiko Plantations Sdn. Bhd. on 10 September 2018 covering all elements of estate procedure from plantations until HR. Based on the sampled Tanjung Keliling estate, there were several findings for e.g. net weight of FFB has more than 201 kg difference between the one weighed at estate and POM. Those findings have been closed out by the management. The summary of internal audit is being reported on Internal Audit Report as sampled for Tanjung Keliling Estate which was sent to President Director on 5 October 2018. This is as prove that the CH management takes into account internal audit findings as a part of making continual improvement and critical managerial decision. After a discussion and evaluation been conducted, the estate submits a Response to Audit Discussion Paper Tanjung Keliling dated 17 October 2018 which includes the estates' means of improvement for future years in order to prevent the similar finding from re-occurring.

4.1.4

The company does not receive FFB from outside. All FFB come from certified nucleus estates (T. Keliling, Marike, Gohor Lama, Bekiun, P. Brahrang, Basilam and Bukit Lawang) and non-certified (Tanjung Beringin).

Status: Comply

4.2

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

The SOP implementation regarding fertilizing is recorded by each estate as shown by the plan and realization of manuring activity. There is also SOP 15 regarding Erosion Control and Optimal Soil Fertility Management rev. 1 dated 10 August 2017 which also includes EFB mulching activity and POME land application to provide nutrient recycling strategy. To keep in line with the procedure there is an evidence of training e.g. fertilizing technique, PPE and HCV area for Division 2 Tanjung Keliling Estate attended by 11 fertilizer workers. Based on field visit and interview to fertilizing workers at Block 2012 B of Gohor Lama Estate, block 2004 A of Bekiun Estate, and block 2011 F of Tanjung Keliling Estate it was evidenced that the workers have been able to demonstrate a proper fertilizing technique according to the procedure.

Records of fertilizer inputs were available for e.g. the Gohor Lama Estate has the Annual Oil Palm Fertilizer Program from November 2018 – May 2019 as follow:

Month	Fertilizer (ton)	Fertilizer Type
Nov-18	668.17	BRP
Jan-19	614.21	OPCOM 65
Feb-19	190.14	OPCOM 32
Mar-19	24.43	Fertibor
Apr-19	581.84	OPCOM 32
May-19	143.39	ESTA KS

The CH has periodic tissue analysis conducted by PT Applied Agricultural Resources Indonesia (AAR) as evidenced by the document of Oil Palm Manuring Recommendation 2018/2019 based on field visit on 15 – 16 March 2018 to Tanjung Keliling Estate and 17 April 2018 to Gohor Lama Estate. The recommendation is given based on regular leaf tissue and soil analysis for each estates manuring block as evidenced by:

- Soil Analysis Result of Gohor Lama Estate tested on 2 August 2018 showing nutrient parameters of horizon, pH, organic C, N, P, exchangeable cations, CEC,
- Foliar Analysis Result Gohor Lama Estate tested on 8 August 2018 showing result of ash, N, P, K, Ca, Mg, B,
- Soil Analysis Result of Tanjung Keliling Estate tested on 11 October 2018 showing nutrient parameters of horizon, pH, organic C, N, P, exchangeable cations, CEC,
- Foliar Analysis Result Tanjung Keliling Estate tested on 6 August 2018 showing result of ash, N, P, K, Ca, Mg, B,
- Foliar Analysis Result Bekiun Estate tested on 8 August 2018 showing result of ash, N, P, K, Ca, Mg, B,
- The implementation of leaf and soil tissue sampling is conducted based on Procedure of Leaf and Soil Sampling.

The CH conducts nutrient recycling strategy in several means i.e. EFB mulching and POME land application. Gohor Lama, the nearest estate from the POM, has provided the Plan and Realization of EFB Application 2018/19 which consists of data regarding planting year, block, area, palm amount, palm/ha, planned and actual EFB application (ha), where total EFB application in Gohor Lama Estate from October 2018 until May 2019 was 67.69 ha. Beside that the CH also conduct POME land application as part of their waste management and nutrient recycling strategy. Based on field visit to Division I of Gohor Lama Estate and document review on land application ditch map it was evidenced that the application is in line with the permit.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

The CH still keeps record of soil map, where there is a document of Soil Map scale 1:35,000 covering all PT LNK area with soil types as follow Dystropepts, Dystrandepsts, Haplorthox, Tropudults, Throportents, Eutropepts, Tropaquepts, Fluvaquents, Tropohemists, and Tropofluvents. Hence, there is no peat nor other fragile soil in place.

Based on Slope Map scale 1:200,000 covering all PT LNK estates it was known that most of the areas have 0 – 25% slope with small portions of 25 – 40% and a tiny portion of > 40% at the far west part of the area. Based on field observations, it is known that the certificate holders have management strategies for planting on steep slopes that consider local soil and climate conditions, e.g. pruned frond arrangement and conservation terraces. Based on the results of the document review, the certificate holder already has procedures related to erosion management and optimal soil fertility management for productivity which among others regulate the technical management of the area with slopes / high erosion potential e.g. with cover crops, empty bare application, conservation terrace manufacture and forbidden to plant oil slope above 40%. The CH has implemented SOP 15 regarding Erosion Control and Optimal Soil Fertility Management rev. 1 dated 10 August 2017. The document states that planting above 40% slope is prohibited. Erosion minimization is conducted by planting of *muccuna brachteata* between palms.

At Gohor Lama and Tanjung Keliling Estate, the road maintenance program was available for example for division I consisted of maintenance with grading machine for collection road and main road, drainage canal, bridges, and portal gate. The document consists of planed volume and actualized volume. The total planned road maintenance for Tanjung Keliling estate is 50,930 m while until July 2019 it has been achieved for 16,350 m. Meanwhile the Road Maintenance Plan of Bekiun Estate 2018-2019 consists of 4 divisions with actualized plan under the division 3 with achievement of 100% for collection road (6000 meter).

Status: Comply

4.4

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

4.4.1, 4.4.2

The company has identified water sources that are also contained in maps of wetlands and water flows within HGU, such as: low-land areas (in Block 2011A, 2011 C and 2012B), rivers (Tenang river, Gerpang, Penceng, Pur, Luci, Pondok 16, Kayu Raja, Titi Gundul, Bendo, Kiong, Blodong, Prison, Kulap, Tembo, Begumit and Durhaka)
A water management plans for all PT LNK can be demonstrated during the audit, including: establishing and monitoring buffer zones (20 m), signage installation, conducting water quality testing, monitoring water use for the mill processing.

The program has explained the details of implementation, location, person in charge, target and reference. Sighted a list of sampling points for testing the quality of surface water and domestic bore / water wells.

The company has SOP No. 22 which explains that the river boundary is made along the river following the recommendations in the HCV report and will not be replanted in that area.

Based on field observations to the Penjara River boundary at Bekiun Estate, it observed that the company has carried out management in accordance with the stipulated plan, namely defined the spraying boundary and there is no indication of spraying up to the specified boundary.

The company can show a report on the testing of river water quality and employee well water, testing is carried out every semester, for example for semester 1 year 2019 has been verified by the auditor that there are no parameters that exceed the quality threshold.

4.4.3, 4.4.4.

The company has managed the wastewater in the WWTP, consisting of cooling ponds, anaerobic ponds and aerobic ponds. The results of observations to the WWTP, known that there is no indication of pollution to the environmental. The mill effluent is flowed into the land application according to the permit for utilization of wastewater (Langkat Regent Decree no. 660.3-09 / K / 2016 dated August 16, 2016). Based on field observations, the application area is in accordance with the permits owned with a total area of 300 Ha.

Testing of wastewater before being applied to LA has been carried out every month by an accredited lab "Mandau Central Lab" (LP-1182-IDN), the parameters tested are pH, BOD and COD, there are no parameters that exceed the quality standard for testing Jan-May 2019 , for example test results May 2019 pH: 8.17 and BOD: 152.

The auditor verifies the actual water usage for processing activities during the period of January - May 2019, which is still below the projected set, which is an average of 1.2 m3 / tFFB (projection of 1.5 m3 / tFFB). During field observations it was seen that measurements of water use were carried out using a measuring instrument that was functioning properly.

Status: Comply

4.5

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

The procedure for Integrated Pest Management is in place i.e. no. 17 revision 2 dated 10 August 2017, which states various identified pest for oil palm, basic steps of IPM including early warning system through monitoring by harvester and threshold implementation for pesticide application. An example of pest monitoring is for caterpillar which for vulnerable area, census is to be conducted every 6 months with economic threshold of 5 larvae per palm. The same also happens for Ganoderma. The procedure also consists of biological control measure for e.g. beneficial plant and barn owl boxes. The pest management program starts at the very beginning of palm oil cultivation i.e. cover crop application and spreading of shredded felled palm to reduce Oryctes infestation.

The CH has a documented Integrated Pest Management Program, for example in Tanjung Keliling dated 1 January 2019 and Bekiun Estate on April 2019 signed by Estate Manager. The program consists of:

- pest census for fire caterpillar, bag caterpillar, oryctes, rodents, termites, and Ganoderma
- planting of beneficial plants, i.e. Turnera subulata and Antigonon
- barn owl boxes monitoring to control rodents population
- Pesticide toxicity monitoring, i.e. active ingredient/ha.
- Spraying workers training for technical method and calibration. There is also personnel in charge, target/status, and any reference document e.g. monitoring checklist.

Gohor Lama Estate has a Report of Pest Handling May 2019 which include census data of pest, in which the Oryctes had 33.71% of attack in Division I where 295.6 ha of area had been injected to eradicate the pest. Bagworm has 9.45%, 24.09%, and 19.68% for division I – III respectively. The report also states insecticide application to bag caterpillar (ha), where there was 52 ha of application in division I. There was no rodent attack identified in the estate, hence the barn-owl boxes were not in place there.

There is a record of pest and disease census activity at Tanjung Keliling Estate as shown on Pest and Mortality Census Report Book which covers census date, planting year, block, infected area, census location (line and palm), number of detected caterpillar, insecticide application date, mortality level. For example on 7 February 2019 insecticide was applied at 2011K Block of Tanjung Keliling Estate from 40 caterpillars reduced to only 2 caterpillars.

The CH keeps record of insecticide application for any pest attack above the economic threshold as seen on Daily Log Book of Job Realisation Tanjung Keliling Estate. For Bekiun Estate there was a Caterpillar Insecticide Application for Division IV block 2004A. Bekiun Estate has provided the document of census activity of pest on April 2019, in which based on the census the number of caterpillars found in each frond was 6 which is higher than the threshold (5). Hence, palm injection was conducted with Black Hawk with 20 cc/palm dosage at Division III block 2004A for 10 ha.

Training record on IPM on 6 November 2018 at Division IV Tanjung Keliling estate attended by 3 personnel i.e. pest foreman and clerks.

Based on interview with the pest and disease assistant, it was evidenced that the personnel well understand the procedure of IPM.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1 – 4.6.5

The CH demonstrates compliance against this criterion through the document of Pesticide List and Usage Justification for e.g. in Tanjung Keliling Estate dated 20 May 2019 which consist data regarding trademark, active ingredient, pesticide class, national registration number, permit expiry date, and targeted usage. All pesticide used are included under the class III of WHO. There is Plan vs Realization of Spot and Circle Spraying for Tanjung Keliling Estate which covers data regarding block, area, and monthly timeline and applied volume. Besides that, there was also a Recap of Circle Spraying Realization at Bekiun Estate 2018 – 2019 which is in the form of map scale 1:51,570 which describes distribution of actualized spraying from October 2018 – May 2019 i.e. 1,867 ha. There was also a Recap of Spot Spraying Realization at Bekiun Estate 2018 – 2019, i.e. 1,752 ha from October 2018 – May 2019.

The CH has provided evidence of pesticide usage record as stated on Chemical Usage Amount for October 2018 – May 2019. The data consist of usage date, applied field/block, area applied (ha), quantity (ally, kenphosate, and Aladin), active ingredient amount (49% isoprophil amina glyphosate), and total active ingredient per hectare. The total area applied in Gohor Lama Estate for herbicide was 248 ha with amount of active ingredient was 0.14 kg/ha. There is also a documented Pesticide List and Justification for e.g. at Tanjung Keliling, Gohor Lama, Bekiun Estate which consist of pesticide stock, trademark, active ingredient, WHO class, national registration number, permit expiry, LD50, and usage justification.

To minimize the use of pesticide, the CH has implemented threshold system for any identified pest. Any chemical application will only be conducted only if the census result goes beyond the threshold.

There is no Prophylactic usage of pesticide. Based on interview with Division 1 Gohor Lama Estate Assistant, the economic threshold of 5% according to the procedure is being implemented. The CH is currently optimizing the usage of turnera and antigonon to tackle caterpillar pest.

The CH has SOP regarding Chemical Mixture at Premises (SOP no. 19 rev.1 dated 10 August 2017) which underlines the safety measure of the activity for e.g. usage of proper PPE. The chemical mixture is conducted by special personnel at the warehouse, not by each sprayer workers. The guideline on the product label is adhered to which was evidenced by the existence of MSDS and proper first aid training to the foremen. Several evidence of training are:

- Spraying Activity for Pest and herbs at Gohor Lama Estate on 11 April 2019 attended by 11 participants i.e. assistants and foremen.
- Questionnaire, maintenance, fertilizing, spraying, and harvesting at Gohor Lama Estate on 31 May 2019 attended by 50 participants

4.6.6

The company has SOPs on pesticide storage contained in SOP No. 18 about Safety and Chemical Storage Use including Hydrocarbons dated 10 August 2017, revision 1, which explains that chemical storage is stored separately with non-chemical substances and shall be labeled as Hazardous Materials.

Based on the results of visit in the pesticide warehouse known to exist in a special room and have good ventilation. There are MSDS for each type of pesticide. Based on visits at the pesticide mixing site, the company has provided a place to cleaning up after work and available storage equipment such as spray equipment, PPE and shoes. Based on observations to the housing of workers in Gohor Lama and Tanjung Keliling Estate, there are not found the use of pesticide packaging

for household purposes, such as bins, water containers and flower pots.

4.6.7 – 4.6.10

The CH has developed procedure for chemical pesticide application which underlines the importance of healthy and safe working condition among others the usage of PPE including mask, goggles, rubber gloves, apron, and boots. Based on field verification and interview to workers at block 2011 B of Gohor Lama Estate, 2016 A of Bekiun Estate, and 2011M of Tanjung Keliling Estate, it was evidenced that the chemical pesticide (herbicide) was being applied according to the procedure which minimizes negative impacts for user and environment. There is no aerial application of pesticide.

The CH has conducted proper training for pesticide operator in daily basis regarding safety measure during morning briefing. Pesticide knapsack calibration is also being conducted regularly every three months. Based on interview with pesticide operators at Gohor Lama, Bekiun, and Tanjung Keliling Estate it was known that the workers can demonstrate safe working condition with proper PPE in place, first aid kit available by the foreman and proper technique of spraying have also been demonstrated. An example of evidence is a document of training for chemical sprayer at Gohor Lama Estate on 11 April 2019 attended by 11 participants.

As stated under the criterion 5.3 the CH handles pesticide waste as per regulation regarding hazardous waste handling. There is also triple rinse mechanism in place for chemical pesticide container which will be re-used for another chemical application. There is also Procedure for Hazardous and Domestic Waste Handling (SOP.23 rev.2 dated 10 August 2017). The CH also monitors the empty chemical container amount which are being reused as chemical container.

4.6.11

Based on the results of field observations on the application of pesticides in the Gohor Lama Estate and Bekiun Estate, 13 pesticide operators were found in the Gohor Lama Estate and 3 people in the Bekiun Estate. Based on the results of interviews with the pesticide operators, it is known that there is an annual medical supervision for all pesticide operators. The certificate holder shows annual medical surveillance records for all pesticide operators as well as medical and treatment records for all pesticide operators listed in the October 2018 Cholinesterase Examination Results document, which are briefly explained as follows :

- Tanjung Keliling Estate cholinesterase examination was conducted on 9 – 10 October 2018. Based on the results of the examination of 41 employees (21 pesticide operators), all were stated within normal limits.
- Bekiun Estate cholinesterase examination was conducted on 31 October – 1 November 2018. Based on the results of the examination of 59 employees (39 pesticide operators), all were stated in normal limits.
- Gohor Lama Estate cholinesterase examination was conducted on 11 and 15 October 2018. Based on the results of the examination of 80 employees (33 pesticide operators), 78 were stated in normal limits and 2 people had been transferred to non-chemical work.

Based on the results of interviews with workers applying herbicides and pesticides in the Gohor Lama Estate and Bekiun Estate, it was stated that the worker had no complaints / disturbances to his health in the work undertaken so far such as allergies, itching / skin irritation, poisoning (vomiting) or diarrhoea. They are known and aware regarding to the MCU result, told that the MCU result are socialized personally by the paramedic to respected workers.

4.6.12

The certificate holder has a policy that states preventing pregnant and lactating women from handling pesticides, which is listed in SOP 18 document on Safety of Use and Storage of Chemicals including Hydrocarbons, 10 August 2017. Based on field observations in the Gohor Lama Estate and Bekiun Estate, there were 2 female pesticide operators found. Based on interviews with female herbicide applicators on the system for identifying pregnant and breastfeeding women, it is known that there is no change in the previous assessment, which is stated in SOP 21 which regulates pregnancy examinations for spray officers, including pregnancy testing is an obligation on chemical spray workers to notify company about her pregnancy. After being checked by the company doctor and the results showed positive that the company will switch to another job that is lighter and does not come into contact with chemicals. Based on the results of interviews and field observations, no female workers who were pregnant or breastfeeding were found to do work related to chemicals.

Status: Comply

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

4.7.1

The certificate holder has a Health and Safety Policy, signed by Group Plantation Director. The certificate holder also showed the procedures relating to occupational safety and health, including guidelines OHS, identification and assessment of hazards and risks, how to work safe and provision of PPE. The policy is delivered periodically at the morning briefing or at special times specified by the certificate holder. Based on the results of interviews with workers, both in the estate and at the mill regarding safety policies, workers have understood the essence of the policy. Among them, the workers stated briefly that the implementation of the policy was that workers were required to use PPE provided by the company for free.

The certificate holder also shows the Occupational Safety and Health Program in 2018/ 2019 which was an attempt to minimize the Lost Time Accident. Realization of the plan, for example, the training on training on the use of PPE for harvesters, sprayers and fertilizers programmed in the October 2018 program, realized October 5, 2018 and spraying training programmed in November 2018, realized November 27, 2018 in collaboration with PT Bayer. In addition, periodic health checks on cholinesterase and spirometry conducted on October and November 2018.

The certificate holder also monitors the effectiveness of the occupational health and safety plan, for example in relation to the health check, there were 2 people had been transferred to non-chemical work because the cholinesterase examination results exceed the limits.

4.7.2

The certificate holder has conducted an assessment of occupational health and safety issues, which are listed in the *Identifikasi Bahaya, Analisa Resiko dan Pengendalian Resiko* document, for example for an estate that was approved on December 22, 2016 by the HR Director and reviewed on July 22, 2018. The document explains Activities Work, Hazard Sources, Risks/ Impacts, Current Risk Control, Frequency, Severity / Consequences, Risk Level, Measures to reduce risk and Responsibility (Date/ status). So is the case with the factory.

Based on the results of the document review and interviews with management, if there is a work accident then it is included in the risk assessment with further plans and prevention. In addition, all precautions attached to the product have been applied to workers, for example mask selection is in accordance with the product MSDS.

The certificate holder has the opportunity to conduct an evaluation / review of the existing risk assessment. **OFI.**

4.7.3

The certificate holder shows evidence that workers involved in operational activities are trained in safe work practices, for example on 29 May 2019 in Kebun Bekiun, SOP training for chemical mixing operators was attended by 1 person in the position of chemical mixing area in Bekiun Estate area.

The certificate holder has Circular Letter number 073.A/ Presdir / SE / II / 2017 concerning Management and Discipline of Personal Protective Equipment that is approved by the President Director. In the procedure explained, including :

- All employees must be given a complete and adequate PPE, including new employees who are on probation and / or contractor employees.
- Managers assisted by the audit department must be able to ensure that PPE is distributed on target, is appropriate and controls the supply of PPE in the estate.

Based on the results of field observations, the following conditions were found:

- 1 worker was found at WTP Station and 1 worker at Press Station Stabat POM using PPE boots that he bought himself
- 1 welder was found in the Tanjung Keliling Estate workshop who used leather gloves in a damaged condition.
- 3 circle and path spray workers and 3 bag caterpillar spray workers at the Gohor Lama Estate who did not use goggles. 1 bag caterpillar spray workers showed that the PPE glasses were inadequate (blurred and cannot be used while working).
- 1 worker out of 3 harvest workers found in Bekiun Estate who did not use personal protective equipment in the form glasses and 1 harvest worker showed that the PPE glasses were inadequate (blurred and could not be used while working).

Based on the explanation above, the certificate holder has not shown evidence that control of PPE stocks has been carried out in the warehouse and monitoring of PPE eligibility has been carried out effectively. Based on the explanation, raised the **non-conformance NC 2019.01 with major** category.

4.7.4

The certificate holder has identified the person responsible for carrying out OHS and has formed a *Panitia Pembinaan Keselamatan & Kesehatan Kerja/ P2K3* (Guiding Committee Of Occupational Safety & Health) organization, among which

are indicated based on the Decree of the Head of Manpower Office North Sumatra Province, number 49-7 / DTK / SU / V / 2019, dated May 10, 2019, concerning Ratification Committee for Safety and Occupational Health (P2K3) at PT. Langkat Nusantara Kepong Stabat POM, with the secretary as a general OHS expert based on a certificate of appointment from the minister of labor number KEP.P.11295 / NAKER-BINWASK3 / III / 2019.

Based on interviews with the herbicide application foreman and the harvest foreman at Gohor Lama Estate, it is known that the certificate holder routinely conducts meetings between workers and those responsible for OHS. The certificate holder shows the minutes of notes or records of meetings discussing the health, work safety and welfare of workers, including the minutes of meeting the P2K3 Monthly Meeting on March 13, 2019 in the district office meeting room and attended by 31 participants. Issues discussed included routine and specific training for emergency response teams.

4.7.5

Based on the results of the document review and interviews with management regarding SOPs for emergency accidents, it is known that there was no change from the previous assessment, which is listed SOP related to emergency accidents in SOP 24 Emergency Response (dated August 10, 2017) which explains, among others, about Emergency Accident Response Work (Process reporting to BPJS Employment), Building Fire Emergency Response, Land Fire Emergency Response and Natural Disaster Emergency Response (Flooding).

In addition, the certificate holder displays documents related to the structure of the emergency response team for each unit which includes the Fire Department, Evacuation and First Aid Section and Transportation Section.

Based on the results of the document review and interviews with management, if there is a work accident then it is included in the risk assessment with further plans and prevention. Accident records have been reported to relevant agencies in the P2K3 Quarterly Report to the Inspection Unit of the North Sumatra Regional Manpower Office II.

Based on the results of field observations at Gohor Lama Estate, for example in spraying and harvesting activities, it is known that the certificate holder has provided first-aid officers for operational activities. The certificate holder also shows the recording of First Aid training, including the First Aid Box Holder Training, on January 3, 2019, by Company Doctor in the Gohor Lama Estate meeting room and was attended by 9 participants.

Based on field observations it was also found that first aid kits available at work were carried using first aid bags containing 21 items in accordance with Minister of Manpower Regulation number 15 of 2008. Based on the explanation of the foreman carrying first aid bags, first aid kits were sufficient and checks were carried out periodically by clinic nurses every month or when it runs out.

The company also showed the First Aid Box Holder documents / first Aid bag in 2019, for example in Tanjung Keliling Estate given to 23 people and in Bekiun Estate given to 19 people, as well as the First Aid Box Inspection Checklist document until June 2019.

4.7.6

The certificate holder shows evidence that all workers including contract workers and contractors receive medical services and are protected by accident insurance, including:

- Bekiun Estate
Work Agreement number 782 / LNK-BKN / SPN / III / 2019 dated March 28, 2019, which explains the cooperation between Bekiun Estate and PT Pratama Satya Citra for the transportation of FFB. In Article 2.II paragraph 10 it is stated that the second party (the contractor) is obliged to include its workers in the Workers Social Security Agency (*Badan Penyelenggara Jaminan Sosial*/ BPJS) program and the second party always complies with the Manpower regulations.

The certificate holder shows the list of names of Bekiun Estate contractor drivers, consisting of 6 workers and also proof of payment of BPJS Employment via bank transfer for PT Pratama Satya Citra in May and June 2019 along with proof of membership.

- Tanjung Keliling Estate
The certificate holder shows a document of Breakdown of Reporting Labor Contribution for the 2019 Period in May BPJS Employment which among others explains the membership number, employment number, Worker's name, date of birth, salary data, Accident Insurance contributions, Life Insurance contributions, old age contributions, Pension Insurance contributions and total contributions.

- The Billing Reporting Document from the BPJS Health explains the amount to be paid for the number of employees 2,666 and the number of dependents 5,263. PT LNK showed proof of payment of the BPJS Health on June 19, 2019.

Based on the results of interviews with workers in the field, it is known that workers have been included in the social security program.

4.7.7

The certificate holder shows work accident records using LTA metric (lost time accident). For example, it is listed in the LTA Data document that explains the month, number of employees, number of working days, number of hours worked by employees, total number of working hours for all employees, number of accident death cases, number of accident cases missing workdays, number of accident cases without missing work days and number of working days is gone. As an example shown for the period October 2018 – May 2019, including the Gohor Lama Estate the number of employees is 3,140 (average 393), the number of working days 192, the total working hours of employees 1,278 (average 160), the total working hours of all employees 501,969 (average of 62,747), the number of accident cases of death 0, the number of accident cases missing workdays 17 (average 3), the number of accident cases without missing work days 0 and the number of working day missing 15 (average 2).

Status: Comply

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1 & 4.8.2

The CH already has a list of Staff, worker, including contractor and contractor's worker, and developed an annual training program that has covered all existing Estate and mill activities, that has included training on OHS aspects and emergency response. Training for contractors has also been identified which includes OHS and first aid response.

Based on verification of the training documentations, all the training programs have been conducted. Training programs for the Estates covered harvesting, maintenance, manuring, spraying, integrated pest management, fire extinguishers, OHS, first aid response. The training program for the Mill has included security, SCCS, purchases, cashiers, weighbridge station, all processing stations, electricity, workshops, WTP, and laboratories. While for contractors include OHS, HIRA, safe working attitude, and use of PPE. Field observations and/or interviews with workers in Mill and Estates, it is known that the workers have received regular training and guidance from supervision, they can demonstrated the safe working practices.

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1, 5.1.2 & 5.1.3

The company has an environmental document that addresses the positive impacts and negative impacts of operational activities, which consist of:

1. Environmental Evaluation Study (SEL) which was approved by the secretary general of the Ministry of Agriculture No Re 220/712 / B / V / 93 on May 5, 1993.
2. The AMDAL document approved by the Langkat Regent with Letter No.660.1.38 / PDL-LKT / XI / 2005 dated November 9, 2005.
3. The Environmental Evaluation Document (DELH) which was ratified by the Head of the Langkat Regency Environmental Agency was legalized based on decree number 660.1245 / SEKRE.II-BLH / Year 2011 dated October 3, 2011.
4. The UKL-UPL document that was ratified by the Head of the Langkat Regency Environmental Agency in accordance with letter number: 660-033 / BLH.Sker.II / 2011 dated December 14, 2011. The scope of this document is the construction of 70 tons of FFB / hour and factory area 2 ha.

Environmental management and monitoring plans are listed in the environmental monitoring and management matrix (in each environmental document). In the Management plan matrix, it is explained about the types of significant impacts, sources of impact, location, period etc.

The replanting impact study has been explained in the monitoring and environmental management report documents per semester, including evaluation results for all parameters monitored and managed.

The implementation of environmental monitoring and management has been carried out and has been reported to the relevant agencies, for example the report of semester 2 period 2018 was sent on January 8, 2018 to DLH Langkat. The report preparation also including the review of management and monitoring conducted.

Based in the interview to the communities around there is no grievance related to environment impact. However, not entire parameters required in the matrix have been monitored and managed by the company, for example:

- Mill: Disturbances in aquatic biota, potential workplace accidents, work opportunities, business opportunities, health problems, infrastructure damage, community perceptions.
- Estates: decrease in flora and fauna diversity, employment opportunities for local workers, employment opportunities / income, community service, community perceptions, public health.

Nonconformity no.: NCR 2019.02

Status: Nonconformity no.: NCR 2019.02

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1, 5.2.2

Identification of HCV were done by Aksenta in September 2014 covering the entire area of PT LNK where a total indicative HCV area of 154.58 ha. The assessment was carried out by the RSPO approving assessor. A review of HCV assessment reports at PT LNK Kab Langkat was conducted by Yana Suryadinata (ALS) on June 17-27, 2014. The results of the document review indicate that HCV activities have involved several parties such as the surrounding community (Tanjung Keliling villager, Bukit Lawang, Bekiun, Basilam, Kuala,); government administration (Langkat forestry and plantation service; Environment Agency of Langkat) on June 27, 2014. The assessment included identification of HCV areas and RTE species.

The company has set a matrix for HCV and RTE management plans for PT LNK for 2018/2019. The program describes: descriptions, management objectives, threat identification, management actions, indicators of success, findings of identification and work plans (programs, locations and targets). There are records of evidence of management and monitoring, including:

- The company has routinely tested surface water quality every semester and reported in reports of RKL/RPL
- The company has installed a spray boundary mark 20 meters along the riverbanks, as observed in Penjara River (Bekiun Estate) and found that there is no spraying indication to the water body / border area
- The company has monitored important, rare, endangered and vulnerable species every month. Monitoring also includes indications of catching / ensnaring, nurturing and trading of RTE species and as well as monitoring posters.

For example:

- ✓ Sighted the monitoring report at Bekiun Estate during the June 2019
- ✓ RTE monitoring report on Tj Keliling for the Jun 2019 period
- Socialization has been carried out to employees, for example on 9 February 2019 to 21 fertilizers and sprayers in Bekiun Estate. Interviews are done to verify the workers awareness.

5.2.3, 5.2.4, 5.2.5

Policy on sanctions and indiscipline measures have been described in SOP22 (Jan. 18, 2018), applicable to every individual who works for company if it is proven that has caught, injured, killed, possessed, nurtured, transported and traded protected animals.

The socialization has been carried out to employees, based on interviews with employees at Bekiun Estate, Tj Keliling Estate and Gohor Lama Estate, showing that employees have understood and are aware of the management of RTE and have known sanctions. No employees were found to arrest, kill and reared RTE species during observation of employee housing.

Periodic evaluations related to the plans made by the company and the results of the evaluation are input into the next plan. Evaluation is carried out at the time of internal audit and based on the results of the external audit.

The management unit has presented a memorandum of understanding between PT LNK and Head of Pulka sub-village, Naman Jahe Village, Salapian Sub-district, Langkat Regency agreed on January 24, 2017 related to the management of HCV areas (lakes) in Tj Keliling Estate.

	Status: Comply	
5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1		
<p>The company has identified waste sources in the estates and mill, a list of waste sources is reported in the document "sumber-sumber limbah dan pencemaran dan rencana mengurangi polusi", informs the types of waste, waste sources, actions, targets, responsible people, status / references. This identification includes emissions, pollution, POME, hazardous waste, domestic waste and solid waste.</p>		
5.3.2, 5.3.3		
<p>Chemical ex-containers and packaging are identified as hazardous waste by the company. Management is carried out in accordance with applicable regulations and SOPs namely:</p> <p>Temporary storage is carried out at licensed scheduled waste storage according, there are 2 licensed storage, namely at Gohor Lama Estate (no. 660-03 / k / 2014) and Tj Keliling Estate (No. : 660-09 / K / 2014), the two licenses were issued on 30 June 2014 (valid for 5 years), at the ASA 2 extension process was carried out, a letter of application to the Langkat Regency of DLH was shown letter no. : 342 / Dir.Prod / LNK / VI / 2019 June 26 2019 and letter no. : 284 / Dir.SDM / LNK / V / 2019 dated 14 May 2019, continuous follow-up needs to be done for the process. OFI</p> <p>The company has collaborated with licensed transporters and collectors, namely PT Sumatera Deli Lestari Indah (collector - permit No.: 522.21 / 836 / DIS PM PPTSP // 2 / IV.2 / X / 2017, 5 years) and PT Indostas Cargo (transporting - permit no.: No. S.926 / VPLB3 / PPLB3 / PLB.3 / 9/2017, valid for 5 years), agreement No.: 034 / Dir.SDM / SPK / XII / 2018 dated 17 Dec 2018 valid until Dec. 16, 2019.</p> <p>Sighted hazardous waste delivery documents (manifest and minutes) by PT Indostar Cargo, the last delivery is carried out on 25 June 2019, 17 June 2019 and 3 July 2019, there is no waste stored exceeding the required storage period. Reporting of the hazardous waste management (balance reports and manifests) to the relevant agencies has been carried out routinely, for example the 1st quarter of 2019 is sent on 3 July 2019.</p> <p>The waste management plan is explained in SOP no.: 2 revision on 10 August 2017 concerning the management of hazardous, solid and domestic waste.</p> <p>Domestic waste is managed by hoarding at landfill.</p> <p>Solid waste is managed by reuse as boiler fuel (shells and fiber), POME is discharged to land applications and empty bunch are applied to the land as mulch.</p> <p>Infectious waste are managed by delivered to licensed collector and transporter.</p>		
	Status: Comply	
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
<p>The company has made efficiency and reduced the use of fossil fuels by utilizing renewable energy such as the use of fiber and shells for boiler fuel. The mill can show records of the use of renewable fuels, for example, the auditor verifies for the Jan - May 2019. Based on the records it seen that the efficiency of fossil fuel on 2018 was 45%-65%.</p>		
	Status: Comply	
5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
<p>The company has a no-burning policy on new planting, replanting or other development activities as explained in the "Kebijakan Keberlanjutan KLK".</p> <p>Not found the practices of using fire in PT LNK's operational activities, currently replanting activities are underway in a mechanical manner.</p>		
	Status: Comply	

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1 and 5.6.2

All waste including emissions and pollutions sources from Mill and estate are identified and recorded on 2018 GHG mitigation document. This document informed e.g: greenhouse gases produced and mitigations plans such as replanting activities and renewable fuels used.

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months, all of waste water testing parameters is compliant to the standards quality.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 2nd Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality. Such as, company conducts noise level testing according to decision of environment minister number 48 year 1996.

5.6.3

Base on document verification, CH has been done calculations emission with RSPO Palm GHG Calculator Version 3.0.1 with data input correctly. Palm GHG Calculation option applied Full version.

Summary of Net GHG Emissions periode January-December 2018

Emissions per Product	tCO2e/t Product
CPO	1.78
PK	1.78

Production	ton/year
FFB processed	254861.16
CPO produced	62327.98

Land Use	Ha
OP planted area	19,594
OP planted on peat	0
Conservation	345

Extraction	%
OER	24.46
KER	3.74

Summary of Field Emissions and Sinks

Description	Own Crop			Group		
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e
Land Conversion	167145.77	10.1	0.62	-	-	-
*CO2 Emissions from Fertilizer	12401.19	0.77	0.05	-	-	-
**N2O Emissions	11059.65	0.67	0.04	-	-	-
Fuel	1731.07	0.11	0.01	-	-	-

Consumption						
Peat Oxidation	0	0	0	-	-	-
Sinks						
Crop Sequestration	-137506.12	-8.32	-0.51	-	-	-
Conservation Sequestration	0	0	0	-	-	-
Total	54831.56	3.33	0.2	-	-	-

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	72352.22	0.28
Fuel consumption	396.04	0
Grid electricity	0	0
Credits		
Export of grid electricity 0(housig)	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	72748.26	0.29

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

Based on document verification shown that accurate data has been put into RSP0 Palm GHG Calculator.

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

6.1.1 & 6.1.2

The certificate holder has conducted an SIA study conducted by a consultant (Aksenta) on 30 January – 9 February 2016 and was finalized in May 2016. The certificate holder also documented records of meetings involving 125 people in the village of Tanjung Beringin, Padang Brahrang, Padang Cermin, Tanjung Keliling, Sei Prison, Maryke, Gelugur Langkat Village, Turange Village, Tanjung Keliling Plantation Village, Bukit Lawang Plantation Village, Tanjung Beringin Village, Sumber Mulyo Village, Situngkit Village, Gergas Village and Gohor Lama Village. The SIA also has considered the internal stakeholders such as workers and female parties affected.

6.1.3 & 6.1.4

The certificate holder shows *Rencana Pengelolaan & Pemantauan Dampak Sosial PT LNK tahun 2018/2019* document, which is renewed June 24 – 25, 2019. The plan covers issues that arise from internal and external stakeholders. In addition, it was also explained related to social impacts, both positive and negative, stakeholders involved, actions, people responsible, targets completed and final status. In the document, it is known that there are 22 Social Issues from Internal and 16 Social Issues from external. Based on the results of interviews with the surrounding community and workers as well as field visits of this audit activity, there are several main issues encountered and in this plan have described mitigation plans and actions taken by the certificate holder, including for internal stakeholders. It also stated by the community that the management plan has been implemented in effective way.

There is a new issues arised from the internal stakeholder which has been included in the SIA management plan, for example:

- Issues that arise: housing conditions
 Negative social impact: housing is not livable
 Stakeholders involved: mill and estate employees
 Action: make plans for housing improvement programs and have included them in the 2019/2020 estimate
 Person in charge: General Manager / Manager
 Target completed: 2019/2020
 Last status: not yet finished
 Based on the results of field observations on employee housing, progress on housing improvements is ongoing.

- Issues that arise: livestock
 Negative social impacts: cattle grazing and roaming in the estate area and oxen enclosure alongside housing
 Stakeholders involved: estate employees
 Action: the company made a collective cage in Tanjung Beringin Estate and installed signs of livestock are prohibited from entering the immature plant area and socializing to farmers
 Person in charge: Manager
 Target completed: December 2018, when replanting to TBM
 Last status: enclosure making is complete and socialization is carried out continuously
 The company shows documentation of making collective cages that have been completed.

- Issues that arise: worker management
 Negative social impact: employees who have retired but have not yet received *Santunan Hari Tual* SHT (Old Age Benefit) and still occupy the company's official housing
 Stakeholders involved: estate and mill employees
 Action: contact PTPN II regarding the status of payment for retired employee's SHT and gradually pay the retirement employee's SHT
 Person in charge: HR Director
 Target completed: December 2018 and phased payments until 2024
 Last status: in process
 The company shows the SHT payment documentation in stages.

The company shows evidence that the social impact review has involved stakeholders related to the evidence that there is a Questionnaire Sheet for Monitoring Environmental and Social Impact - Internal and External on May 20 – 25, 2019.

There was no

6.1.5

PT LNK does not have Scheme Smallholder.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1, 6.2.2 & 6.2.3

The certificate holder has documented the consultation and communication procedures listed in *SOP Permintaan dan*

Pemberian Informasi, Komunikasi dan Pengaduan document, date revision on August 10, 2017 approved by Research & Development Director dated December 30, 2017. The SOP describes several point, including:

- The responsible PIC.
- Stages of communication and consultation with the company
- The means of communicating can be through letters from stakeholders and listed in the logbook

Based on interviews with village community representatives, it is known that communication has been going well and can be done through letters (in writing) or delivered to company representatives (public relations or managers).

CH showed the list of stakeholders updated in April 2019 consist of government agencies, internal stakeholders, contractor, worker's organization, NGO, and etc.

Records of communication are recorded in Logbook Consultation, Communication and Stakeholder Demand, for example; for example; invitation for public consultation with surrounding villages, including invitation to the village head of Bekiun Plantation and the Head of Sido Makmur Village on June 18, 2019.

Status: Comply

6.3

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

6.3.1 & 6.3.2

Based on the results of the document review and interviews with management regarding complaints and dissatisfaction for all affected parties, it is known that there were no changes related to the mechanism for grievance, which is explained in the *Prosedur Permintaan dan Pemberian Informasi serta Komunikasi dan Penyampaian Keluhan* which were passed by the Director on the 10th August 2017. This SOP explains the types of complaints submitted, for example: working conditions, OHS, violence and discrimination, harassment and abuse of authority. The system has been known and communicated to all parties, including proof of its socialization shown, for example in Bekiun Estate on June 11, 2019 which was attended by 30 workers. Evidence that the system is understood by all parties including a communication book that shows that the system is running. Based on the results of interviews with employees during field visits, consultations with representatives of gender committees and trade unions revealed that the employees knew the mechanism for submitting complaints or complaints to management. Based on interviews with agencies, contractors and village representatives, it was found that stakeholders knew the communication mechanism and requests for information that could be submitted to the Mill / Estate Manager or related Department. So far there are no communication problems with the company.

The certificate holder has also documented the complaint or the complaint resolution process, which are briefly explained as follows:

- Bekiun Estate shows the Complaints document, for example there is a complaint from a worker regarding complaints and requests to repair the roof of the front room and back room as well as the living room of the official residence on June 21, 2019 and has been realized before 14 working days.
- Gohor Lama Estate shows the realization of the SHT, namely the invitation for the payment of SHT on April 15, 2019 and that 8 people have been realized.

Status: Comply

6.4

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

No changes since ST 2 and ASA 1. Based on the social impact assessment report (SIA) of PT Langkat Nusantara Kepong on 30 January - 9 February 2016 by Aksenta, there were no traditional and customary rights within the company' HGU. In line with results of interviews with representatives of the people of Basilam Village, Padang Brahrang and Padang Cermin, it was told that the estates has been exist since 1958.

The land managed by PT LNK which is legally owned under PTPN II (Persero), is one of the Dutch colonial heritage plantations nationalized by the Indonesian Government on the basis of Law Number 86 of 1958 (Erpacht Rights). Then the erpahct rights were converted into Business Use Rights under the Agrarian Basic Law No. 5 of 1960. These was

stated in HCV report by Aksenta in September 2014 and environmental documents owned by the company.

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

Company has implemented the payment of wages for employees refers to the minimum wage for Langkat District in accordance with Decree of Sumatera Utara Governor No. 188.44/18/KPTS/2018 is explained Minimum Wage is set at IDR. 2.562.500. Based on document verification of Salary Slip May 2019 was known that wages payment is in accordance with the Minimum Wages 2019. Terms of overtime payments are also in accordance to National Regulation with the provision of overtime calculation i.e. 1.5 hourly wages for first hour overtime and 2 x one hour wage for second hour overtime. Based on interviews with Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government. Based on wage slip verification, there's an information related deduction, for examples: worker union membership dues, *BPJS Ketenagakerjaan* and *BPJS Kesehatan* dues.

Terms of overtime payments for employees who work over working hours have been made in accordance with applicable provisions, such as examples of overtime workers of office workers and mill. For harvesters do not use overtime payment system, but the system of premium payment of harvest by still get the basic wage and there is no violation of wage or forced labor regulation.

From the result of document verification and field observation in mill area, known that security work is done by a third party. The results of interviews with security (contractor's workers) and contractor known that the wages of workers have been in accordance with the prevailing minimum wage. There was also evidence of payment and checks of work to contractors indicating that security work done by a third party.

The results of interviews with workers such as, sprayer team, maintenance workers, warehouse workers, workshop workers etc. known that the company has paid the wage in accordance with the minimum wage provisions. Overtime payments / premiums are also in compliance with applicable labor requirements, and there are no complaints of employment related violations from the workers.

The results of interviews with Manpower Agency were also known that the company has paid wages in accordance with applicable employment provisions and there were no violations or complaints / complaints related to labor violations.

6.5.2

Certificate holder has a collective labor agreement that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment which contained in Bahasa. The CLA is valid for the period 2018 - 20120 and has been approved by Head of Labor Agency of Langkat District on January 30th, 2019. Based on the results of Interview with Labor union and management, Collective Labour Agreement has been explained to the workers. In addition, based on field observation, document review and public consultation, there's no issues related to illegal workers.

6.5.3 & 6.5.4

Facilities and infrastructure provided by the company to support the welfare of the employees have been provided with sufficient and adequate, it was verified by the auditor both in documents and based on field observations. Facilities and infrastructure are provided such as: housing, sport facilities, places of worship, clean water, lighting, health facilities (clinics, and ambulance) and means of supporting education (School Bus). In addition, the Company has shown evidence that it has made improvements to the employee's housing for example: Data on Repairs of Housing in Gohor Lama Estate, Tanjung Keliling Estate and Bekiun Estate there are 30 units that has been repaired (period 2018/2019).

From the results of housing observations and interviews of workers & residents of housing known that the company give permission/freedom to selling in the housing complex. In addition, the distance of housing to nearby markets ranges from ± 10-15 minutes. There are also many traveling traders who enter the residential area to sell basic necessities.

Status: Comply

6.6
The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

6.6.1
 There was no change to the policy on Freedom of Association approved by the Regional Director on October 1, 2011. The evidence of implementation of the policy is workers has established 2 unions, namely *Serikat Pekerja Bersatu Perkebunan* (SPBP) and *Serikat Pekerja Merdeka* (SPM).
 The results of interviews with labor unions, it is known that there is no change in the organizational structure of trade unions and there is no prohibition to workers in joining the union.

6.6.2
 The Company has shown documentation of meetings with labor unions, for example :

- Records of minutes of meetings with companies related to minimum wage 2019.
- Records of minutes of meetings related to the CLA socialization for the 2018-2020 period.
- Records of minutes of meetings related to socialization of BPJS Employment on January 24, 2018.
- Records of socialization on the prohibition of releasing & pasturing livestock in the oil palm area on the planting year of 2012 & 2014. On March 29, 2018.

Status: Comply

6.7
Children are not employed or exploited.

6.7.1
 There is no policy change to the age requirements of workers listed in the policy on the age requirements of workers authorized by the Managing Director on 1 August 2013. Based on Workers List, it is known that there is not the worker under age 18 year.

Based on field verification at Gohor Lama Estate, Bekiun Estate, Tanjung Keliling Estate and Stabat Mill, it is known that there is no worker under the age requirement and the workers has known the prohibition to bring child and the family.

Status: Comply

6.8
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1.
 The CH has policy related opportunity and equal treatment in recruitment (dated 1 October 2011), describes that the CH always fair and provide equal treatment without distinction of race, ethnicity, caste, nationality, religion, gender , sexual orientation and union membership. In the KLK Group's Sustainability Policy, mentioned that the group and suppliers / contractors are required to ensure equal opportunity in the workplace.

6.8.2 and 6.8.3
 The process of selection, recruitment and promotion of workers can be demonstrated based on the SOP of Human Resource Management, Recruitment System Policy (No. KLKA / CP-HR / 001 date 18 April 2011) and the Director Letter (No. 67 / SA-Press / IX / 2008 on 16 September 2008).

The company shows an example of recording of employee appointment such as Letter of acceptance of employee as permanent employee with name of Darsono dated 19 March 2018. There are personnel files such as ID cards, CV, health checks etc.

The results of interviews with workers, labor union, gender committees, worker cooperative known that in the recruitment process there are several requirements that must be met, such as identity cards, CV, family card, health examination results, etc. In addition, workers are also given training related to their job description to improve skills / expertise of workers. So that workers who are appointed or recruited indeed have the skills / abilities in accordance with their job description.

Status: Comply

6.9

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

6.9.1; 6.9.2;6.9.3

There are policies about Sexual Harassment and Violence in Bahasa were signed by Tan Kei Yoong on October 1, 2011:

- The company has no tolerance for sexual harassment and violence against women in the workplace.
- Sexual and violent acts are serious mistakes so company will take firm action against the perpetrators.
- The management should become exemplary and responsible to prevent sexual harassment and violence.

In KLK Group sustainability policy point 3.2.xii it is mentioned that the group provides confidential means for all stakeholders and personnel to report unethical activities / violations and grievances. The company has provided suggestion boxes, hotline phone numbers and emails to protect anonymous complaints.

The company has a policy on the Protection of Women's Reproductive Rights signed by Tan Kei Yoong on October 1, 2012:

- The Company will comply with all legal and regulatory requirements relating to reproductive rights.
- A gender committee will be established to implement and monitor this policy.

The Company has a grievance mechanism approved by the Director on 10 August 2017. This SOP describes the types of complaints submitted, for example: terms and conditions of employment, OHS, violence and discrimination, harassment and abuse of authority. In the mechanism described that the complaint can be reported through the following channels, among others:

1. Management (logbook complaint)
2. Foreman
3. Suggestion box
4. Gender committees
5. Labor union
6. Hotline and email.

The mechanism describe that Complaints including whistleblower and anonymous cases can be channeled through the suggestion box, suggestion box checked by GM / director. Whistleblower identities and victims of sensitive cases such as sexual harassment should be protected.

Regarding to woman issues, company has establish gender committee. The results of interviews with female workers such as sprayer team, and housing residents known that female workers and housing residents are aware of the grievance mechanism if there is violence / harassment by reporting to representatives of gender committees. The results of interviews with female workers known that female workers are given rest periods such as leave for menstruation (H1) or childbirth (H2). In addition, workers in pregnant and breastfeeding conditions are also not allowed to perform chemical-related work.

The company has a record of internal complaints recorded in the complaint logbook. In this logbook contains the name of complainant, complaint submitted, date of complaint recorded, management response to the complaint along with the date, and the results of resolution of complaints and dates. For examples:

- Complaints on December 17, 2018 regarding premium demand for clinic nurse workers. The company responded to the complaint on December 17, 2018.
- Complaints on May 5, 2018 regarding requests for separation of premiums for ordinary days with holidays. The company responded to the complaint on May 7, 2018.
- Complaints on May 9, 2018 regarding the request for change of PPE shoes that have been damaged. The company responded to the complaint on May 19, 2018.

Based on the document review, in the period of 2018 and until the time of the assessment, there were no complaints

related to abuse and violations of reproductive rights. This has also been verified based on field observations and interviews with workers in estate and mill, worker union and gender's Committees.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

The CH does not buy FFB from any third party sources, instead all FFBs are sourced from the CH's own estates. Nonetheless, the CH has an agreement with several contractors for example FFB transport and replanting activities as evidenced by Agreement Letter of Contract Work (Borongan) no: 837/LNK-GLA/SPB/VI/2019 dated 2 June 2019 between PT LNK and PT Wilco Tera Citra as the contractor for replanting activity. The contract consists of 218 ha area with activities i.e. felling, drainage making, road making, hole closing, harvesting line making, and pulverization of oil palm, for the period of 3 June – 30 September 2019. Based on interview with the foreman at the replanting area there is no problem/complaint from the contractor. The payment has not been conducted because the contractor has not issued invoice to the CH. Another example of contract is SPK no: 759/LNK-TJK/SPB/III/2019 dated 26 March 2019 between PT LNK with PT Genio Pratama Mandiri as FFB transporter with contractual term from 1 April 2019 – 30 June 2019 at Division I – IV of Tanjung Keilling Estate. There is an evidence of job payment as stated on Contracted Work Calculation no: TJK/AFR/21/2019 dated 24 May 2019.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Based on the results of the document review and interviews with representatives of surrounding village communities, it is known that the certificate holder has contributed to local development, which includes an outline in the form of religious assistance, repair of road / water facilities, religious teacher salaries / social costs and community social activities. For example, contributions made to local development include:

- Bekiun Estate: Church Development Proposal Assistance in January 2019
- Gohor Lama Estate: Donation for Wampu Community House Renovation in November 2018
- POM Stabat: Funding for the Construction of the Simalungun Stabat Multipurpose Building in March 2019

Based on interviews with community representatives, it was found that there were no complaints related to the company's contribution to the surrounding community. In addition, based on the results of interviews with the Head of Padang Brahrang village, it is known that many people from the village of Padang Brahrang work at PT LNK.

6.11.2

PT LNK does not have a smallholder's scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.16.12.1, 6.12.2 & 6.12.3

Based on employment documents verification, field observation, interview with Labor Union and Manpower Agency, it was known that all workers are permanent worker. There are no migrant workers, no substitution contracts, no labor trade or forced labor forms were found. All workers has been equipped with the Working Agreement or Appointment Letter that has been agreed together.

Based on the results of field observation in estates and mill such as harvesting activity, spraying activity were not found child labor or worker families who helped worker without any agreement.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1.

In the KLK Group's Sustainability Policy, mentioned that the CH recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations. Based on interviews with workers known that the CH has socialized the policies on human rights. There were no issues related to violations of workers' human rights.

	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1; 7.1.2; 7.1.3		
The certificate holder has no expansion area for planting. An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders are still applicable and documented. Please refer to Criteria 5.1 and 6.1.		
	Status: Comply	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
Based on documents review of area statement and field observation at Tanjung Keliling Estate, Bekiun Estate and Gohor Lama Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
The company has been established since 1979, there is on new expansion and new planting up to ASA 2. The company has shown an e-mail from Aina Amara (RSPO) dated February 14, 2018 related to PT LNK's disclosure stating the agreement to the disclosure.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
Based on documents review of area statement and field observation at Tanjung Keliling Estate, Bekiun Estate and Gohor Lama Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Based on documents review of area statement and field observation at Tanjung Keliling Estate, Bekiun Estate and Gohor Lama Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5 and 7.6.6		
<i>There was no new planting since or expansion after November 2005.</i>		

The company has SOP No 26 about the land dispute settlement procedure, published 1 August 2013. In SOP has explain about of the dispute settlement mechanism of land occupation and land disputes (squatter disputes). Based on HCV identification has done at 2014 and EIA report has explain that the area of PT LNK was rights erfpacht nationalized to the states rights. In that document explain there are no areas that are customary rights / indigenous peoples.

Based on reports of social impact assessment (SIA) PT Langkat Nusantara Kepong on 30 January - 9 February by Aksenta there are no areas of customary rights/ indigenous peoples. It also has been confirmed through interview with villager at Besilam, Padang Brahrang and Padang Cermin Village concluded that plantation has been exist before the establishment of the villages and there are no indigenous rights in the area of PT LNK.

Land managed by PT LNK legally under the ownership of PTPN II (Persero), is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht right , Then erfpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

Regarding on the changes of the management of the area covering 20,700 Ha has been describes on C6.1. The company considered to actively socialization the status of the area to the parties affected.

Status: Comply

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 & 7.7.2

There was no new planting since or expansion after November 2005.

The Company has had procedures for replanting which describe land clearing / preparation of replanting process without burning. The results of the document review, public consultation and field visits at Basilam and Padang Brahrang Estate shows that replanting activities have been conducting mechanically.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1; 7.8.2

Until now, the Certificate Holder was not extend for new plantation area, there was only any replanting program was done since 2005 - 2015.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1

The Company has carried out periodic environmental management and monitoring activities in accordance with its environmental document matrix. In addition, the company has been utilizing liquid waste as organic fertilizer through land applications.

Review and evaluation of the RSPO implementation including RSPO SCCS are conducted during internal audit in annual basis, the latest are done on 20-25 May 2019.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>CSPO & CSPK are directly handled by the buyer in accordance with the existing contract. For example:</p> <ul style="list-style-type: none"> - CSPK local contract document No. 179 / DO-LNKP / 00194-S / PK-MB / XI / 18 dated 30 November 2018 with a total of 150 MT. There are instructions for taking material from the buyer on December 6, 2018 with IP No. 1260050092. - CSPO local contract document No. 465 / DO-LNKC / 00635-S / CPO-MB / III / 19 dated March 11, 2019 with a total of 750 MT.
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The company does not use traders or distributors. All CSPO and CSPK sales are sold directly to the buyer according to the contract.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>RSPO IT Platform member registration number: RSPO_PO1000005803.</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in the operational at Stabat POM.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Stabat POM still implemented a model of supply chain Mass Balance. FFB supply source for Stabat POM is still received from uncertified sources (Tanjung Beringin) which is uncertified area of PT LNK.</p>
	Status: Comply
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>Stabat POM just apply one supply chain models which is Mass Balance (MB).</p>

	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	<p>The company already has a Supply Chain SOP - MB Model that has been documented with No. SOP 32 revision 2 date of revision 18 September 2019. The procedure explains about:</p> <ul style="list-style-type: none"> - Definition - FFB suppliers - Documentation for CPO / PK certified - Management responsibilities - Training - Registration of transactions - FFB reception at security posts & weighbridge stations - Production and Storage - Building and Storage Tank - Sales and Delivery of products to Refinery / KCP - Handling of products / documents that are not appropriate <p>Management Responsibility :</p> <ul style="list-style-type: none"> - Managers will guarantee the application and compliance with the SOP - Internal sustainability audits are carried out to control any discrepancies that may occur in the application of SOPs and from the certified management system that has been established by the palm oil mill (POM) annually. Every violation recorded will be raised as a warning to be followed up immediately - The manager is responsible for monitoring the balance of certified products in the palm trace and ensuring that any contracts are announced to the RSPO. - Monitoring must be done based on book keeping data so that sales do not exceed what is estimated in the certificate. If there is an overproduction, the manager must notify the certification body (CB). - The Marketing Division is responsible for issuing sales contracts, arranging shipments and making claims for product incompatibilities and issuing payment invoices. - Internal audits and management reviews are performed at least 1 x 1 year. - Complaints refer to SOP No. 1: Procedure for Submitting Complaints on revision date of 10/8/2017
	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	<p>Internal audit related procedures contained in the Supply Chain SOP - MB Model which has been documented with No. SOP 32 revision 2 date of revision 18 September 2019. In the SOP it is explained that internal audit and management review is conducted at least 1 x 1 year.</p> <p>The company has conducted an internal audit covering all PT LNK on May 20-25, 2019 for the RSPO P & C and SCCS conducted by PT LNK's internal auditor team. There were 1 nonconformity and 3 observations found during internal audit, and during surveillance 2, non-conformity (1) was fulfilled.</p>
	Status: Comply
5.4	Purchasing and goods in
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier
	<p>The company did not purchase RSPO certified products from other companies. All RSPO certified products come from PT LNK's estate.</p>
	Status: Comply

5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Facility does not have any outsource palm oil products.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Facility sell their product (CSPO and CSPK) to the buyer directly.	
	Status: Comply
5.5.2	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
Facility sell their product (CSPO and CSPK) to the buyer directly.	
	Status: Comply
5.5.3	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Facility sell their product (CSPO and CSPK) to the buyer directly.	
	Status: Comply
5.5.4	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Facility sell their product (CSPO and CSPK) to the buyer directly.	
	Status: Comply
5.6	Sales and goods out
5.6.1	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Stabat POM has had a list of palm product buyer which is informed detail information of buyer. Until the audit, mill has 5 buyer as follows:	
<ul style="list-style-type: none"> - PT Multimas Nabati Asahan - PT Pasific Palmindo Industry - PT Pasific Medan Industri - PT SMART Tbk 	

- PT Musim Mas.	
Another information regarding to buyer address, shipment date, description of the product, quantity of the products delivered, contract number, supply chain certificate number of the seller, unique identification number et cetera can find out on the book keeping document, shipping announcement or monthly/annual summary report of production.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
RSPO IT Platform member registration number: RSPO_PO1000005803 .	
Transaction of RSPO certified oil palm products has been registered in RSPO IT Platform.	
	Status: Comply
5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
Company sell their product (CSPO and CSPK) to the buyer directly. Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. The company has removing the stock in palm trace for certified product that sold as conventional.	
	Status: Comply
5.8	Training
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Company has been held regular training of supply chain. The last training conducted on May 29th 2018 which attended by 7 personnel. Based on supply chain procedure, mill has been scheduled annual training of supply chain.	
	Status: Comply
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Company has been held regular training of supply chain. The last training conducted on May 29th 2018 which attended by 7 personnel. Based on supply chain procedure, mill has been scheduled annual training of supply chain.	

<p>Based on interviews with Weight Bridge Operator and security, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can distinguish the origin of FFB that is certified and not certified.</p>	
	Status: Comply
5.9	Record keeping
<p>5.9.1 The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</p>	
<p>The document has recorded in monthly report in mill and accessible through the weight bridge computerized system. Based on Supply Chain SOP - MB Model that has been documented with No. SOP 32 revision 2 date of revision 18 September 2019, explain that record keeping all of documents are minimum 10 years.</p>	
	Status: Comply
<p>5.9.2 Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p>	
<p>Based on Supply Chain SOP - MB Model that has been documented with No. SOP 32 revision 2 date of revision 18 September 2019, explain that record keeping all of documents are minimum 10 years.</p>	
	Status: Comply
<p>5.9.3 The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	
<p>Company estimated their palm product which is written in annex of surveillance-1 certificate and monitored in three-monthly bases. In line with supply chain procedure (SOP 32. Supply Chain Documentation – Mass Balance Model), if any overproduction, facility (manager/assistant) will inform the CB's.</p>	
	Status: Comply
5.10	Conversion factors
<p>5.10.1 Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p>	
<p>Stabat POM only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.</p>	
	Status: Comply
<p>5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	
<p>Stabat POM only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.</p>	
	Status: Comply
5.11	Claims

5.11.1	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Based on transaction report documents, all CSPO and CSPK submitted are in accordance with the applied supply chain model that is Mass Balance. Facility did not using logo during communication with stakeholder / customer.	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Procedure for Complaints Handling include on Supply Chain SOP - MB Model that has been documented with No. SOP 32 revision 2 date of revision 18 September 2019. The person responsible for handling complaints is the Manager	
	Status: Comply
5.13	Management review
5.13.1	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The company has a procedure related to management review contained in the Supply Chain SOP - MB Model which has been documented with No. SOP 32 revision 2 date of revision 18 September 2019. In the SOP it is explained that the management review is conducted at least once a year. The company has conducted a management review conducted on June 20, 2019. The management review has been documented and company has shown evidence of the Management review meeting	
	Status: Comply
5.13.2	
The input to management review shall include information on:	
<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
The company has conducted a management review conducted on June 20, 2019. The management review discussed Internal Audit Results, customer feedback, process performance & product incompatibility, Preventive and Corrective Action Status, Follow-up actions from management review, changes that could affect management system as well as recommendations and improvements.	
	Status: Comply
5.13.3	
The output from the management review shall include any decisions and actions related to:	
<ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
The company has conducted a management review conducted on June 20, 2019. The management review discussed Internal Audit Results, customer feedback, process performance & product incompatibility, Preventive and Corrective Action Status, Follow-up actions from management review, changes that could affect management system as well as recommendations and improvements.	
	Status: Comply

3.2.2 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement														
E.1	Definition														
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>PT LNK applies the Mass Balance module, because the company accepts certified and uncertified FFB originating from the nucleus estate. The company receives uncertified FFB from only the nucleus estate (Tanjung Beringin Estate).</p>														
	Status: Comply														
E.2	Explanation														
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>The estimated data and the actual certified product:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Previous Certificate Claim (tonnes/year)</th> <th>Actual certified product for last year (tonnes/year)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>292,605*</td> <td>214,121,28</td> </tr> <tr> <td>CPO</td> <td>70,550*</td> <td>51,374.19</td> </tr> <tr> <td>PK</td> <td>10,795*</td> <td>8,043.82</td> </tr> </tbody> </table> <p><i>*Ext. Volume approved on 31 May 2019 and 19 July 2019</i></p>	Product	Previous Certificate Claim (tonnes/year)	Actual certified product for last year (tonnes/year)	FFB	292,605*	214,121,28	CPO	70,550*	51,374.19	PK	10,795*	8,043.82		
Product	Previous Certificate Claim (tonnes/year)	Actual certified product for last year (tonnes/year)													
FFB	292,605*	214,121,28													
CPO	70,550*	51,374.19													
PK	10,795*	8,043.82													
	Status: Comply														
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p> <p>Stabat POM – PT. Langkat Nusantara Kepong, has registered in RSPO membership 1-0014-04-000-00.</p> <p>Stabat POM has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> Member Name: Stabat POM – PT. Langkat Nusantara Kepong Account UID: RSPO_AC1000005698 Core Product: Palm Oil Member ID: RSPO_PO1000005803 Member Category: Oil Mill <p>CSPO Sales Information</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Volume (Ton)</th> <th>Buyer Name</th> <th>Claimed</th> </tr> </thead> <tbody> <tr> <td>Juli 2018</td> <td>3,103.48</td> <td>PT. Musim Mas, PT. Multimas Nabati Asahan and PT. SMART</td> <td rowspan="3">RSPO</td> </tr> <tr> <td>Februari 2019</td> <td>5,250.00</td> <td>PT. Musim Mas and PT. Multimas Nabati Asahan</td> </tr> <tr> <td>Maret 2019</td> <td>6,750.00</td> <td>PT. Musim Mas, PT. Multimas Nabati Asahan and</td> </tr> </tbody> </table>	Month	Volume (Ton)	Buyer Name	Claimed	Juli 2018	3,103.48	PT. Musim Mas, PT. Multimas Nabati Asahan and PT. SMART	RSPO	Februari 2019	5,250.00	PT. Musim Mas and PT. Multimas Nabati Asahan	Maret 2019	6,750.00	PT. Musim Mas, PT. Multimas Nabati Asahan and
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Maret 2019	6,750.00	PT. Musim Mas, PT. Multimas Nabati Asahan and													

		PT. SMART	
April 2019	4,000.00	PT. Musim Mas and PT. SMART	
Mei 2019	6,500.00	PT. Musim Mas and PT. SMART	
Juni 2019	1,000.00	PT. Musim Mas	
Total	26,603.48		

CSPO Sales Information (as conventional)

Month	Volume (Ton)	Buyer Name	Claimed
April 2018	19,765.35	PT Musim Mas	Sold as conventional
Total	19,765.35		

CSPK Sales Information

Month	Volume (Ton)	Buyer Name	Claimed
Agustus 2018	150	PT. Multimas Nabati Asahan and PT. Musim Mas	RSPO
November 2018	18.31	PT. Multimas Nabati Asahan and PT. Musim Mas	
December 2018	281.69	PT. Multimas Nabati Asahan, PT SMART and PT. Musim Mas	
January 2018	57.54	PT. Multimas Nabati Asahan	
February 2018	92.46	PT. Multimas Nabati Asahan	
Juni 2018	94.60	PT. Musim Mas	
Total	694.60		

CSPK Sales Information (as conventional)

Month	Volume (Ton)	Buyer Name	Claimed
Aug 2018 –Juni 2019	7,062.59	PT Musim Mas, PT Smart, PT Multi Nabati	Sold as conventional
Total	7,062.59		

All oil palm production, sales and shipment are well documented in company's book keeping data.

Status: Comply

E.3 Documented procedures

E.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

The company already has a Supply Chain SOP - MB Model that has been documented with No. SOP 32 revision 2 date of revision 18 September 2019. The procedure also consist personal job description as follows :

- Definition
- FFB suppliers

- Documentation for CPO / PK certified
- Management responsibilities
- Training
- Registration of transactions
- FFB reception at security posts & weighbridge stations
- Production and Storage - Building and Storage Tank
- Sales and Delivery of products to Refinery / KCP
- Handling of products / documents that are not appropriate

Management Responsibility :

- Managers will guarantee the application and compliance with the SOP
- Internal sustainability audits are carried out to control any discrepancies that may occur in the application of SOPs and from the certified management system that has been established by the palm oil mill (POM) annually. Every violation recorded will be raised as a warning to be followed up immediately
- The manager is responsible for monitoring the balance of certified products in the palm trace and ensuring that any contracts are announced to the RSPO.
- Monitoring must be done based on book keeping data so that sales do not exceed what is estimated in the certificate. If there is an overproduction, the manager must notify the certification body (CB).
- The Marketing Division is responsible for issuing sales contracts, arranging shipments and making claims for product incompatibilities and issuing payment invoices.
- Internal audits and management reviews are performed at least 1 x 1 year.
- Complaints refer to SOP No. 1: Procedure for Submitting Complaints on revision date of 10/8/2017

Status: Comply

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs

Stabat POM has SOP of RSPO Products Supply Chain that describes the process of FFB admissions from supplier estates. The results of field visit and verification of documents showing that the FFB received by Stabat POM comes from own estate that divided into certified and uncertified estate. The entire estate that has been certified by RSPO has being recorded with computerized systems and given a special code as follows:

Estate	Weighbridge Code	Status
Gohor Lama	KLK 605	Certified
Besilam	KLK 606	Certified
Padang Brahrang	KLK 607	Certified
Tanjung Keliling	KLK 608	Certified
Bukit Lawang	KLK 609	Certified
Tanjung Beringin	KLK 615	Uncertified
Bekiun	KLK 616	Certified
Maryke	KLK 617	Certified

Weight bridge operator said that all supplier has been registered in system. It means outsider supplier or unregistered supplier cannot accept in mill.

Status: Comply

E.4 Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

The mill has have document of Balance Sheet that informing the FFB received, with the data:

- **Certified and non-certified FFB received period of Juli 2018 to June 2019**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
July 2018 to June 2019	214.121,28	73,788.820	287,910.10

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Based on supply chain procedure (SOP 32. Supply Chain Documentation – Mass Balance Model), if any overproduction, company (manager/assistant) will inform the CB's.

The estimated data and the actual certified product:

Product	Previous Certificate Claim (tonnes/year)	Actual certified product for last year (tonnes/year)
CPO	70,550*	51,374.19
PK	10,795*	8,043.82

*Ext. Volume approved on 31 May 2019 and 19 July 2019

Status: Comply

E.5

Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (I.e. product can be sold before it is in stock.)

Stabat POM has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as presented in the Table bellows:

Crude Palm Oil

Period	CPO Production (mt)		CSPO Sold (mt)			Total
	Cert	Non-Cert	RSPO	Other Scheme	Conventional	
July 18 to June 19	51,374.18	17,599.87	26,603.48	0	19,765.35	46,368.83

Palm Kernel

Period	PK Production (mt)		CSPK Sold (mt)			Total
	Cert	Non-Cert	RSPO	Other Scheme	Conventional	
July 18 to June 19	8,043.82	2,795.30	694.60	0	7,062.59	7,757.19

Status: Comply

E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

Stabat POM sell their product (CPO and PK) to the buyer directly. Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. There is no outsource agreement with palm kernel crusher facility.

Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-2	PT Langkat Nusantara Kepong do not use RSPO trademark and CB Logo. Kuala Lumpur Kepong Bhd Trademark License Number RSPO-1106058.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-2	PT Langkat Nusantara Kepong do not use RSPO trademark and CB Logo. Kuala Lumpur Kepong Bhd Trademark License Number RSPO-1106058.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-2	PT Langkat Nusantara Kepong do not use RSPO trademark and CB Logo. Kuala Lumpur Kepong Bhd Trademark License Number RSPO-1106058.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-2	PT Langkat Nusantara Kepong do not use RSPO trademark and CB Logo. Kuala Lumpur Kepong Bhd Trademark License Number RSPO-1106058.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are total 11 uncertified has been plan to be certified by 2020. 2 sites is located in Liberia while the others is located Indonesia. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.2 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan.
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	No replacement of primary forest has been done however, the company is under HCV compensation since there is new planting year 2005 without HCV assessment been conducted. No new planting after year 2010. Update on 6 July 2019 compensation plan approved by RSPO on 01 July 2019.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	There is no labour dispute has been identified

2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	The management constantly monitor compliance on legal baseon the legal register (LORR) that has been established to all sites and internal audit has been done to monitor and ensure compliance
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

NCR No.	: 2018.1	Issued by	: Rizliani Aprianita Hasibuan
Date Issued	: 9 June 2018	Time Limit	: 8 August 2018
NC Grade	: Major	Date of Closing	: 3 July 2018
Standard Ref. & Requirement	: 4.4.2 Protection of water bodies and wetlands, including maintaining rivers and other buffer zones during or before replanting, shall be demonstrable.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of field visits in Division 1 Block 2015C Padang Brahrang Estate it was found that there was replanting conducted in the Begumit River border area. In addition, it is certain that there is no marking of chemical application boundaries in the area so there is evidence that CH has applied weed control chemically as well as fertilization activities. It is not in accordance with the procedures established by the company concerning the protection of riparian areas.			
Root Cause Analysis <i>(filled by organization audited):</i> Since the Begumit river is outside the HGU, so far there has been no identification for the river and the company is unaware that the river outside the HGU should be managed.			
Correction <i>(filled by organization audited):</i> 1. Make signs not to spray and fertilize along the Begumit river bordering the estate (Refer to Appendix 1) 2. Create a river boundary peg (Refer to Appendix 2) 3. Planting forest trees along the Begumit river bordering the estate area (Refer to Appendix 3) 4. Socialization to workers is prohibited from spraying and fertilizing (Refer to Appendix 4)			
Corrective Action <i>(filled by organization audited):</i> Re-socializing is prohibited from spraying and fertilizing.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on May 25, 2018 The Company shows evidence of improvements in the form of: <ul style="list-style-type: none"> • Signs of prohibition of spraying and fertilizing at Begumit riparian with a distance of 50 meters. • Set the river border that has been installed in red. • Pictures of planting bamboo plants along the Begumit Riparian. • Socialization to workers related to the prohibition of spraying and fertilizing at riparian Based on the above explanation, the discrepancies are met and will be observed in the next assessment.			
Verified by	: Rizliani Aprianita Hasibuan		

NCR No.	: 2018.2	Issued by	: Andi Pratama Pasaribu
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Date Issued	: 09 June 2018	Time Limit	: 08 August 2018
NC Grade	: Major	Date of Closing	: 3 July 2018
Standard Ref. & Requirement	: 6.5.2 Collective labor agreements / Company regulations in accordance with labor regulations, are available in clear language and described by management or trade unions to workers		
Non-Conformance Description & Evidence observed (filled by auditor): The payroll document / payroll verification results are known that workers who are absent or unpaid, wages will be deducted by 1/25 of the monthly wage. This is not accordance with the Collective Labor Agreement article 20 stating that for every day of absenteeism and / or unpaid wages, wages will be deducted 1/30 of the monthly salary.			
Root Cause Analysis (filled by organization audited): The deduction of wages for absent workers or unpaid permits stated in the Collective Labor Agreement of PT. LNK still adopts the rules of the document in PTPN II.			
Correction (filled by organization audited): Doing Addendum to Collective Labor Agreement PT. LNK in accordance with the rules prevailing in Governemnt Regulations no. 78/ 2015 about Wage System.			
Corrective Action (filled by organization audited): Socialization Collective Labor Agreement addendum of PT LNK.			
Assessor Evaluation and Conclusion (filled by auditor): 03 July 2018 The Company showed an Addendum of LNK PT-2016 Collective Labor Agreement for the period of 2016-2018 on June 11, 2018 related to changes in wage reduction if workers were absent (not working without permission) from 1/30 of the total wage to 1/25 of the total wage. The document has been approved by the President Director of PT LNK and is known by the Chairperson of LNK's SPBP and the Langkat Regency Manpower Office. In addition, the company has conducted socialization to workers regarding this matter, for example in the District Office carried out on 28 June 2018, Brahrang estate on 30 June 2018 and Basilam estate on 30 June 2018. Based on the explanation, this Non-Conformity is stated to be fulfilled and will be observed further in the next assessment regarding its implementation.			
Verified by	: Andi Pratama Pasaribu		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No.	: 2018.1	Issued by	: Afiffuddin
Date Issued	: 5 July 2019	Time Limit	: 4 October 2019
NC Grade	: Major	Date of Closing	: 5 August 2019
Standard Ref. & Requirement	4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.		
Evidence observed : The certificate holder has Circular Letter number 073.A / Presdir / SE / II / 2017 concerning Management and Discipline of Personal Protective Equipment that is approved by the President Director. In the procedure explained, including : <ul style="list-style-type: none"> • All employees must be given a complete and adequate PPE, including new employees who are on probation and / or contractor employees. • Managers assisted by the audit department must be able to ensure that PPE is distributed on target, is appropriate and controls the supply of PPE in the estate. Based on the results of field observations, the following conditions were found: <ul style="list-style-type: none"> • 1 worker was found at WTP Station and 1 worker at Press Station Stabat POM using PPE boots that he bought himself • 1 welder was found in the Tanjung Keliling Estate workshop who used leather gloves in a damaged condition. • 3 circle and path spray workers and 3 bag caterpillar spray workers at the Gohor Lama Estate who did not use goggles. 1 bag caterpillar spray workers showed that the PPE glasses were inadequate (blurred and cannot be used while working). • 1 worker out of 3 harvest workers found in Bekiun Estate who did not use personal protective equipment in the form glasses and 1 harvest worker showed that the PPE glasses were inadequate (blurred and could not be used while working). 			
Non-Conformance Description : Based on the explanation above, the certificate holder has not shown evidence that control of PPE stocks has been carried out in the warehouse and monitoring of PPE eligibility has been carried out effectively.			
Root Cause Analysis : 1. Stabat POM: <ul style="list-style-type: none"> • There is no PPE stock monitoring in the warehouse so the stock was empty. The indent has been made but the item has not been received. 2. Estate (Bekiun, Tanjung Keliling, Gohor Lama) <ul style="list-style-type: none"> • Workers do not report to the foreman regarding PPE that is damaged both verbally and in writing • Monitoring the use of PPE has not been effective 			
Correction : 1. Stabat POM:			

- Employees working at press stations and WTP stations are equipped with the appropriate PPE
2. Estate (Bekiun, Tanjung Keliling, Gohor Lama)
- Provide PPE to workers (including welding workers) as well as attach photo evidence of granting PPE and records of PPE expenditure

Corrective Action :

- Check on morning briefing and check in the field periodically by Assiten / foreman
- Record PPE damage reports if damaged PPE is found
- Take notes in the PPE violation book for employees who do not use PPE when working
- (Refer to Appendix 6.)
- Disseminating workers to use PPE provided by the company
- Monitor PPE usage and eligibility periodically (using the PPE usage monitoring checklist format)
- Monitor PPE usage and eligibility periodically (using the PPE usage monitoring checklist format)
- Controlling PPE stock in warehouses to ensure that PPE stock is sufficient to replace damaged PPE (using the PPE stock monitoring checklist format)
- Indent before the PPE stock is empty (at least 1 month before)
- Continue to follow up to the purchasing party regarding the goods identified so that the requested goods can be received quickly
- Monitoring PPE warehouse stock in order to ensure the availability of goods
- Submission of PPE damage through oral and written is still valid. To anticipate the submission of complaints verbally, we have socialized to all employees so that complaints submitted later will be written in the complaint form (stakeholder form) which is already available in each division of the estate. This aims to facilitate management in making decisions and ensure whether or not the complaint is realized.

Assessor Evaluation and Conclusion :

Verification July 30, 2019

The certificate holder shows the following evidence of improvement:

1. POM Purchase Order document related to the demand for safety shoe requirements on May 20, 2019.
2. Indent Web Supplies document dated May 20, 2019, which explains that a total of 44 PPE safety shoes have been ordered for Tanjung Keliling POM employees.
3. Presentation of the List of PPE Presentation on 4 July 2019 at the Stabat POM, which was attended by 44 participants
4. Record of PPE expenditure for boots, 4 July 2019, for 3 Tanjung Keliling POM workers
5. Photo Dissemination and Submission of PPE To Tanjung Keliling Employees.
6. Photo documentation of replacing damaged PPE 9 harvesters Bekiun Estate
7. PPE request for Division 2 harvesters from the Assistant Division to the Estate Manager, May 16, 2019, which explains PPE requests for 13 pairs of gloves, 2 pieces of glasses, 13 pieces of safety cover and 1 piece of helmet and have been responded by managers to share.
8. Records of PPE reception in July at Bekiun Estate Division 2 for 13 harvesters.
9. Documents for Request for PPE Division 2 in May 2019, Photos of the documentation of the replacement of PPE glasses for 10 employees of Gohor Lama Estate sprayer, 3 July 2019 along with proof of receipt.
10. Presentation documents for Record of Socialization of PPE Replacement for Welder, dated July 4, 2019 at the Tanjung Keliling Estate Workshop attended by 1 welder.
11. Record of Expenditures of PPE for Leather Gloves, dated July 4, 2019, for 1 person of the Tanjung Keliling Estate welder along with photos of PPE gifts.
12. PPE Usage Monitoring Checklist document dated July 9, 2019 in the Division 2 of Bekiun Estate, which explains 7 harvesters using the complete PPE, namely helmets, boots, gloves, safety cover and glasses along with photos during monitoring.

13. PPE Monitoring Monitoring Checklist document dated July 9, 2019 in Division 4 of Bekiun Estate, which explains 5 sprayers using the complete PPE, namely boots, aprons, gloves and masks along with photos when monitoring.
14. PPE Usage Monitoring Checklist document dated July 8, 2019 in Division 2 of the Gohor Lama Estate, which explains 9 maintenance workers using complete PPE, namely helmets, boots, masks, aprons, gloves and glasses along with photos when monitoring.
15. Document Monitoring Checklist for PPE Usage on July 8, 2019 in Division 1 and Division 4 of Tanjung Keliling Estate, which explains 9 sprayers using complete PPE, namely helmets, boots, masks, aprons, gloves and glasses along with photos when monitoring.
16. PPE Stock Monitoring Documents at Bekiun Estate, Gohor Lama Estate, Tanjung Keliling Estate and Stabat POM which explain the availability of PPE from October 2018 until June 2019.
17. Proof of request for PPE Gohor Lama Estate request from the sustainability coordinator to the Manager, on 22 July 2019 for the 2019/2020 period inventory, supplemented by warehouse stock data and stock additions of more than 30% and have been responded by the manager.
18. Documentation (photo) checking the PPE of Bekiun, Gohor Lama, Tanjung Keliling Estate and Stabat POM.
19. Recording Documents of Subscription for the Use of the Bekiun Estate PPE that explains the procedure for filling out the monitoring form and the monitoring form.

Verification August 5, 2019

The certificate holder shows evidence of improvement in the form of documentation of SOP 01 re-information, communication and employee complaints that have been carried out at Bekiun, Gohor Lama, Tanjung Keliling Estate and Stabat POM to all employees, for example sprayers and fertilizers on May 27, 2019 at Bekiun Estate, which was attended by 34 participants and process employees on 1 July 2019 at Stabat POM, which was attended by 56 participants.

Based on the analysis of the root causes presented, the corrective actions that are shown as well as the preventive actions that will be carried out, then this non conformity is stated **closed with observation** in the next assessment.

Verified by : Afiffuddin

NCR No.	: 2019.2	Issued by	: Sandra Purba
Date Issued	: 5 July 2019	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.		
Evidence observed :	The implementation of environmental monitoring and management has been carried out and has been reported to the relevant agencies, for example the report of semester 2 period 2018 was sent on January 8, 2018 to DLH Langkat. However, not entire parameters required in the matrix have been monitored and managed by the company, for example: <ul style="list-style-type: none"> • Mill: Disturbances in aquatic biota, potential workplace accidents, work opportunities, business opportunities, health problems, infrastructure damage, community perceptions. 		

<ul style="list-style-type: none"> Estates: decrease in flora and fauna diversity, employment opportunities for local workers, employment opportunities / income, community service, community perceptions, public health.
Root Cause Analysis :
Correction :
Corrective Action :
Assessor Evaluation and Conclusion :
Verified by :

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	Major 2.2.1	Following up the process of extension of the Padang Brahrang Estate Land Use Right
2	Major 4.7.2	Evaluate the application of HIRADC
3	Major 5.3.2	Following up on the process of arranging a license for hazardous waste temporary warehouse Tanjung Keliling Estate and Gohor Lama Estate

1.5.4 Noteworthy Positive Components










No	Ref Std	Descriptions
1	-	Commitment to implementing sustainability standards for oil palm management
2	-	The company's modification of the FFB conveyance for harvester use on motorbikes has facilitated the process of transporting fruit to the collection site

3.6 Summary of Arising Issues from Public and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Environmental Agency, Stabat Regent</p> <ul style="list-style-type: none"> • Company has permit regarding environmental for examples : toxic & hazardous waste storage permit, environmental permit, mill effluent disposal permit, and etc • Compulsory report has been submitted for regular basis • There is no issues regarding landfires during 2018-2019 • There is no issues regarding pollution caused by company. • Extension of Temporary Hazardous Waste Storage Permit is on process. 	<p>There is no negative issues from the government agency. CH has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5</p>
<p>Labor Unions (SBSI)</p> <ul style="list-style-type: none"> • There is no fatal work accident in 2018/2019. • All employees have been included in the BPJS employment and health program. • The company has provided PPE for free to workers and has conducted periodic health checks for high risk workers. • There is no issues regarding under age workers. • Workers wages has been paid based on minimum wage standard. <p><i>Note:</i> The difference between Labor Union (SBSI) and another one (SPSI) is that the SBSI Labor Union is a labor union that previously existed when the management of the company was still fully carried out by PTPN-2 (BUMN). All SBSI members are all workers who are PTPN-2 retired and now some of them work at PT LNK.</p>	<p>There are no labor issues. Related to PPE has been verified on indicators 4.7.3 (non conformity).</p>
<p>Head of Padang Brahrang village</p> <ul style="list-style-type: none"> • Village has good communication with the company. • There has never been a dispute / conflict between the company and Padang Brahrang Village. The area of management of PT LNK used to be indeed the PTPN II HGU area. • There are no environmental issues such as waste pollution, land fires or others. • Many people from the village of Padang Brahrang work at PT LNK. • The company has realized assistance in the form of basic needs. 	<ul style="list-style-type: none"> • It has verified by auditor team, the company has reporting mandatory report such as RKL/RPL report every semester. • It has been explained further on principle 5 regarding environmental management
<p>Secretary of Bukit Melintang Village and Head of sub village of Perkebunan Bekiun</p> <ul style="list-style-type: none"> • The contractor has a copy of the agreement with the company • Village has good communication with the company.. • There are no complaints, conflicts or disputes with the company. • There are no environmental issues such as waste pollution, land fires or others. • The area of management of PT LNK was previously a PTPN 	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>II HGU which had existed for a long time.</p> <ul style="list-style-type: none"> • Many community members work at PT LNK. Job vacancy information is conveyed through information displayed in the plantation office, village office or verbally submitted by management. • The company has provided assistance to the surrounding community, for example clean water, compensation for orphans, kindergarten building rehabilitation, heavy equipment, etc. • The company has socialized conservation areas (HCV), protected flora and fauna as well as new regulations in force. • The company has also provided socialization related to the prohibition of the community to help workers without an employment relationship and the prohibition of child labor. 	
<p>Contractor (PT Genio Pratama Mandiri)</p> <ul style="list-style-type: none"> • The contractor has a copy of the employment agreement with PT LNK • BPJS employment for contractor employees is in the process of arranging, and this has been informed to PT LNK. However, the process of administering BPJS employment is done in stages. • PPE must be provided by the contractor. • There was a work accident of a contractor's employee about 2 years ago and all maintenance costs were covered by the contractor. • Average loader pay per day is more than Rp. 100,000, while drivers are more than Rp. 120,000. • There are no complaints related to work. Payments are made on time according to the Work Agreement.. 	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>
<p>Contractor (PT Pratama Satya Citra)</p> <ul style="list-style-type: none"> • The contractor has a copy of the employment agreement with PT LNK • The contractor is aware of the RSPO's standards such as stipulations on wages, BPJS and work safety. • Almost all contractor employees have been included in the BPJS employment Program. However, the process of administering BPJS employment is done in stages. Payment records are at PT LNK. • PPE must be provided by the contractor. • There are no complaints related to work. Payments are made on time according to the Work Agreement. • The average driver gets a wage of Rp. 8 million per month. This value is divided back into loaders, amounting to 1-3 loaders 	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>
<p>ManPower Agency of Langkat Regency</p> <ul style="list-style-type: none"> • There are no complaints or reports related to wages or overtime violations of PT LNK workers. • Wages and overtime have been paid in accordance with 	<p>The auditor team has verified and further explained in criteria 6.5 and 2.1.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>applicable regulations.</p> <ul style="list-style-type: none"> There is the issue of employee layoffs at PT LNK without severance pay. The settlement process has reached the Regional People's Representative Assembly level. However, the company adheres to the CLA which already regulates layoffs on employees proven to use drugs. <p>The District Manpower Office is only coaching, whereas supervision is entirely in the Province.</p>	
<p>Gender Committee</p> <ul style="list-style-type: none"> Socialization related to the gender committee is routinely carried out by representatives of each estate. Women worker give menstruation leave by recommendation paramedic for maximum 2 days. Women workers also has rights of maternity leave for 45 day before and 45 days after. There have been no complaints or reports related to sexual harassment or violence in the past 1 year. 	<p>There is no negative issue related to women workers. The management unit has comply with RSPO standard criteria 6.7; 6.8; 6.9; 6.12 and 6.13.</p>
<p>Labor Unions (SPSI)</p> <ul style="list-style-type: none"> All employees are permanent employees, there are no contract employees or daily workers. All employees have been included in the BPJS employment and BPJS Health programs. The company has paid wages and overtime according to applicable regulations. For field activities (harvest), a stock base is applied. Workers will get a premium if it exceeds the base stock. Until the audit, all harvest workers can reach the specified base of stock with 7 hours working condition. Even harvest employees are usually more than a stock base with a condition of 7 hours of work. In addition to the basic salary, the employees also get a fixed allowance in the form of money. There have been no serious or fatal work accidents in the past 1 year. The company has provided PPE for free. There are no complaints from workers There have been cases of employees who were laid off because of drugs. Based on the Collective Labor Agreement, the worker should have been dismissed immediately but the company still gave the worker some time during the rehabilitation and was still given a monthly salary. 	<p>The auditor team has verified and further explained in criteria 4.7., 6.3, 6.5, and indicator 2.1.1</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Signing of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table border="0" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><p>PT Langkat Nusantara Kepong President Director</p><p>MD Naurudin Ismail Tuesday, 03 September 2019</p></td><td style="width: 50%; text-align: center;"><p>Mutuagung Lestari Lead Auditor</p><p>Sandra Purba Tuesday, 03 September 2019</p></td></tr></table>	<p>PT Langkat Nusantara Kepong President Director</p>  <p>MD Naurudin Ismail Tuesday, 03 September 2019</p> 	<p>Mutuagung Lestari Lead Auditor</p>  <p>Sandra Purba Tuesday, 03 September 2019</p>
<p>PT Langkat Nusantara Kepong President Director</p>  <p>MD Naurudin Ismail Tuesday, 03 September 2019</p> 	<p>Mutuagung Lestari Lead Auditor</p>  <p>Sandra Purba Tuesday, 03 September 2019</p>		

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Man Power Agency of Langkat Regency	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
2	Environmental Agency, Stabat Regent	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
3	Head of Padang Brahrang village	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
4	Secretary of Bukit Melintang Village and Head of sub village of Perkebunan Bekiun	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
5	Contractor (PT Genio Pratama Mandiri)	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
6	Contractor (PT Pratama Satya Citra)	Langkat District, North Sumatera Province	-	Interview	2 July 2019	✓	-
7	Labor Unions (SBSI)	PT Langkat Nusantara Kepong	-	Interview	2 July 2019	✓	-
8	Labor Unions (SPBP)	PT Langkat Nusantara Kepong	-	Interview	2 July 2019	✓	-
9	Gender Committee PT Langkat Nusantara Kepong	PT Langkat Nusantara Kepong	-	Interview	2 July 2019	✓	-
10	Stabat POM: 2 Loader workers 1 Boiler Operator 1 Generator Operator 1 Pressing Operator 1 Sterilizer Operator	PT Langkat Nusantara Kepong	-	Interview	2 July 2019	✓	-
11	Gohor Lama Estate: 2 Harvesting workers 4 circle spraying workers 4 pest spraying workers	PT Langkat Nusantara Kepong	-	Interview	2 July 2019	✓	-
12	Bekiun Estate:	PT Langkat Nusantara Kepong	-	Interview	3 July 2019	✓	-
13	Tanjung Keliling Estate: 2 warehouse officer 5 workers consist of driver, mechanic and welder	PT Langkat Nusantara Kepong	-	Interview	4 July 2019	✓	-

Appendix 2. Assessment Program

DATE		1-5 July 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 1 July 2019			
05.35 – 08.00 08.00 – 12.00	05.35 – 08.00 08.00 – 12.00	JAKARTA → MEDAN MEDAN → PT LANGKAT NUSANTARA KEPONG	<ul style="list-style-type: none"> • All Auditor • All Auditor
14.00 - 15.00	14.00 - 16.00	Opening Meeting (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	<ul style="list-style-type: none"> • All Auditor
15.00 – 17.00	16.00 – 17.00	Document Review: <ul style="list-style-type: none"> • Review of Previous Visit Non-conformance (S-1) • Collect Basic Information (Mill and Estates) • Clarification of Time Bound Plan • Review of Partial Certification 	<ul style="list-style-type: none"> • All Auditor
Tuesday, 2 July 2019			
08.00 - 12.00	08.00 - 12.00	Public consultation: <ol style="list-style-type: none"> Government agencies in Stabat (by phone) Stakeholders consultation with nearest village and community leader Interview with Gender Committee, Labor Union, Local Contractor 	<ul style="list-style-type: none"> • NTA
08.00 - 12.00	08.00 - 12.00	Field Observation to Gohor Lama Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management; Worker Welfare (payments, complaint mechanism) • Legal operational boundary and Conservation (HCV) Area • Worker facilities (housing, health clinic, clean water, etc); Fire Fighting facilities, Chemical Storage; Schedule Waste management, Land fill. 	<ul style="list-style-type: none"> • ADR • SDP • BGS / AFF
12.00 – 14.00		LUNCH BREAK	
14.00 – 15.00	14.00 – 15.00	Document review: <ul style="list-style-type: none"> • Completion of checklist and clarification/ follow-up on outstanding audit issues 	<ul style="list-style-type: none"> • All Auditor
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Clarification of Field Observations & Document Verification 	
Wednesday, 3 July 2019			
08.00 - 12.00	08.00 - 12.00	Field Observation Stabat POM <ul style="list-style-type: none"> • Effluent POM (IPAL), Land Application (LA), Hazardous Waste Material (B3) management, Water Treatment Plant (WTP) • Mill Operational & OHS Implementation and Supply Chain Implementation + wawancara dengan DLH by phone Field Observation to Bekiun Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management; Worker Welfare (payments, complaint mechanism) 	<ul style="list-style-type: none"> • BGS • NTA • ADR

DATE		1-5 July 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> Legal operational boundary and Conservation (HCV) Area Worker facilities (housing, health clinic, clean water, etc); Fire Fighting facilities, Chemical Storage; Schedule Waste management, Land fill. 	<ul style="list-style-type: none"> SDP / AFF
12.00 – 14.00		BREAK	
14.00 – 16.30	14.00 – 16.30	Document review: <ul style="list-style-type: none"> Completion of checklist and clarification/ follow-up on outstanding audit issues 	<ul style="list-style-type: none"> All Auditor
16.30 - 17.00	16.30 - 17.00	<ul style="list-style-type: none"> Clarification of Field Observations & Document Verification 	
Thursday, 4 July 2019			
08.00 – 12.00	08.00 – 12.00	Field Observation to Tj Keliling Estate <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management; Worker Welfare (payments, complaint mechanism) Legal operational boundary and Conservation (HCV) Area and Stakeholders consultation with nearest village Worker facilities (housing, health clinic, clean water, etc); Fire Fighting facilities, Chemical Storage; Schedule Waste management, Land fill. 	<ul style="list-style-type: none"> AFF / ADR SDP NTA / BGS
12.00 – 14.00		LUNCH BREAK	
14.00 – 15.00	14.00 – 15.00	Public consultation: Interview with Gender Committee, Labor Union, Local Contractor	<ul style="list-style-type: none"> NTA
14.00 – 17.00	14.00 – 17.00	Document review: <ul style="list-style-type: none"> Completion of checklist and clarification/ follow-up on outstanding audit issues Clarification of Field Observations & Document Verification 	<ul style="list-style-type: none"> All Auditor
Friday, 5 July 2019			
08.00 – 10.00	08.00 – 11.00	Closing Meeting	
17.00 – 19.00	17.00 – 19.00	MEDAN → JAKARTA	<ul style="list-style-type: none"> All Auditor