

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Initial Certification

Name of Management Organisation : **Kayung Agro Lestari Palm Oil Mill – PT Kayung Agro Lestari, subsidiary of Austindo Nusantara Jaya Agri**

Plantation Name : **PT Kayung Agro Lestari : Sungai Gemilang Teduh 1, Sungai Gemilang Teduh 2, Gunung Sejahtera Tumbuh 1, Gunung Sejahtera Tumbuh 2 and Mitra Estate**

Location : **Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia**

Certificate Code : **MUTU-RSPO/137**

Date of Certificate Issue : 11 November 2019 Date of License Issue : 11 November 2019

Date of Certificate Expiry : 10 November 2024 Date of License Expiry : 10 November 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	21 to 25 October 2019	Sandra Purba (Lead Auditor), Rizliani Aprianita Hasibuan, Afiffuddin, Briyogi Shadiwa	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	11 November 2019

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: agri@mutucertification.com • www.mutucertification.com
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 on March 12th, 2014 with registration number *ASI-ACC-055*

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Figure 1. Location Map of PT Kayung Agro Lestari

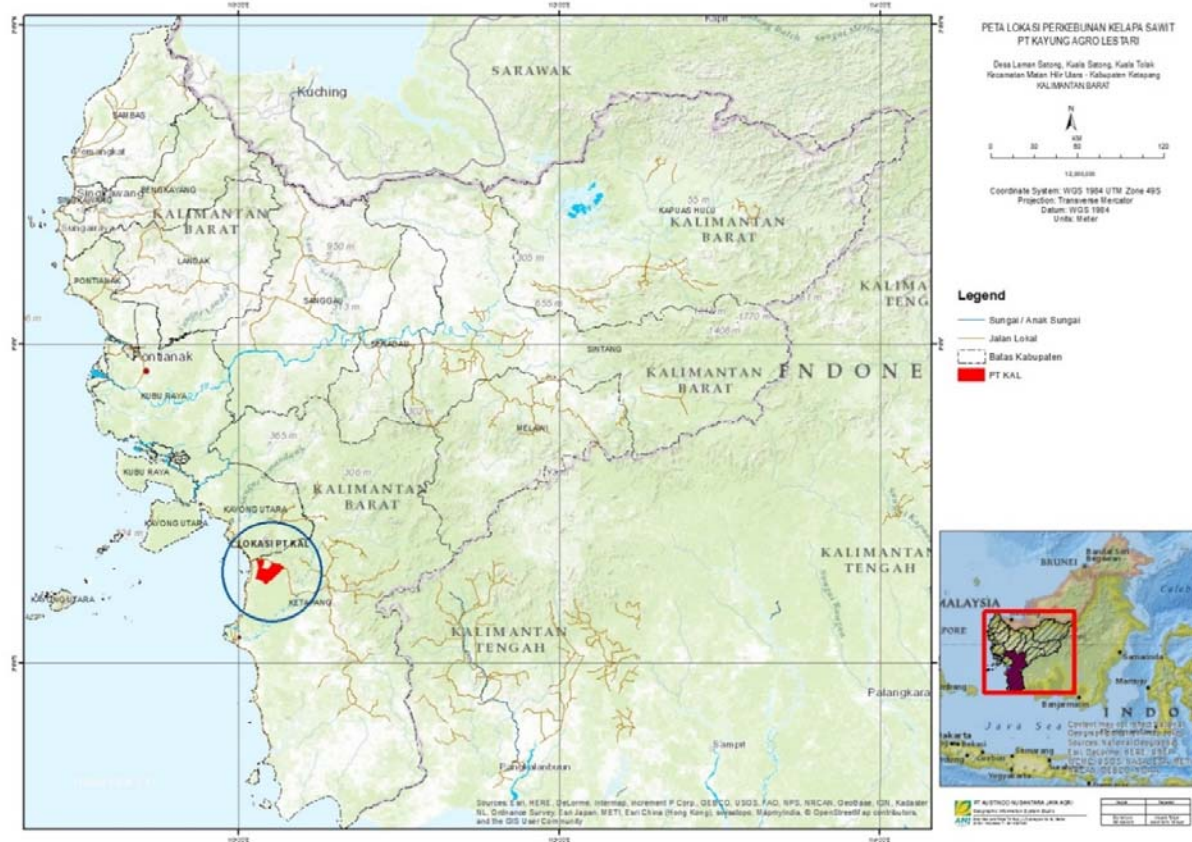
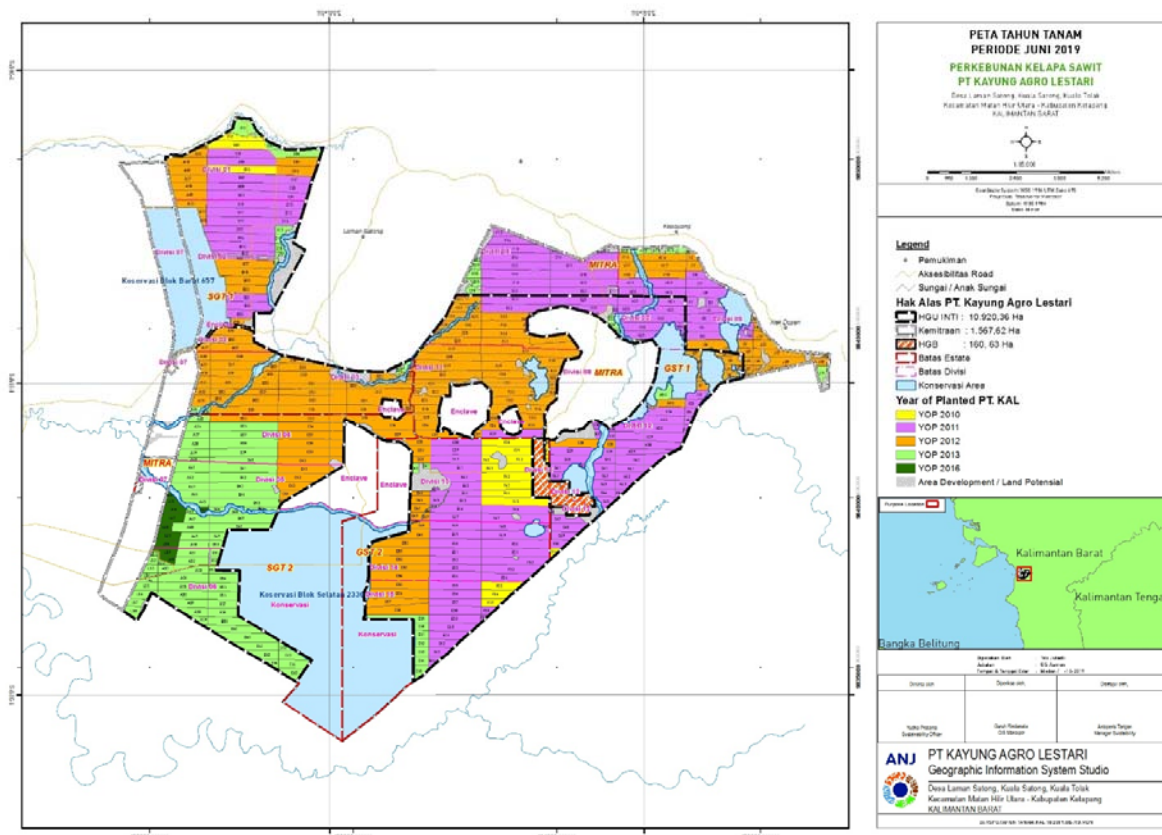


Figure 2. Operational Map of PT Kayung Agro Lestari



Abbreviations Used

ALS	:	Assessor Licence Scheme
AMDAL	:	<i>Analisa Mengenai Dampak Lingkungan</i>
ANDAL	:	Environmental Impact Analysis Main Report / <i>Analisa Dampak Lingkungan</i>
ANJ	:	Austindo Nusantara Jaya
APU	:	<i>Air Permukaan Umum</i>
BKSDA	:	<i>Badan Konservasi Sumber Daya Alam</i>
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
GHG	:	Green House Gas
GM	:	General Manager
GMO	:	General Manager Office
GST	:	<i>Gunung Sejahtera Tumbuh</i>
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i>
HGU	:	<i>Hak Guna Usaha</i>
HIRAC	:	Hazard Identification, Risk Assessment and Control
HRD	:	Human Resource Development
IPB	:	Institut Pertanian Bogor
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i>
KAL	:	Kayung Agro Lestari
KER	:	Kernel Extraction Rendement
LD	:	Lethal Dose
LSM	:	<i>Lembaqa Swadaya Masyarakat</i>
MCB	:	Miniature Circuit Breaker
MHU	:	Matan Hilir Utara
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
NPP	:	New Planting Procedure
OER	:	Oil Extraction Rendement
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety
PAP	:	<i>Pajak Air Permukaan</i>
PK	:	Palm Kernel
PK	:	Palm Kernel
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
R & D	:	Research & Development
RI	:	Republik Indonesia
RKL-RPL	:	Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL)
RTE	:	Rare Threatened and Endangered

SGT	:	Sungai Gemilang Teduh
SIA	:	Social Impact Assessment
SKM	:	Sinar Karya Mandiri
SOP	:	Standard Operational Procedure
SPO	:	Sustainability Palm Oil
TNGP	:	Taman Nasional Gunung Palung
UPTD	:	<i>Unit Pelaksana Teknis Daerah</i>
WHO	:	World health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
YIARI	:	<i>Yayasan Inisiasi Alam Rehabilitasi Indonesia</i>

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th 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 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 Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri.	
1.2.2	Contact person	Antoperis Tarigan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> RSPO registered company: Wisma Bil Lt. 7 - Diponegoro street No. 18, Medan. Liaison Office: Atrium Mulia, 3A Floor, Suite 3A-02 H.R. Rasuna Said Street Kav. B10-11 Jakarta 12910, Indonesia Tel. (62 21) 2965 1777 Fax. (62 21) 2965 1788 	
1.2.4	Telephone	+62-21-2965 1777	
1.2.5	Fax	+62-21-2965 1788	
1.2.6	E-mail	antoperis.tarigan@anj-group.com	
1.2.7	Web page address	www.anjagri.com	
1.2.8	Management Representative who completed the application for certification	Jerileva Purba (General Manager)	
1.2.9	Registered as RSPO member	1-0032-07-000-00, 27 February 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base KAL Mill, Sungai Gemilang Teduh 1, Sungai Gemilang Teduh 2, Gunung Sejahtera Tumbuh 1, Gunung Sejahtera Tumbuh 2 and Mitra Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Kayung Agro Lestari POM	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 26' 56" E 110° 13' 44"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude

Sungai Gemilang Tedu estate (SGT)-1	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 24' 16"	E 110° 14' 13"
Sungai Gemilang Tedu estate (SGT)-2	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 25' 39"	E 110° 09' 59"
Gunung Sejahtera Tumbuh (GST)-1	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	01° 25' 13"	110° 12' 34"
Gunung Sejahtera Tumbuh (GST)-2	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	01° 26' 25"	110° 13' 26"
Mitra LMS (HGU) – 624 members	Laman Satong Village, Matan Hilir Utara Sub district, Ketapang District, Kalimantan Barat Province, Indonesia.	01° 26' 25"	110° 13' 26"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	12,648.61 Ha
	• Community	- Ha

1.5.2 Area Statement

	Own Estate (Ha)	Smallholder (Ha)	Total (Ha)
• Total area	11,080.99	1,567.62	12,648.61
• Mature area	9,101.45	1,370.83	10,472.28
• Immature area	475.80	-	475.80
• Mill (HGB) and infrastructure	160.63	-	160.63
• HCV	983.08	125.66	1,108.74
• Occupation	360.03	71.13	431.16

*Road, Drain and Emplacement reported in planted area

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		GST 1	GST2	SGT 1	SGT 2	Mitra LMS	Total
	2010	7.55	395.76	108.37	0	0	511.68
	2011	1,092.59	1,323.73	818.53	0	923.71	4,158.56
	2012	1,288.04	529.76	1,414.08	556.09	363.42	4,151.39
	2013	17.78	3.63	113.16	1,432.38	83.70	2,005.84
	Sub Total Immature	2,405.96	2,252.88	2,454.14	1,988.47	1,370.83	10,472.28
	2013	0	100.07	9.73	245.39	0	355.19
	2016	0	0	0	120.61	0	120.61
Sub Total Mature	0	100.07	9.73	366.00	0	475.80	
TOTAL	2,405.96	2,352.95	2,463.87	2,354.47	1,370.83	10,948.08	

1.6.2	New Planting area after January 2010			10,948.08		Ha	
1.6.3	Planting Cycle			1 st 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)	Extracti on (%)	Out put (tonnes)	Extraction (%)
	KAL POM	45	227,816.69	50,547.03	22.19	7,165.85	3.15
<i>*Production data source from October 2018 – September 2019</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)	%
	GST 1	2,405.96	2,405.96	43,232.12	17.97	43,232.12	18.98
	GST 2	2,352.95	2,352.95	39,811.07	16.92	39,811.07	17.48
	SGT 1	3,806.98	2,463.87	42,302.63	17.17	42,302.63	18.57
	SGT 2	2,515.10	2,354.47	26,844.04	11.40	26,844.04	11.78
	Mitra LMS (HGU)	1,567.62	1,370.83	26,646.36	19.44	26,646.36	11.70
	TOTAL	12,648.61	10,948.08	178,836.22	16.33	178,836.22	78.50
<i>*Production data source from October 2018 – September 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)		
	PT. SKM	Independent supplier)	-	-	16,652.63		
	CV. CAHAYA SEJATI	Independent supplier)	-	-	11,913.29		
	CV. ABADI LOG JAYA	Independent supplier)	-	-	2,597.03		
	CV. DEASY CAHAYA MANDIRI	Independent supplier)	-	-	3,375.62		
	CV. AAA	Independent supplier)	-	-	15.95		
	Mitra LMS (SKT)	Associate smallholders	267	537.84	10,599.11		
	Mitra BSL	Associate smallholders	516	410.28	2,564.22		
	Mitra LAB	Associate smallholders	On process in government	298	1,160.42		
	Propose Kemitraan	Associate smallholders	-	5.83	102.21		
	TOTAL					48,980.48	
	<i>*Production data source from October 2018 – September 2019</i> <i>Number of smallholders not yet define by local government</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		Actual certified product		

	 to (tonnes/year) to (tonnes/year)					
	• FFB Production							
	• CPO Production							
	• Palm Kernel (PK) Production							
	<i>Will be verify on ASA-1</i>							
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product (dd/mm/yy) to (dd/mm/yy)						
	• CSPO sold as RSPO certified product							
	• CSPK sold as RSPO certified product							
	• CSPO sold under other scheme							
	• CSPK sold under other scheme							
	• CSPO sold as conventional							
	• CSPK sold as conventional							
	<i>Will be verify on ASA-1</i>							
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	GST 1	2,405.96	2,405.96	45,394	18.87			
	GST 2	2,352.95	2,352.95	41,802	17.77			
	SGT 1	3,806.98	2,463.87	44,418	18.03			
	SGT 2	2,515.10	2,354.47	28,186	11.97			
	Mitra LMS (HGU)	1,567.62	1,370.83	27,979	20.41			
	TOTAL	12,648.61	10,948.08	187,779	17.15			
	<i>*Projected FFB production for 11 November 2019 – 10 November 2020</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	KAL POM	45	187,779	43,189	23.00	6,197	3.30	MB
	<i>*Projected FFB production for 11 November 2019 – 10 November 2020</i>							
1.9	Other Certifications							
	ISO 14001: 2015			Certificate registration No. 04 08 A 18002 (Date of certificate 4 January 2018 to 3 January 2021) by the Tuv Nord Indonesia.				
	OHSAS 18001:2007/ SMK3			Certificate registration No. 05 05 A 18002 (Date of certificate 4 January 2018 to 3 January 2021) by the Tuv Nord Indonesia.				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						

	ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara	2014	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	Certified
			Lembah Subur Tengah	2014		
			Lembah Subur Selatan	2014		
	Jangkang (PT.Sahabat Mewah Makmur)	2009	Jangkang	2009	Belitung Timur District, Bangka Belitung Province, Indonesia	Certified
			Balok	2009		
			Ladang Jaya	2009		
			Sari Bunga	2009		
			Air Ruak	2009		
	Binanga (PT ANJ Agri)	2012	Estate Wilayah Timur	2012	Padang Lawas Utara District, Sumatera Utara Province, Indonesia	Certified
			Estate Wilayah Tengah	2012		
			Estate Wilayah Barat	2012		
	KAL POM (PT.Kayung Agro Lestari)	2019	Sungai Gemilang Teduh 1 (SGT-1)	2019	Ketapang District, Kalimantan Barat Province, Indonesia	Certified
			Sungai Gemilang Teduh 2 (SGT-2)	2019		
			Gunung Sejahtera Tumbuh 2 (GST-2)	2019		
			Gunung Sejahtera Tumbuh 1 (GST-1)	2019		
	-	-	PT.Galempa Sejahtera Bersama	2022	Empat Lawang Distict, Sumatera Selatan Province, Indonesia	-
	PMP POM (PT PPM)	2020	PT.Putera Manunggal Perkasa	2020	Sorong Selatan District, Papua Barat Province, Indonesia	-
			PT.Permata Putera Mandiri	2020	Sorong Selatan District, Papua Barat Province, Indonesia	-
			PT. Austindo Nusantara Jaya Tbk (Ex. PT PAM)	2024	Sorong Selatan District, Papua Barat Province, Indonesia	-
	Document of revision of certification time-bound statement of PT ANJA and its subsidiaries on March 2019, with justification i.e: <ul style="list-style-type: none">- PT Galempa Sejahtera Bersama (GSB), the land compensation process has not yet been completed so that the construction of plantations and mill is postpone.- PT Permata Putera Mandiri (PMM) and PT Putera Manunggal Perkasa (PMP), the land compensation process due to conflicts between clans has not been completed and is still ongoing so that the construction of plantations and mill is postpone.- PT ANJT is ex PT Pusaka Agro Makmur, on 2017 not registered as ANJA subsidiary has been reported on ACOP to be certified on 2024, PT PAM legally become PT ANJT on 2015, for further activities will be use entity as PT ANJT.					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					

Management has had 3 KUD which supply the FFB to the mill which are KUD Laman Mayang Sentosa, KUD Bina Satong dan KUD Lestari Abadi. All KUD is prepare

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
IC	<p>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. On this audit, she assigned to verify land use title, land dispute, HCV, SIA and RSPO Supply Chain</p> <p>2. Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS 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 social and worker welfare.</p> <p>3. 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 support to assess on BMP Agronomy and OHS.</p> <p>4. 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: ISPO Auditor Training, RSPO Lead Auditor Course by Checkmark Training, 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 Transparency, Social, long term budget and Waste Management.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
IC	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for IA at site: 4 days</p> <p>Number of working days for IA at site : 16 Working days</p>
2.2.2	Assessment Process
IC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kayung Agro Lestari 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 RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev. 14 June 2017 (Module E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results IC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1).</p>

	<p>Improvement of findings from main assessment findings were observed by auditors at this IC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of IC.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
IC	<p>KAL POM:</p> <ul style="list-style-type: none"> • Workshop. To observe completeness and readiness of fire fighter equipment. • Temporary Hazardous Waste Storage. Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism. • Lubricant Storage. Observation material storage. • Chemical Storage. Observation material storage. • WWTP. Field observations and interviews with WWTP operators regarding waste water management. • Security. Observation and interview regarding to workers welfare, SCC training and product receiving / delivery • Weighbridge. Observation and interview regarding to workers welfare, SCC training and product receiving / delivery • Water Treatment Plant. Observation and interview regarding to workers welfare, training and OHS aspect. • Grading Station. 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. • Pressing Station. Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified. • Boiler Station. Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified. • Power House Station. Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified. • Workshop. Observation regarding to workshop activity, and interview related to employment aspect, OHS aspect, environment aspect and waste management aspect. <p>GST-2 Estate:</p> <ul style="list-style-type: none"> • Chemical storage. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and OHS implementation. • Fertilizer storage. Observation and interviews related to waste management and implementation OHS • Fuel Storage. Observation related to implementation of OHS • Workshop. Observation and interviews related to the competence of workers, implementation of OHS (including medical check up), employment, waste management and complaint mechanism. • Hazardous waste warehouse. Observation and interviews related to hazardous waste management • Land Application, Block F44. Observation related to land application activities and environment aspect. • HGU pole SM KAL 19, Block of F40. Observation regarding to boundaries maintenance • HGU pole KKE14, KKE13. Observation regarding to boundaries • HCV 1.2, 1.3, 3 and 4.1 area 2,330 Ha (KKE zone). Observation regarding to HCV management • HGU pole KAL20. Observation regarding to boundaries • HCV 4.2, area of 20.73 Ha, block of F48. Observation regarding to HCV management • Herbicide Application, Block E42, Division 13. Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers. • Manuring, Block E56, Division 15. Observations and interviews manure fertilization activities related to the duties and responsibilities (job description), working procedures, the dose of fertilizer application, safe work practices,

use of PPE, periodic medical examinations, wage system, Insurance workplace accidents, providing facilities for the welfare of workers.

- **Overview Sloping Areas, Block F47, Division 13.** Observation area planting in the slope area.
- **Piezometer & Pole subsidence, Block E53, Division 14.** Observation of the implementation of monitoring and measurement of ground water level in the area of peatland.
- **Stop bund, Block F53, Division 14.** Observation of the implementation of monitoring and setting water level in the area of peatland.
- **Sandy Soil Area.** Observation of treatment of sandy areas.
- **Burned area, Block D46 Division 13.** Observation the location of the burned area and fire emergency response.

SGT-1 Estate:

- **Manuring, D31.** Observation and interviews with employees related to OHS and employment.
- **Harvesting, Block D34.** Observation and interviews with employees related to safe harvesting, safety and employment.
- **Chemical Weed Control, Block D36.** Observation and interview with pesticide applicators and foremen related to safe work procedures, use of PPE, proper handling of chemicals, wages, and complaints mechanism and so on.
- **Spraying House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.
- **Riparian of Malaka River, B30/31.** Observation regarding to HCV management
- **Wildlife corridor, block of B16.** Observation regarding to HCV management
- **HCV 675 Ha, Div 2.** Observation regarding to HCV management
- **Block C7 division 1.** Observation HGU Pole No. KAL 87.
- **Block C9 division 1.** Observation HGU Pole No. KAL 88. The pole are inside the block / planting area
- **Block C11 division 2.** Observation HGU Pole No. KAL 89. The pole are inside the block / planting area

SGT-2 Estate:

- **BPN Pole No. 35.** Observation related to HGU boundary mark
- **BPN Pole No. 38.** Observation related to HGU boundary mark
- **BPN Pole No. 41.** Observation related to HGU boundary mark
- **Weeding Manual, Block A54, Division 6.** Observation weeding manual activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
- **Harvesting, Block A42, Division 5.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.

Mitra Estate:

- **Block F14, Division 8.** Observation on boundary No. KAL033
- **Block F13, Division 8.** Observation on boundary No. KAL031
- **Block F14, Division 8.** Observation on boundary No. KAL033a
- **Block F15, Division 8.** Observation on boundary No. KAL034
- **Block G16, Division 9.** Observation on boundary No. KAL035
- **Harvesting, Block I29, Division 9.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.

Stakeholder:

- Government agency of Ketapang District (environment, agriculture and animal husbandry, national land and manpower).
- Communities in Laman Satong Village, Kuala Satong Village.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
IC	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Kayung Agro Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on website www.rspo.org and mutuagung website on 9 September 2019. • Public consultation meeting with government institution on 21 October 2019 • Public consultation meeting with communities including previous land owner on 22 October 2019 • Public consultation meeting with internal stakeholders and contractor on 23 October 2019 <p>Numbers of input from stakeholders were clarified by PT Kayung Agro Lestari.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-1 will be conducted eight to twelve months after date of certificate issued.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of KAL POM – PT Kayung Agro Lestari, PT Austindo Nusantara Jaya Agri operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were one (1) Nonconformity Major Compliance Indicator and fourteen (14) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that KAL POM – PT Kayung Agro Lestari, PT Austindo Nusantara Jaya Agri complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 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 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

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.	
Minor 1.1.1. & Major 1.1.2	<p>Company has a list of stakeholders consist of Head of village, Head of Sub Village, community figures, Regency Government, NGO, cooperation, etc. The results of interviews with management known that the updating of stakeholder documents is conducted every 1 year by external affair officer.</p> <p>Company has an SOP to respond to stakeholders contained in the SOP for communication and providing information with no. SOP-Leg-02 dated September 1, 2015. The SOP has explained that communication and providing information are divided into 2:</p> <ol style="list-style-type: none"> 1. Communication and provision of internal information 2. Communication and provision of external information <p>While the time period for responding to information requests is \pm 3 month. The procedure also explained that the external affairs officer was an employee appointed by the company and had the responsibility of receiving reports from third parties. Company has a logbook of incoming and outgoing letters for each unit. Based on the results of verification of the document, it was found that there was no request for information to the company. Some incoming letters are proposals for assistance requests, and all incoming letters have been responded to by the company. While the period of giving the response is still in accordance with the SOP that is owned.</p> <p>The results of interviews with the related agencies and Village Heads / Community figure were conveyed that the parties understood the mechanism if there was a request for information to be conveyed to the company. Requests for information are submitted by mail to the company and are supported by telephone communication.</p>	
	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.

Major 1.2.1

The company has a list of public documents No. document FRM-SOP SDD 01-05 revision 00 dated 1 January 2014. Based on the list of documents, it is known that documents at PT KAL are categorized as General documents, with approval and Confidentiality. The documents that can be accessed by the public are documents with general categories and with management's approval such as:

- ANDAL, RKL-RPL
- Employee data, accidents, social security, inventory, etc.
- Permits such as IUP, Location permit, hazardous waste warehouse permit, Land Application Permit, etc.
- Policies
- HCV documents
- HGU documents
- Procedure
- Training reports, OHS document, work accidents, CSR
- HIRAC
- Minutes of meeting
- Etc.

The results of interviews with the related agencies and Village Head / Community figure were conveyed that the parties understood the mechanism if there was a request for information to be conveyed to the company. In the socialization, there were also several types of information that could be requested to the companies.

Status: Comply

1.3

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

The company has a policy related to the code of ethics and business conduct stated in the document "ANJ code of conduct and business conduct" dated January 1, 2014. The document states that the company upholds the values of integrity, respect for fellow human beings, and the environment and continuous improvement. It was also stated that the company builds trust and good reputation towards and for stakeholders by referring to the principles of transparency, accountability, objectivity and fairness which are all manifestations of the company's business conduct code of conduct.

The policy covers all company operational activities, including the prohibition of corruption, bribery and fraud in the use of funds and resources and compliance with fair business practices. Based on interview with workers, labor union, as well as local contractor known that they understood about code of integrity and ethical behavior.

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

The company has complied with statutory requirements relating to legality and land licensing, for example:

- The company has document of location permit, IUP, forest zone release, HGU, and environmental permit (indicator 2.2.1)
- Has reported land use to the Ketapang Regency land office every year
- Has develop the community plantations covering 20% of the total HGU.

In the aspect of Occupational Health and Safety, the company shows evidence of compliance with relevant legal requirements, including Quarter III 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. However, the company needs to ensure that electrical technicians and fire mitigation officers licenses are still in the process of publishing. **OFI**.

The company also shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including use pesticides that have been registered with valid permits. Based on field observation in chemical storage and spraying activities and document review, it is known that the company has used the pesticide which registered in "Komisi Pestisida". This is in accordance with Plantation Act 39/2014.

Worker welfare

1. Workers wages are in accordance with West Kalimantan Governor Regulation No.590/Disnakertrans/2018 concerning Regency Minimum Wages and sectoral minimum wages of Regency of Ketapang on 2019 dated November 14, 2018.
2. Company Regulation has been registered in Manpower Agency according to the Decree no. 176 of 2016 concerning Ratification of the Company Regulation of PT Kayung Agro Lestari, with the ratification number: 108 / PP / STKT-C / XI / 2016 on 3 November 2016, valid for two years since it was ratified by the Manpower Agency. This Company Regulation can be extended for a period of 1 year for the purpose of renewing the new Company Regulation and during that time period, the Company Regulation still valid.

NC 2019.01

Poin 1

1. Results of verification of the Work Agreement document and Minutes of inspection of work with the Contractor, it is known that there is harvest work carried out by a third party, which is indicated by the document:
 - Agreement between PT KAL and PT JMA No. 014 / SPKB / 15/1019 dated 24 September 2019 with an agreement period until 20 October 2019.
 - Minutes of inspection of harvest results. 123BAPHP / DIV.12 / GST1 / 0819 for the period August 2019

This is not in accordance with Law No. 13 of 2003 Article 66 and Minister of Manpower regulations No. 19 of 2012 article

2.1.2, 2.1.3 & 2.1.4

The Management Unit already has a list and a copy of the applicable laws and regulations. The legal requirements documentation system contained in the Legal Requirements Evaluation Procedure (No.Doc: SOP-Leg-01, Edition 01, Rev. 03) was established on March 30, 2015. Identification is done by various methods including:

- Identification / request for information directly to the issuing regulatory agency.
- Identification through the official website of the issuing agency and / or the official website for the regulation updates.
- Through seminars / training / workshops conducted by regulatory issuing agencies and / or other private agencies.
- Obtain information from an accredited institution related to the update of rules and regulations.

In addition, officers who are responsible for managing the rules of legal documents, namely:

- The legal department is responsible for compiling, updating, evaluating and informing (to external relations officers) the entire list of laws and regulations.
- The external relations officer is responsible for evaluating the fulfillment of rules and regulations in each farm.

The scope of the legislation updates includes: Company aspects (including legal), Land and Plantation Permits, Environmental Aspects, Labor Aspects, Tax Aspects. The person responsible for updating the regulations is the Legal Department through an External Relations Officer

2.1.1	Status: Non conformance NC.2019.01 with major category
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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

The organization has shown a land tenure and business permit documents for the entire managed area total **12,648.61 Ha** (**11,080.99 Ha own estates and 1567.62 Ha community's land**), among others:

PT KAL managed area:

1. **Land Use Title (HGU)**, the total area of 10,920.36 ha, based on Decree No. 33/HGU/BPN.RI/2014, dated February 4, 2014 in Kuala Satong Village, Kuala Tolak Village, Laman Satong Village, consisting of 2 certificates as follows:
 - Certificate No. 101 published April 30, 2014, area of 9,070.40 Ha, valid until 29 April 2049.
 - Certificate No. 102 April 30, 2014, area of 1,849.96 Ha, valid until 29 April 2049.
2. **Buildings Use Title (HGB)** for mill, offices, housing and other facilities, based on National Land Agency (BPN) decree No.: 1/HGB/KEM-ATR/BPN/2016 on the provision of building rights on behalf of PT Kayung Agro Lestari in Laman Satong Village, Sub-district Matan Hilir Utara, Ketapang Regency, West Kalimantan, covering an area of 160.63 ha, valid for 30 years, issued on January 19, 2016. Certificate of HGB No. 01, NIB. 14.07.03.03.00183, issued February 5, 2016 valid until January 19, 2046.
3. **Business Permit**, Decree of Regent Ketapang No. 338 / Disbun-D/2015 in term of Plantation Business Permit on behalf of PT KAL which is located in the Laman Satong Village, Kuala Satong Village and Kuala Tolak Village, Sub-district Matan Hilir Utara, Ketapang Regency, West Kalimantan, for the plantations covering an area of **16,620 ha** and for the processing unit with a capacity of **85 tons/hour**.

Community' plantation (Laman Mayang Sentosa Cooperative) - 1561.62 Ha:

1. Certificate issued by the National Land Agency of Ketapang Regency no. 149 on behalf of Laman Mayang Sentosa Plantation Cooperative, valid on March 3, 2017 until February 14, 2052, located in Laman Satong Village, Matan Hilir Utara Sub District, Ketapang Regency, West Kalimantan, covering an area of 1561.62 Ha.
2. Certificate no. 150 on behalf of Laman Mayang Sentosa Plantation Cooperative, published valid on March 3, 2017 until February 14, 2052, and located in Laman Satong Village, Matan Hilir Utara Sub District, Ketapang Regency, West Kalimantan, covering an area of 6 hectares.
3. Deed of Establishing Cooperative "Kopbun Laman Mayang Sentosa" Number: 41, dated December 22, 2011, prepared by a Notary Yulina Asmara Dewi, SH.
4. Decree of the State Minister for Cooperatives and Micro Small & Medium Enterprises no.: 336 / BH / KOP, UKM & PERINDAG / XII / 2011 concerning Ratification of the Deed of Establishment of Plantation Cooperative "LAMAN MAYANG SENTOSA", dated December 28, 2011.
5. Decree of the Regent Ketapang no.: 205 / DISBUN-B / 2015 concerning Determination of Farmers Participating in the Oil Palm Plantation Partnership Members of the Laman Mayang Plantation Cooperative in Partnership with PT Kayung Agro Lestari in Matan Hilir Utara District Ketapang Regency, dated March 10, 2015.
6. Cooperation Agreement between PT Kayung Agro Lestari and the Laman Mayang Sentosa Cooperative Number: 011 / KAL / SM.mp / VIII / 2014; Number: 01 / LMS / PK / VIII / 2014, August 19, 2014.

The business permit of LMS Cooperative are included in the PT KAL IUP.

Based on field observations, it was observed that there were plantations that exceeded the HGU limit owned namely in block C9 Div 1 and block C11 Div 2, it has been identified by the company which was 5.8 ha. Based on interviews with management representatives, explained that the area was an area that was proposed as part of the community's area (plasma) but currently managed by the company. By the company' Head of Sustainability explained that the area is outside the scope of the proposed certificate, and is targeted in TBP under plasma. An internal memo from GM can be shown on 17 October 2019 no. 33 / GMO / KAL / IM / X / 2019 concerning management's commitment in determining the total area of PT KAL, which was set out the company commitments:

- ✓ To make the borders in the planting area that proposed as partnership area
- ✓ The area as referred will follow the RSPO smallholder certification scheme in accordance with the schedule specified in the timebound plan.

In this regard, the company needs to ensure that the boundaries these areas and ensure that the reserved partnership area is realized. **OFI**

Sighted the Decree regarding to the releasing of forest area, by Ministry of Forestry through Ministerial Decree No.: SK.643 / Menhut-II / 2009 (October 13, 2009) on release of Production Forest Convertible Area of 17,986.90 ha located in Forest Group of Tulak River, Matan Hilir Utara Sub-district, Ketapang Regency, West Kalimantan Province for the oil palm cultivation on behalf PT KAL

2.2.2

The location of HGU boundary markers shown in the map plot No.: 066-14.07-2012, scale 1: 35,000 for the two plots of land A and B, and area of HGB issued by the National Land Agency. Total poles as much as 298 for the HGU and 23 for the HGB. Procedure for the demarcation, maintenance and mitigation of HGU poles described in work instruction no. IK-SOP Leg 001-001 valid 1 Jan 2019, stated that monitoring and maintenance of HGU poles is once every 6 months.

The report of monitoring in sampled estate and LMS Cooperative area shown, the latest was done on Aug 2019 and Oct 2019. Cross-check are done through field observation to the HGU boundaries, it was observed that all poles are in accordance with the coordinate point and maintained. The SGT2 estate considered to ensure the implementation of action plan of the HGU poles. **OFI**

2.2.3

There is no an open land dispute within the company' and LMS Cooperative' HGU area. The company has a Land Compensation Mechanism and Land Conflict Resolution Mechanism that reflects the FPIC process in the process of acquisition and resolution of land conflicts.

Based on interviews with the Agency of Perkebunan of Ketapang Regency, stated that there is an area of PT KAL that overlaps with PT Laman Mining's permit, the auditor has verified the company's HGU map and the company's operational map, which shows that PT Laman Mining's area is not within but borders with the company's HGU (within the location permit but outside HGU). Regarding this matter, PT KAL together with PT Laman Mining made a memorandum of understanding which was witnessed by the Regional Government of Ketapang Regency on 2 April 2018 (PT KAL, PT Laman Mining and PT GMS).

Based on field observations to the plasma area (LMS) block F13 Div 8 it is known that there is an arable area within the plasma HGU, related to this the company has shown plans and a program of settlement of the area which is planned to be completed by the end of Dec 2019. The auditor issues OFI related to the follow-up progress of the settlement. **OFI**

2.2.4, 2.2.5, 2.2.6

The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015), it has been communicated to the stakeholders. Based on interviews with surrounding communities, previous land-owner and related agencies (BPN), it is stated that until now there have been no land disputes and conflicts in the company's HGU. This is also in accordance with field observations, there are areas that become enclaves (not willing to be compensated), and the company does not managed the area.

The company never use violence in completing the process of resolution of land and the handling of land disputes.

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

There were no customary rights, and traditional rights within the company's HGU, the entire area is a forest area that has been released based on the Decree of the Minister of Forestry Number: SK.643 / Menhut-II / 2009 (October 13, 2009) concerning the Relinquishment of Part of Converted Production Forest Areas covering an area of 17,986.90 Ha located in the Tulak River Forest Group, Matan Hilir Utara District, Ketapang Regency, West Kalimantan Province for the Oil Palm Plantation Cultivation Business on behalf of PT Kayung Agro Lestari.

There was an area of community cultivation in the area proposed by the HGU at the time, the land acquisition process had been carried out by the company and completed in 2015. At the beginning of the plantation development, the Company had been

socializing to the surrounding community related to the plan to development of oil palm plantations, for example the socialization in Matan Hilir Utara and Sukadana, 19 September 2006.

The company has a procedure for land compensation as outlined in the Land Acquisition and Growth Procedure No. 021 / HR & GA / CP / Land Acquisition / 06-09, 1 June 2009. The procedure shows that in the process of compensating for land, it must go through the approval of the relevant land owner and involve relevant parties according to the type of land ownership.

The company has well documented the process of implementing land loss compensation, for example Letter of Agreement 3 of the Village Head in 2012.

Based on verification on the compensation documents, shows that the landowner has been represented through an institution or representative of their choice, the recipient of the compensation and the one who signed the agreement and statement was the land owner himself witnessed by Sub Village Head, Village Head, and Sub District Head. This is consistent with the results of interviews with community representatives / ex-landowners during public consultations.

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.

3.1.1

The certificate holder has a company long term management program which documented on business plan for period 2019-2022. The plan has covers projection on production cost on estates and mill, nursery, buildings, roads and drains, plantable reserve land, unplantable reserve land (HCV etc), replanting, production (FFB, CPO and PK), extraction rate (OER and KER), transportation, expenditure, manpower, products price (FFB and CPO), revenue and cost analysis. This long-term budget plan has been accepted by Director and reviewed by Head of Accounting on April 26th, 2019.

3.1.2

Based on the variation of planting years, it is known that the age of the oldest plants is 9 years. Based on information from the assistants, it is known that one oil palm planting cycle is 25-30 years and replanting will be carried out with several considerations such as history of FFB production per hectare, plant height, and age of the plant. Thus at least in the next 10 years the company will not carry out replanting activities.

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.

Major 4.1.1

The company showed a collection of SOP Agronomy, starting from the procedure for setting up road construction and layout of plantation (SOP-AGR-01) until the replanting procedure (SOP-AGR-28) which took effect on August 1, 2013 which was approved by the Estate Director. The company also showed SOP mill starting from the EFB reception station (ST01/ENG-STR) until the oil storage tank wash (ST19/ENG-STR) which entered into force in June 2011 .

Based on the results of field observations on the slope area such as in block F47 Division 13 GST-2 Estate, it is known that planting on the slope area has been made terraces, this is in accordance with the SOP of Soil and Water Conservation (SOP – AGR-05).

In addition, based on the results of field observations at PT KAL's mill, for example in FFB grading activities, it is known that grading officers have understood the criteria for FFB that meet the requirements and can demonstrate the grading activities according to the stipulated SOP.

Based on interviews with workers at the estate and mill, known that the SOP related agronomic and processing activities have

been socialized and understood by workers in their respective fields.

Minor 4.1.2

The company has a mechanism to check the consistency of implementing procedure by conducting internal audit both operational and sustainability internal audit, its conducted regularly once a year for Quality Assurance and Sustainability and twice a month for Quality Control in estate. The company conducts regular internal audits in the application of SOPs for estate and mill and also checks for crop harvesting, pest detection, rat census, etc.

Based on the results of interviews with mill management, internal supervision is carried out routinely namely:

1. Quality Assurance for estate and mill conducted once a year.
2. Quality Control for estate conducted twice a month.

RSPO internal audit activities are conducted once a year, including the performance of contractors. Mechanisms to ensure compliance with RSPO standards for contractor workers are supervised by operational departments such as the foreman, foreman I, assistants, security personnel, managers and so on. Then, the safety office also supervises the OHS implementation by the contractor. Then the sustainability section also oversees the SPK. For example, the addition of the most important insurance and OHS provisions.

Procedures that apply to any discrepancies that arise, are requested to take action on the improvement of the action plan and act on the prevention and send it to the internal audit department.

Minor 4.1.3

The company showed tentative examination of quality assurance reports and recommendations PT. ANJA-Ketapang, Assessment Quality Mill ANJ Agri Ketapang, on February 2019, report number : 01 / QA Mill/ ANJA-Ketapang / Februari / 2019. The document explains the executive summary of the screening results at ANJ Ketapang Mill where there are 6 non-conformities, which are related to the condition of grading inspection, inspection of the cleanliness of the mill condition, the inspection of the mill performance indicator, inspection of FFB and capacity, inspection of production and oil content. All of the suitability cases have shown recommendations and follow-up of ANJ management on the mill.

Major 4.1.4

PT KAL Mill has recorded the origins of all Fresh Fruit Bunches (FFB) sourced from third parties on a daily basis listed in the daily report documents. Then, the results of the daily records are recapitulated in the Total Foreign FFB Receipt document per supplier / month from the Commercial Department. Based on this document (October 2018 to September 2019), there were 4 FFB suppliers, namely PT SKM (Sinar Karya Mandiri), CV. Cahaya Sejati, CV. Abadi Log Jaya and CV. Deasy Cahaya Mandiri. As an example for data on third-party FFB receipts for September, namely PT SKM (Sinar Karya Mandiri) 1,962,170 kg, CV. Cahaya Sejati 1,396,890 kg, CV. Abadi Log Jaya 374,400 kg and CV. Deasy Cahaya Mandiri 430,105 kg.

The company also showed a Letter of Sale and Purchase of Fresh Fruit Bunches, for example April 30, 2018 between PT KAL and CV Cahaya Sejati, which discussed the Object of Buying and Selling, Agreement Period, Quality / Criterion of FFB, Purchase Price and Method of Payment of FFB and Statement Guarantee that the FFB sold is legitimate owned by a second party, obtained without breaking the law, not in dispute in any form, not being guaranteed to another party, not originated / planted in the forest area, not stolen FFB.

Status: Comply

4.2

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

Minor 4.2.1

The company has the SOP fertilization describes fertilizer recommendations based on the results of soil analysis and leaf analysis. In addition, the procedure also explains when and how the application of fertilizer in the field. Fertilization is also done using palm oil mill effluent and empty bunch.

Based on the results of field observations and interviews with fertilizer workers in block E56 Division 15 GST-2 Estate, it is known that MOP type fertilizer application activities are being carried out at a dose of 0.5 kg / tree. Workers can explain the procedure of fertilization activities such as the recommended dosage, how to sow fertilizer, the quantities used and the PPE used. It has been in accordance with the recommendations issued by the research and implementation of the field after the SOP.

Minor 4.2.2

The company has documented reports the use of fertilizers in each division and report it to the office of GMO.

The company shows the *Realisasi Pemupukan* document issued by the R & D Department explaining that for the 2019 period the types of fertilizers used were RP, MOP, Urea, Kiserite, CuSO₄ and Sumicoat. Based on the document, it is known that the realization of each division is briefly explained as follows :

- Division 13: RP 153,323 kg, MOP 129,227 kg, Urea 83,885 kg and Kiserite 21,412 kg
- Division 14: RP 177,971 kg, MOP 202,975 kg, Urea 148,992 kg and Kiserite 7,353 kg
- Division 15: RP 125,627 kg, MOP 77,350 kg and Urea 111,073 kg.

Based on the document of recommendations and realization of the fertilizer division 7 – Mitra Estate, explained that the block K05 recommended for MOP fertilizer application as much as dose 0.75 kg / tree, it has been realized on February 22, 2019. In addition, the estate also reported total fertilizer use that has been applied every month to the Office of GMOs, for example the use of MOP in until September 2019 Mitra Estate reported as 193,317,6 kg.

Minor 4.2.3

The company has a SOP related sampling soil and leaf for analysis as the basis for determining the fertilizer recommendation for next year. Based on SOP shown, the soil sampling conducted 7 years with the provisions taken at a depth of 0 – 40 cm by 300 grams at three sample points are among the stem, inter row and in a pile of frond by using a ground drill. The leaf sampling was done every year, provision of sample of the immature plant is taken from the 9th frond and sample of frond for mature plant taken from the 17th. The company shown the report of leaf analysis on March, 2019 with the parameters tested include elements N, P, K, Ca, Mg, and Cl. The company also showed the soil analysis dated July 2019 with the parameters tested include the elements N, C, Mg, K, H₂O, and types soil.

The company shows the recording of the training on Soil sampling and Leaf sampling units on February 8, 2019 in the Block G43 Division 12 GST-1 which was attended by staff, foremen and employees.

4.2.4

The Company has a strategy of recycling nutrients, such as the use of the EFB and POME for organic fertilizer. By-products application was documented in monthly Estate Manager report chapter monthly work realization, realization of manuring report and by-product realization report. The remaining trees from the replanting are also part of the nutrition cycle strategy as organic fertilizer (just like empty bunch). From the results of field observations, organic fertilization activities are in accordance with procedures that the company has, for land applications and empty bunches.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

Major 4.3.1

The company has conducted a survey of soil and land suitability evaluation in prospective oil palm plantation area of PT Kayung Agro Lestari in Matan Hilir Utara Subdistrict, Ketapang District, West Kalimantan Province. This activity in collaboration with the Department of Soil Science and Land Resources Faculty of Agriculture, Bogor Agricultural Institute November 2009. Based on the documents of land survey and land suitability evaluation of the survey area of about 19,332 ha, it is known used for oil palm plantations around 12,852 ha with land suitability classes generally S3 (On Marginal). The peat land area of 6,480 hectares of land have compatibility N (not appropriate).

The company showed a peat map, with a scale of 1: 25,000 which explains the depth of the peat into non-peat, peat depth of 80 - 300 cm, 100 - 200 cm, 100 - 300 cm, 200 - 300 cm and 300 - 600 cm.

Minor 4.3.2

The company has the Soil and Water Conservation SOP which describes the slope criteria, policies in the area of the slope and slope area management means. The company has a policy for areas with a slope of > 40 % or above 23° are not allowed to be opened and planted. Management of sloping areas for example can be done by terracing concatenated or individual terrace. Based on the results of field observations on slope areas such as in block F47 Division 13 GST-2 Estate, it is known that planting on slopes has been made into terraces and planting legumes (*Mucuna brahcteata*). This is in accordance with SOP for Soil and Water Conservation (SOP-AGR-05).

Minor 4.3.3

The company shows the 2019 Heavy Equipment Program and Realization (Road Grader and Compactor) document updated to September 2019 explaining the plan and realization of road maintenance as follows :

No	Estate	Unit	Plan 2019			Realization until September 2019		
			CR	MR	Boundary	CR	MR	Boundary
1	GST-2	meter	66,517	19,178	2,300	67,320	21,030	11,910
2	Mitra	meter	66,416	19,138	7,360	43,570	7,580	4,510
3	SGT-2	meter	66,434	19,278	8,020	67,670	14,580	4,310

Major 4.3.4

The company has a SOP management in regulating land subsidence, which is listed in the *Pengelolaan Lahan Gambut* SOP document. Land subsidence is monitored using a peat subsidence rate gauge as found in block E53 Division 14 GST-2. The company has recorded / documented monitoring of land subsidence. For example, Mitra Estate shows the *Data Laju Subsiden Tanah Gambut 2019* document which is monitored every 6 months. For Mitra Estate there are 5 peat subsidence monitoring points, namely blocks A032, AA07, A028, A037 and AA053 with installation in April 2017. Based on this document, it is known that subsidence value per 6 months from October 2017 to April 2019, for example block A032 Division 7, measurements in October 2017 0.9 cm, April 2018 0.9 cm, October 2018 1.0 cm and April 2019 1.0 cm. So that the total decrease of 3.8 cm in 2 years.

The company has made efforts to reduce land subsidence by managing water availability properly, including by making drainage channels, sluice gates, permanent stop bunds and monitoring water levels below the surface with a piezometer. Based on the results of observations, piezometer monitoring points were found in the E53 Division 14 block and stop bund in block F53 GST-2 Estate with 40-50 cm overflow. However, it is known that the drought conditions are long so that water is not available.

OFI : Evaluation of monitoring of peat subsidence in GST-2.

Minor 4.3.5

Based on the results of the ha statement document review, it is known that the oldest planting year at PT KAL was in 2010, so that the oldest plant is currently 9 years old. The company does not yet have a replanting plan

Minor 4.3.6

The company has the SOP Marginal Land Management that explains the company's strategy in managing critical and problematic soil, for example in the sandy area of management carried by applying a mulch such as empty fruit bunch to enhance moisture and reduce the temperature of the soil surface. In addition, other strategies to plant and care for ground cover plants, dig a trench if found hardpan layer on the effective rooting.

Based on the results of field observations at GST-2 Estate and Mitra Estate, sandy areas were found that have been given the treatment of empty fruit bunch as additional fertilizer and improve soil structure, such as in block F41-42 GST-2 Estate. Mitra Estate show the *Realisasi Aplikasi Janjang Kosong Mitra Estate 2019* (until September 2019), which explains that 675.86 tons have been applied for 17.11 ha in Division 8 and 187.10 tons for 4.68 ha in Division 9. Dose used is 40 tons / ha in accordance with the internal memo from GM.

Status: Comply

4.4

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

4.4.1, 4.4.2

Identification of water source and water bodies are outlined in the maps of rivers, water bodies and wet areas, with a scale of 1: 40000. There are as many as 5 rivers that cross the company's HGU, namely: Satong Kiri River, Satong Kanan River, Satong

Laman River, Malaka River and Kepayang River.

The company has a SOP for managing riparian river document no: SOP-SSD-02, mentioned that the management of riparian are based on determination of river border, namely: width of water bodies > 20 m, water body > 10, and water body > 5. Springs with running water for at least 10 months are set at 200 meters around the spring as a buffer zone.

The company has manage and protect the border of the river, namely by compiling a program and implementing it in accordance with the specified program, as follows:

- Inventory of location and mapped according to river boundary size determination
- Marking river border by giving a red paint mark on the palm trunk
- Restoration of hydrological functions by planting and enriching vegetation
- Planting Vertiver, and leguminous plants (controlled) and inserting intermittent plants on riverbanks whose vegetation has been converted to oil palm plants
- To avoid pollution to the river border, oil palm maintenance are done manually (does not use chemicals) and organic fertilizer is not permitted.
- Dissemination to employees and the community around the area about the benefits and functions of the river border
- River water quality analysis twice a year
- Signboard maintenance and new signboard installment.

Based on field observations to riparian of Malaka River in SGT 1, it observed that the company has carried out management, there is no indication of disruption and spraying to the buffer zone. Until now (ST2) there is no replanting activity at PT KAL.

The company has conducted river water quality testing, for example it can be shown the results of semester 1 of 2019, conducted by Pontianak Baristand Lab, the quality standard refers to PP 82/2001 class II, and all parameters are below of the threshold.

4.4.3

CH has permit the utilization of POME for applied to land (Land Application) based on decree of Decree of Ketapang regent No.: 399/PERKIMLH-C/2017 dated July 25th, 2017 valid 5 years.

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory (LP=892-IDN). Based laboratory testing, it could be concluded that testing results period March 2019 to June 2019 were accordance with regulation of the environment minister Number. 28/2003. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there is no issues from stakeholders related to land application.

Base on field visit in land application area in SGT-2 estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially in in to the river that across the village.

4.4.4

Procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last period January to September 2019 average of water use for processing still below the determined budget (1.23 m³/ton FFB while budget is 1.5). Overall use of water under the budget of company.

Although the utilization permit has not yet been issued, the company has complied and obeyed the payment of surface water user fees as shown by evidence of the transfer from the company through Mandiri Bank on August 28, 2019 for APU (*Air Permukaan Umum*) in 2019 and the April-June 2019 period. The bill paid has been in accordance with the PAP (*Pajak Air Permukaan*) bill issued by the UPTD Ketapang Regional Financial Management and Revenue Agency on July 16, 2019.

Status: Comply

4.5

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

Major 4.5.1

The company has the SOP Integrated Pest Management which describes activities related early warning system (detection and census), the location of the point of the census, the number of point of view of census, observation, control procedures and types of pests that are identified. The company conducting detection by receiving reports from workers then carried out a census to determine the level of actual attacks through the sampling results. If the census showed the attack was above the threshold then the company will implement control. Based on interviews with management, census workers and document review, it is known that the potential pests in GST-2 are mice, horn beetles and nettle caterpillars.

For example, Mitra Estate shows *Monitoring Laporan Sensus Hama & Penyakit Estate Mitra* document. Based on this document, it was found that there were rat attacks that exceeded the threshold, for example in the results of the census dated March 14, 2019 in block F16 Division 8 which was 6.23 %. The company shows the recorded control listed in the *Monitoring Aplikasi Racumin Estate Mitra* document, for block F16 Division 8 on May 4, 2019 (rotation 1) and May 12, 2019 (rotation 2) up to < 5%.

Based on interviews with management regarding biological control of rat pests, the company has implemented controls using natural enemies namely the owl (*Tyto alba*) since March 2019. Four owl cages have been installed, such as in F44 and D44 blocks, but the current conditions this has not been seen active.

Minor 4.5.2

Based on the results of interviews with census and pest control officers at GST-2, it is known that the workers have received training on census and control by the Research Department. Officers can explain census methods and pest control, such as the census and *Oryctes rhinoceros* control. *Oryctes rhinoceros* pest control can be done manually by picking pupae or by chemical methods using Marshall pesticides.

The company shows records / documentation of Integrated Pest Management training activities, including Palm Oil Integrated Pest Management Training and Pesticide Product Introduction and Safety Training on 5 - 6 September 2019 by the Head of R&D and BAYER Vendors.

Status: Comply

4.6

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

Major 4.6.1

The policy and justification in the use of pesticides described in company's SOPs, there are as many as 8 SOP that explains it. For example, the SOP Weed Control describes the products used for control of pests, weeds and diseases should be done selectively and specifically in accordance with the target.

The company shows the *Daftar Bahan Kimia* (LD50) document) update until 30 September 2019, which explains that there are 15 herbicides and pesticides used by the company, complete with trademark information, active ingredients, registration permit number, validity period of distribution permit and justification for use.

For example, the trademark Amiphosate 480 SL, the active ingredient Glyphosate Isopropylamine 480g / l, RI registration license number 01030120041949, validity of distribution permit 3 September 2023 and justification for use for systemic post-emergence herbicides.

Based on the results of the visit on chemical weed control in the circle, path dan fruit collecting point in GST-2 Estate block E42 Division 13, known the herbicide that used is Amiphosate (active ingredient glyphosate) and Ally (active ingredient metsulfuron methyl). This is in accordance with the SOP owned.

Major 4.6.2

The company has been recorded in the use of pesticides, describing in the document of "Use of Active Pesticide ingredients per hectare and per ton of FFB", which explains usage per month, application area, Tons of FFB, trademarks, amount of use, number

of active ingredients, active ingredients per hectare and active ingredients per ton of FFB and LD50. For example, the use of September 2019, application area 12,181.58 ha, production 18,790.19 tons of FFB, trademark Amiphosate 480 g / l, total used 495 liters, total active ingredients 237.6 liters, active ingredients per hectare 0.0195 liters / ha and active ingredients per ton of FFB 0.032997 liters / ton FFB, LD 50 Acute oral > 5000, acute inhalation > 2.6 mg / l, acute dermal > 5000.

OFI : Monitoring the use of herbicides and their herbicidal packaging for contractor activities.

Major 4.6.3

The company made an effort to minimize the use of pesticides such as by performing integrated pests and diseases control such as not doing preventive pesticide application and implementing the early warning systems, and the company also implemented biological pest control such as beneficial plant development.

Based on the field visit at GST-2 Estate, SGT-2 Estate and Mitra Estate, known that the company has biological control such as planting of beneficial plant *Turnera subulata* and *Cassia cobanensis*. There is no prophylactic use of pesticide conducted by PT KAL. The use of pesticides for pest control is based on detection and census results that exceed threshold values. For the use of herbicides there is a rotation system in the use of herbicides.

Minor 4.6.4

The company has a complete list of pesticides used, has been informed category 1A and 1B WHO class and paraquat. Based on document verification and observation to pesticides storage known that PT KAL is not using paraquat. The company has a record of the use of paraquat for 2014 - 2019, informed that the use of paraquat in 2019 no longer exists.

Based on the results of physical verification in the chemical warehouse in accordance with the inventory record / stock and no paraquat was found. However, there is still the use of active ingredient *Coumatetralyl* which belongs to the WHO 1B category.

The use of the active ingredient (*Coumatetralyl*) is based on the results of the census that has exceeded the company-determined threshold value, which is > 5% for blocks without owl box and > 10% for blocks with owl applications.

For example, Mitra Estate shows the Pest & Disease Census Monitoring Document report. Based on this document, it was found that there were attacks that exceeded the threshold, for example in the results of the census dated March 14, 2019 in the block F16 Division 8 which was 6.23%. The certificate holder shows the records of its controls listed in the Racumin Mitra Estate Application Monitoring document, for block F16 Division 8 on May 4, 2019 (rotation 1) and May 12, 2019 (rotation 2) up to <5%.

Based on interviews with management regarding biological control of rat pests, the certificate holder has implemented controls using natural enemies namely the owl (*Tyto alba*) since March 2019. Four owl cages have been installed, such as in F44 and D44 blocks, but the current conditions this has not been seen active. We cannot get concrete data related to reduction data because it was only installed in March 2019.

Major 4.6.5, Minor 4.6.7 & Minor 4.6.9

The company has a SOP for Chemical Safety Guidelines, which among others explains how to use pesticides safely. The company also shows records / documentation of training activities, for example training on introduction of pesticide products and safety training on 5 - 6 September 2019.

Based on field observations and interviews with herbicide applicator in GST-2, it is known that all of the workers have participated in training and can explain their work, for example related to no-spray area, spray width, no-wind resistance, using the appropriate PPE and company policies related to the ban Pregnant and nursing workers dealing with chemicals.

In addition, workers involved in the handling or application of pesticides interviewed were also able to demonstrate an understanding of the hazards and risks associated with the chemicals used. Pesticides are also applied in accordance with the label on the product, such as selecting the appropriate PPE. Based on the results of field visits both in the central warehouse or specifically the chemical / fertilizer warehouse, it is known that MSDS has been installed according to the type of material / trademark. The application of MSDS includes the provision of PPE in accordance with MSDS.

Appropriate security and equipment applications are also available and used. Based on the results of field observations and interviews with herbicide applicators, it is known that the safety of work equipment has been maintained and there are no leaks. Every time there is an herbicide application activity, the collection road application entrance block will be given a warning / a sign

that there is / has just been spraying. The foreman who has a First Aid (P3K) license is equipped with a First Aid P3K box. Based on interviews with the herbicide applicator at GST-2 Estate, it was found that the company had provided a place to clean themselves, clean work equipment and clean personal protective equipment and storage of personal protective equipment. In addition, the foreman also explained that mixing of herbicides was not carried out in the field, but in the storage of herbicides.

Based on the results of field observations in block E42 Division 14 GST-2 in the application of herbicides, it is known that PPE is provided in the form of face shields, masks, aprons, rubber gloves and boots. Based on recognition from herbicide and fertilizer applicators, it is known that PPE can be exchanged if it is damaged due to work.

The herbicide applicator also states that the company has provided PPE storage and washing facilities as well as bathing areas for workers. Management checks workers regarding the proper use of PPE which is usually done at the morning briefing before leaving for the field. The examination is carried out related to the completeness and condition of PPE in accordance with the specified risk analysis.

Major 4.6.6

The company has a mechanism / SOP for handling pesticide waste, document number SOP-AGR-18, the contents of which include the classification of pesticides (based on targets, ways of working, origin and chemical properties and reactions), correct use of pesticides and storage of pesticides. In addition, there is also a SOP for Hazardous Waste Management which explains that used pesticide packaging may not be used to collect water, use for trash bins and flower pots.

Based on field observations, it is known that all pesticide packaging containers produced by the company have been well managed. The results of observations at the hazardous waste polling station found that the storage of used pesticide packaging was stored well and recorded in the hazardous waste monitoring logbook. The used containers are placed in hazardous waste temporary warehouse and then handed over to licensed hazardous waste collectors and transporters.

In addition, the results of the field visit at the washing place of the spray equipment have been equipped with traps to collect the former washing pesticides for later application to the plants. No use of used pesticide packaging was used for other purposes such as trash cans, flower pots.

Major 4.6.8

Based on the results of the document review, interviews with workers and field observations, it is known that pesticides are not applied from the air.

4.6.10

The company has a procedure related to the management of pesticide waste in the Hazardous Waste Management procedure (SOP-EHS-009) which is valid on April 10, 2018. The procedure explains that pesticide packaging made from cans or plastics must be cleaned and collected in a special place of each estate and then sent to the polling station in the central workshop. In addition, the company has a policy in Internal Memo regarding Hazardous Waste Delivery Mechanism (No. : 30 / GMO / KAL / IM / X / 2019) which is valid on 16 October 2019.

Interview with spraying team on GST-2 estate shown that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on Central Workshop Transport found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

Major 4.6.11

The company has conducted medical examinations periodically such as examination of physical health, cholinesterase and spirometry against employees who use pesticides. This is indicated by the results of the medical check-up of employees at PT KAL conducted in November 2018. Based on the document review of the examination results, it is known that physical and laboratory examinations have been carried out for workers dealing with chemicals such as sprayers and fertilizers. For example, based on the results of employee examinations at GST-1 to 82 employees (applicators of herbicides and fertilizers), it was found that all were declared normal. Likewise, the results of the examinations of SGT-2 employees for 72 employees (applicators of herbicides and fertilizers), stated that all were normal.

Based on the results of interviews with the herbicide applicator and fertilizer in GST-2, it is known that health checks have been carried out routinely every year for special examinations in the form of cholinesterase and spirometry examinations. The last inspection was carried out in 2018 and for the 2019 examination planned in November 2019. Workers stated there were no complaints of health problems such as allergies, nausea, vomiting, diarrhea and so on due to the work of herbicide application.

Major 4.6.12

The company has determined that pregnant and breast-feeding women are not allowed to work related to pesticides. The company has a system to identify the sprayers who are pregnant and breast-feeding, describing in the general manager's internal memo dated 8 September 2016. Inspection of sprayer (women workers) conducted regularly every month to ensure the employs is not pregnant and/or breast-feeding.

Based on interviews with the foreman and the herbicide applicator in GST-2, it is known that the mechanism of pregnancy check that is applicable, i.e. every month the foreman will ask the female workers. If there are workers who declare pregnant, it will be recommended for further checks to the clinic. Then if it is stated positive, then a work transfer letter will be made to work that is not related to chemicals. At the time of the interview, there were no female workers who were pregnant or breastfeeding.

Status: Comply

4.7

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

Major 4.7.1

The company shows the OHS Policy, which was ratified on October 17, 2017 by the President Director, which includes preventing and suppressing work accidents and occupational diseases as much as possible by conducting communication, consultation and training to employees and all interested parties to be aware of their obligations, expectations and OHS requirements. Based on the results of field observations and interviews with workers, it is known that workers know and understand the policy for example related to the obligation to use PPE.

The company has a OHS program for the 2019 period such as Guiding Committee Of Occupational Safety & Health monthly meetings, safety training for all employees and periodic employee health checks. Evidence of the implementation of the OHS program based on the results of the document review and interviews during field observations is known that PPE checks, fire extinguisher inspections, health checks and Guiding Committee Of Occupational Safety & Health monthly meetings have been carried out.

The effectiveness of the occupational health and safety plan is monitored by the EHS team, company doctors and unit managers, for example related to periodic health checks that are also carried out by company doctors. The company doctor will recommend transferring work to another job if there is a decrease / increase in health conditions. Action plans if targets are not achieved are discussed at the Guiding Committee Of Occupational Safety & Health monthly meeting. Based on the results of interviews with workers in the mill, for example at the sterilizer station, it is known that regular health checks have been carried out. For sterilizer station workers, routine audiometry and spirometry checks are performed. He explained that there were no health complaints.

Major 4.7.2

The company show document of Hazard Identification and Risk Analysis (HIRA) for a period of 2019. It has been covering all operational activities of mill and plantation. Compiled by the company by identifying the potential hazards and potential risks, and then continued to assess the level of risk and risk control performed until the risk can be tolerated. If an accident occurs in the field, it will be a consideration in the risk control to prevent accidents in the future.

Based on the result of document review of Hazard Identification and Risk Control Procedure No. SOP-EHS-019, known in identifying hazards, considers the accident occurring in the field to determine risk assessment and risk control. The company has also implemented prevention measures referring to product labels, as seen during field observations in chemical warehouses and toxic mixing sites where MSDS is placed as a guide in chemical handling.

Based on interviews with spraying workers it is also known that the foreman in the field understands the procedures in case of work accidents as well as instructions in the MSDS each product has been applied to the employees.

Major 4.7.3

Based on the results of interviews with workers both at GST-2, Mitra Estate and SGT-2, it is known that all workers have received safe work practices training. For example, the following safe documented practical training:

- PPE training, on January 8, 2019, for Division 10 employees (foreman, clerk, harvest employees, upkeep) attended by 81 employees with material on the importance of using PPE in accordance with the work.
- Training for upkeep employees Division 12 on 28 February 2019 with participants being spraying employees and Foreman Division 12 with material related to the dangers of using pesticides while working and the importance of using PPE.

The company has determined the provision of PPE mechanism in the Internal memo of General Manager No. 036/GMO/KAL/IM/IX/2016 dated 8 September 2016. Stated that in case of damage caused by the use of PPE are then reimbursed by the company.

Based on the results of field observations in block E42 Division 14 GST-2 in the application of herbicides, it is known that PPE is provided in the form of face shields, masks, aprons, rubber gloves and boots. Based on recognition from herbicide and fertilizer applicators, it is known that PPE can be exchanged if it is damaged due to work.

Based on interviews with workers at the PT KAL mill, it is known that PPE is given free of charge and can be replaced if damaged by work. The company has also provided PPE reserves. This was also stated by spray workers and fertilizers at GST-2 Estate. The company does the organization store PPE distribution lists, for example Minutes of PPE handover on 1 February 2019 in the form of safety shoes to the helper boiler through the EHS officer.

OFI : Ensure socialization regarding granting and replacing PPE to workers

Major 4.7.4

The company has established an organization that responsible for safety which has been approved by *Kepala Unit Pelaksana Teknis* (UPT) District of Ketapang through decree No. 74 on 19 December 2018. The Secretary has been approved as General Safety Expert. The organization conducted regular meeting in monthly basic, for the example shown minute of meeting on 13 April 2019 was attended by 22 members, the discussion related the creation of a portal in employee housing so that no Dump Truck would enter the housing area for the safety of children and raids on the use of hazardous waste material.

Minor 4.7.5

The company has procedures related to work accidents and emergencies, including documents SOP for Land Fire Control No. SOP-EHS-005, SOP Emergency No. SOP-EHS-015, SOP Reporting on work accidents No. SOP-EHS-020 and SOP Emergency Response Team No. SOP-EHS-026. The company also investigates in the event of a work accident and takes corrective measures as a basis for preventing the same thing from happening again.

Based on the results of field observations, it is known that there were several locations that were burned. For example, based on the results of field observations in block D46 Division 13 GST-2, it is known that before a fire occurs the company has provided fire prevention facilities such as reservoirs and firebreaks. The company has also provided emergency response personnel who are always ready to anticipate fire incidents. Based on the results of field observations to Bukit Kelampau Tunggal block F47 Division 13 GST-2, it is known that there is an emergency handling team conducting patrol / monitoring hotspots.

The company shows the documentation of the Muster III on March 25, 2019 which is in the parking the GMO building with the ceremonial leader Sr. Mill Manager and the EHS Officer with participants being all managers, department heads, GMO employees, security and the Fire Fighter Team.

The company has provided fire-fighting facilities and infrastructure referring to Regulation of the Minister of Agriculture number 5 of 2018. The company also shows plans to fulfill the targeted facilities in accordance with the regulations planned for 2019 - until 2022. The company has also provided First Aid facilities provided in buildings and First Aid bags to workers who have attended First Aid training and have a First Aid license.

Minor 4.7.6

The company has a policy listed in the Company Regulations that still applies, where the provisions explain that the company includes every worker / laborer in the Workers' Social Security program, covering work accident insurance, old age insurance, life insurance and pension insurance.

Based on interviews with spray and fertilizer workers at GST-2 and workers at the PT KAL Palm Oil process station, it is known that all workers have been registered with the BPJS Employment and BPJS Health programs. The company can show proof of payment of BPJS Employment and BPJS Health for the period March to September 2019. For example the document Details of BPJS Employment Mill Payment in March 2019 for 71 employees. Proof of payment through BPJS Employment Mill e-payment payment with contribution code 190402277978 on April 11, 2019. All BPJS Employment proof of payment for estate and mill workers is in accordance with the number of employees.

Minor 4.7.7

The company has monitored work accidents and lost time accident analysis for the last 12 months, namely the period October 2018 - September 2019, which clearly explained there were 4 accidents with details of 2 categories of lost time accidents, 2 first aid and 2 medical aid. During the last 12 months there were no accidents that caused missing days and only accidents with mild categories and first aid handling. Missing day here means one day when the incident occurred, then workers were immediately rested on that day.

Status: Comply

4.8

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

Major 4.8.1 and minor 4.8.2.

Company showed employee training programs for the 2019 period such as:

- Estate : Training of harvesting, Spaying, Fertilizing, IPM Training, grading, socialization related to company policy, prosedures etc.
- Mill : Training/Socialization of Boiler operational training, Power house training, Kernel operational training, FFB Grading training, Water treatment training, Operational Effluent Training, Treacebility & Mass balance training, etc.

Company has a record of all training stored in each unit and documented by the SPO Officer

Examples of training / socialization recordings are as follows:

- Records of OHS policy socialization / training and OHS targets for factory employees on 13 July 2019 attended by 14 participants.
- Record of OHS and PPE policy socialization / training for Division 2 employees (SGT01) on 27 June 2019
- Records of socialization / training on MSDS and Chemical Handling for mill employees on 25 April 2019 attended by 13 participants.
- Records of OHS policy socialization / training, prohibition on the use of child labor for foremen on January 23, 2019, attended by 9 participants.
- Record of the harvest training on 28 September 2019 was attended by 25 participants.
- Record of spraying training on 29 September 2019 was attended by 12 participants.
- Fertilization training record on September 26, 2019 was attended by 11 participants.

The results of interviews with labor unions and workers, said that the company had provided training / socialization regarding the duties and responsibilities of workers. Based on interviews with contractor, known that company also has provide socialization related to occupational health and safety, for example the use of PPE and work intruction.

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

Company has an AMDAL document consisting of the Environmental Impact Analysis Main Report (ANDAL), Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL).

The document was compiled in collaboration with PT Edutama Jasindo as an AMDAL Drafting Consultant, carried out in 2010

and was approved by the Governor of West Kalimantan through Governor Decree No. 123 / BLHD / 2010 dated March 1, 2010 concerning Environmental Feasibility of Plantation Activities (Area: \pm 18,754.9 Ha) and Palm Oil Processing Plant (Mill Capacity: 85 Tons of FFB / Hour) by PT Kayung Agro Lestari in the District of Matan Hilir Utara, Regency of Ketapang, West Kalimantan Province.

The scope of the EIA study refers to the location permit issued by the Regent of Ketapang through the Regent's Decree No. 400 of 2007 which has obtained the release of Forest Areas from the Ministry of Forestry in accordance with the Decree. 634 / Menhut-II / 2009 concerning the release of a portion of the convertible production forest area (HPK) covering an area of 17,986.90 hectares located in the Tulak River forest group, Matan Hilir Utara District, Ketapang Regency, West Kalimantan Province for the cultivation of oil palm plantations for the name of PT Kayung Agro Lestari.

In the Environmental Management and Monitoring Matrix there are 5 types of Significant Impacts that must be managed and monitored, namely Potential Land Fire Hazards, Decreased River Water Quality, Protected Vegetation and Wildlife, Increased social unrest and Increased employment opportunities and community income. In the process of preparing the AMDAL Document, it has involved the parties through a public exposure process that involved relevant stakeholders.

5.1.2 & 5.1.3

The certificate holder shows the environmental management plan documents to prevent negative impacts such as:

- Ambient Air Quality, Noise, Odor & Vibration
- River Water Quality: Siduk River, Satong Kiri River, Satong Kanan River, Kepayang Hulu River, Kepayang Tengah River, and Kepayang Hilir River.
- Land Application Activities
- Water and Soil Conservation
- Potential Land Fire
- Disruption of Flora and Fauna
- Public unrest
- Public health

All that indicators listed in the Environmental Management Plan / Environmental Monitoring Plan Implementation Report. The Environmental Management Plan / Environmental Monitoring Plan Implementation Report is routinely reported every semester to the Environment Department of Ketapang District, such as Environmental Management Plan / Environmental Monitoring Plan Implementation Report of Semester I 2019 PT KAL Environment Agency September 27, 2019.

Based on the document of Environmental Management Plan / Environmental Monitoring Plan Report of Semester I 2019, monitoring procedures have been incorporated in the plan. Implementation of environmental management & monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 1 of 2019 known there isn't negative impact caused by CH.

Status: Comply

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

The tracking and identification of the HCV presence in the area of PT Kayung Agro Lestari has been conducted by the IPB-Faculty of Forestry in 2013, the team are consist of the approved RSPO HCV Assessor. During the preparation of HCV Identification report, the obligation of HCV assessor License Scheme (ALS) was not yet applicable, which entered into force in January 2015. Preparation of documents HCV done with reference to the Guide Identification of High Conservation Values in Indonesia Version 2 of 2008 issued by Konsorsium HCV Revised Toolkit Indonesia.

The company showed evidence of peer review of the Trace and Identification report on the presence of HCV by Jarwadi Budi Hernowo who already has an ALS license and based on the results of the peer review identification it was found that the HCV identification and analysis documents, the HCV management and monitoring plan at PT KAL were adequate and approved.

The scope identification of HCV covers the entire comprehensive PT KAL Location Permit amounted to 18,800 hectares. Based on the document Identification of HCV is known that in the area of PT Kayung Agro Lestari indicate that areas identified HCV is HCV 1 (HCV 1.2 and 1.2), HCV 3, 4 HCV (HCV 4.1 and 4.2) and HCV 6. The area is identified to be high conservation value area is 3,844.53 ha.

5.2.2, 5.2.3, 5.2.4

Based on the HCV report, there are 9 (nine) types of vegetation that are protected under PP no 7 of 1999 and the CITES list, namely: *Nepenthes* sp (6 species), *Hopea pachycarpa*, *Gonystylus bancanus*, and *Eusideroxylon zwageri*. Protected wildlife under PP No. 7 of 1999 based on the identification documents consisting of 3 mammals (*Cervus unicolor*, *Hylobates agilis*, *Pongo pygmaeus wurmbii*) and 18 species of birds (for example: *Anthreptes malacensis*, *Rhipudura javanica*, *Arachnotthera longirosta*, *Alcedo meninting*, *Anthraceroceros malayanus*).

The management of HCV area and RTE carried out by the company, explained in the document of management report of high conservation value areas for the 2019 period. A review of the plan and program was submitted to the report and the results of the review became feedback on the preparation of the program the following year. The program including:

- Patrol and monitoring of the HCV area by the PT KAL conservation task force, for example a patrol conducted in August 2019 - no potential threat of damage to the HCV area was found
- Phenological survey conducted every month in HCV 2330 Ha area (orangutan habitat eligibility)
- Maintenance of signboards to as many as 6 HCV signboards and installation of 2 new HCV signboards in HCV 2330 Ha
- Monitoring and planting the Kepayang River and Satong Kiri border
- Repair bridges and jungle tracks (The company has built a wildlife corridor that connects the company's HCV area to the village forest and TNGP with a width of 40 meters)
- Implementation of ANJ climbers data collection in August 2019 totaling 135 forms
- Installation of camera traps, in April at HCV 657 block A11
- Socialization to employees and the community, for example in Div 2 SGT 1 on 20 June 2019 and in Div 15 GST 2 on 20 April 2019
- Training on installing camera traps and monitoring of orangutans in the Essential Ecosystems (KEE), the training report can be shown on 8 August 2019 as many as 4 participants.
- The company has conducted an orangutan population survey in collaboration with YIARI in July 2019, the report of the activity was seen during the audit.
- Cooperating with third parties in the management of HCV and RTE (YIARI, BKSDA and TNGP).
- Based in field observation, sighted that there is no threat and disturbance to the company's HCV area, it is found that there is garbage disposal around the HCV of Bukit Duri, related to this the company needs to improve the patrol activity. **OFI**

In addition the company has conducted socialization related to the prohibition of catching catching, hurting, collecting or killing species through the installation of pamphlets and signboards at HCV locations.

Based on field observations on employee housing, no employees were found to catch, harm, collect or kill endangered and protected species. Interviews with employees known that they are aware regarding to the company policies, and routine patrols to housing are carried out by HCV staff

5.2.5

There are areas that were originally identified as HCV areas but were not granted HGU permits (overlapped) including overlapping mining permits, for example Conservation Area II covering 2,330.88 Ha and Laman Rindu Tomb.

At present, the area of 2,330.88 Ha has been designated as a KKE area, which has been agreed by various parties. Can be shown the Decree of the Governor of West Kalimantan No. 718 / DISHUT / 2017 regarding the determination of the Essential Ecosystem Area (KKE) in Kayong Utara Regency and Ketapang Regency, West Kalimantan Province. The Decree was set on November 17, 2017. The 1: 100000 scale map was attached, issued by the Governor of West Kalimantan. The decree was jointly signed by the Forestry Service, PT KAL's Sustainability Director, and the Sustainability Trade Initiative.

The company can show the minutes of agreement with the management of Laman Randu sacred grave area on 12 April 2016 in

the core zone area of 100 Ha.

Status: Comply

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1

All waste (including hazardous waste) and pollutions sources from mill and estate are identified and recorded on waste identification list such as effluent are managed at waste water treatment plant before it distributed to land application bed, hazardous waste were kept at hazardous waste storehouse, etc.

5.3.2

The company has a SOP regarding the management of Hazardous Waste No. Document SOP-EHS-009 edition 02 revision 01 on April 10, 2018. The procedure aims to handle hazardous waste in the form of used oil, used batteries and packaging waste in accordance with applicable regulations.

The procedure explains that hazardous waste must be collected in a special place in each estate (the shelf life is stipulated in the Internal Memo Regarding LB3 Delivery Mechanism No.: 30 / GMO / KAL / IM / X / 2019) and then sent to the Hazardous Waste Temporary Storage at Central Workshop.

Based on the results of field observations Hazardous Waste Temporary Storage in the central workshop has functioned as a hazardous waste repository, and supporting facilities and infrastructure are available.

From the results of interviews with Hazardous Waste Storage personnel in the hazardous waste storage warehouse, workers were able to explain and demonstrate hazardous waste management, starting from receiving, storing, labeling to shipping accordance with waste management plan

However, Hazardous Waste Temporary Storage at the Central Workshop does not yet have licensed from the relevant agencies. (becomes a non-conformities in indicator 2.1.1)

5.3.3

Company has waste management procedure on Waste Management Plan Procedure (SOP-EHS-008 Revision 01) dated April 10, 2018. This procedure aims to make efforts to reduce, reuse and control based on applicable regulations and the latest application that is environmentally friendly. The document also explains all domestic waste will be disposed of at the final disposal site (landfill).

Based on field visits in emplacement, mill and estate, known that waste is not burned. There has been a board ban on burning in the area. Implementation of waste has been accordance with waste management plan.

Status: Comply

5.4

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

The company has an energy policy issued by the President Director of PT Austindo Nusantara Jaya Agri on April 1, 2014 and has implemented efficient use of Fossil Fuels such as;

- Utilization of Shells and Fiber for Boiller fuels.
- Performing calibration for vehicles used in operational activities.
- The Company carries out routine maintenance of the Machines and Vehicles used for operations.
- The company limits the use of electricity in employee housing such as electricity flow policy for employee housing at 17.00 - 23.00 at night use and 04.00 - 06.00 for morning use on weekdays. Whereas on holidays the use of electricity during the day is at 07.00 - 14.00 while at night the same as working days.
- Limitation of electricity usage burden for each household in Employee Housing by installing MCB (Miniature Circuit Breaker) per door 2 Amp.

In addition, realization of renewable energy have been monitored every day and documented on monthly report for fiber and shell

usage. During January – September 2019, fossil fuel usage energy efficiency were 0.032 Litre/MT CPO.

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.

Company conducts land clearing or rejuvenation without burning in accordance with SOP AGR 01 concerning Land Clearing with Zero Burning.

In order to anticipate the threat of fire in the company's operational area, the company has an inventory of fire extinguishing facilities that has referred to government regulations in Minister of Agriculture Regulation No.5 of 2018.

Based on field observation, there's a land fire accident on company operational area. The company has shown evidence of chronological records of fire arising from outside the company area until the extinction process. From field observations the company suffered losses due to thousands of dead palm trees but no casualties. This incident has been reported to the Ministry of Environment and has been further investigated by the authorities (related agencies).

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

Mitigation measurements and plan to reduce waste, pollution, and emission including c from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification document. 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.

5.6.3

Monitoring for GHG emission and pollutants from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. First Semester of 2019 testing result indicates all parameters related to emission are still comply with standard quality. Calculation of GHG and its monitoring has conducted by company using RSPO palm GHG calculator v 3.0.1. Summary of GHG emission for PT KAL mill are listed as follows:

Summary of Net GHG Emissions (January – December 2018)

Emissions per Product	tCO ₂ e/t Product
CPO	13.72
PK	13.72

Production	ton/year
FFB processed	197732.022
CPO produced	44799.763

Land Use	Ha
OP planted area	9511.56
OP planted on peat	6230.094
Conservation	3630.86

Extraction	%
OER	22.66
KER	3.11

Summary of Field Emissions and Sinks

Description	Own Crop	Group	3 rd party	Total
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	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Emissions									
Land Conversion	146552.9	15.41	1.1	-	-	-	-	-	-
*CO ₂ Emissions from Fertilizer	4391.05	0.46	0.03	-	-	-	-	-	-
**N ₂ O Emissions	53163.72	5.59	0.4	-	-	-	-	-	-
Fuel Consumption	259.72	0.03	0	-	-	-	-	-	-
Peat Oxidation	340163.46	35.76	2.56	-	-	-	-	-	-
Sinks									
Crop Sequestration	-089044.69	-9.36	-0.67	-	-	-	-	-	-
Conservation Sequestration	-33294.99	-3.5	-0.25	-	-	-	-	-	-
Total	4222191.17	44.39	3.18	-	-	-	-	-	-

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	38758.83	0.2
Fuel consumption	1686.12	0.01
Grid electricity	4510.36	0.02
Credits		
Export of grid electricity (housig)	-4510.36	-0.02
Sales of PKS	0	0
Sales of EFB	0	0
Total	40444.95	0.2

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

From the results of interviews with management, the officer concerned had understood and was able to demonstrate the filling of the GHG calculator.

Based on document verification shown that accurate data has been put into RSPO 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, 6.1.3

The company has conducted a Social Impact Assessment (SIA) in collaboration with the Faculty of Forestry of IPB in 2013. The time of conducting the field survey was conducted on October 19-26, 2013. Strategic issues obtained during the study are Tenure Issues, Environmental Issues, Socio-Economic Issues.

The study has outlined the positive and negative impacts caused by PT KAL's operations and the Social Management Plan in the surrounding Village as well as the Managing Social Management Plan. The involvement of the parties during assessment was carried out through the Focus Group Discussions (FGD) both with employees and surrounded communities and partnership farmers.

Based on interviews with village representatives, for example in Manjau (Laman Satong village) and Kuala Satong Village, stated that they had been involved in the SIA assessment.

PT KAL has compiled a social impact management program for the period of 2019, based on the results of the assessment report and the results of reviews involving various parties. The program has included an implementation schedule, related issues, status and PIC.

1. Management plan for external issues compiled by the CID Dept., there are 7 issues
2. The internal management plan is prepared by the HR Dept. in the PT KAL 2019 SIA matrix evaluation document
3. Management plans related to plasma issues are shown in the MP Plasma document for 2019, there are 10 programs.

The program preparation has been carried out by involving the affected parties, a questionnaire can be shown with the community, evidence of a coordination meeting with the management of the cooperative, and evidence of a bipartite meeting with employee representatives.

6.1.4, 6.1.5

A review of the SIA program has been carried out by the company, for the preparation of the 2019 program, a review has been conducted involving various parties on March 17, 2019 (external) and Jan 2019 (internal). Documentation of hearings with employees (trade unions) can be shown every month during 2018, where the results of the hearings serve as a reference for the preparation of plans for managing internal social impacts. The company needs to ensure that the participatory SIA program review involves representatives from all relevant parties. OFI

Based on interviews with village representatives, for example the Manjau (Laman Satong village) and Kuala Satong Village, stated that there were no issues raised that had not been managed by the company.

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.

Major 6.2.1, Minor 6.2.1 & Minor 6.2.3

Company has an SOP to respond to stakeholders contained in the SOP for communication and providing information with no. SOP-Leg-02 dated September 1, 2015. The SOP has explained that communication and providing information are divided into 2:

1. Communication and provision of internal information
2. Communication and provision of external information

The SOP regulates the officers who are responsible for communication and consultation, namely:

- External Relations Officer (Public Relation) is responsible for communicating and responding to issues from external parties both verbally and in writing.
- The Human Resources Officer is responsible for communicating / responding / forwarding to interested parties on employee issues.

Company has a logbook of incoming and outgoing letters for each unit. Based on the results of verification of the document, known that some incoming letters are proposals for assistance requests, and all incoming letters have been responded to by the company. While the period of giving the response is still in accordance with the SOP that is owned. Company also has a list of stakeholders consist of Head of village, Head of Sub Village, community figures, Regency Government, NGO, cooperation, etc.

Ensure the progress of proposed of Bina Satong Lestari Cooperative partner (OFI)

The results of interviews with the related agencies and Village Heads / Community figure were conveyed that the parties understood the communication mechanism. From the interview results it is also known that the officers who communicate with agencies and the public are public relations.

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.

Major 6.3.1, Major 6.3.2

The company has several mechanisms for handling complaints, including:

- Procedure for Handling Differences of Opinion with Communities and Land Ownership Disputes (Document No. SOP-EAD-01; Edition 01/00) dated August 1, 2013, which regulates the mechanism for grievances.
- Procedure of communication and providing information with document number SOP-Leg-02 effective date 1 September 2015.
- Worker's Grievance Mechanism contained in Internal Memo No. 034 / GMO / KAL / IM / IX / 2016 dated September 8, 2016. Based on this mechanism, it is explained that complaints can be conveyed to direct superiors or higher superiors or to HRD department.

The officers responsible for responding to complaints are as follows:

- The External Relations Officer (Public Relation) is responsible for communicating and responding to issues from external parties both verbally and in writing.
- The Human Resources Officer is responsible for communicating / responding / forwarding to interested parties on employee issues.
- Direct supervisors are responsible for receiving and responding to employee complaints. Complaints can also be raised through Labor Unions.

Policies related to the secrecy of whistleblowers are regulated in the SOP of Communication and Information Provision (Document No. SOP-Leg-02 dated September 1, 2015) point 6 which states that the Company guarantees the full confidentiality of the identity of the informer / Whistleblower convey Communication and Information to the company if requested. All internal communications with requests for information or complaints are contained in the Communication and Provision of Information logbook, and all incoming letters have been responded to by the company.

The results of interviews with employees and labor unions said, there was no complaint to the company until the audit conducted. Complaints that have been submitted are usually related to housing improvements, and are immediately responded and realized by the company. The results of interviews with village representatives such as Laman Satong Village and local contractors also known that there was no complaint to the company.

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.

6.4.1, 6.4.2, 6.4.3

There were no customary rights, and traditional rights within the company's HGU, the entire area is a forest area that has been released based on the Decree of the Minister of Forestry Number: SK.643 / Menhut-II / 2009 (October 13, 2009) concerning the Relinquishment of Part of Converted Production Forest Areas covering an area of 17,986.90 Ha located in the Tulak River Forest Group, Matan Hilir Utara District, Ketapang Regency, West Kalimantan Province for the Oil Palm Plantation Cultivation Business on behalf of PT Kayung Agro Lestari.

There was an area of community cultivation in the area proposed by the HGU at the time, the land acquisition process had been carried out by the company and completed in 2015. At the beginning of the plantation development, the Company had been

socializing to the surrounding community related to the plan to development of oil palm plantations, for example the socialization in Matan Hilir Utara and Sukadana, 19 September 2006.

The company has a procedure for land compensation as outlined in the Land Acquisition and Growth Procedure No. 021 / HR & GA / CP / Land Acquisition / 06-09, 1 June 2009. The procedure shows that in the process of compensating for land, it must go through the approval of the relevant land owner and involve relevant parties according to the type of land ownership.

The company has well documented the process of implementing land loss compensation, for example Letter of Agreement 3 of the Village Head in 2012.

Based on verification on the compensation documents, shows that the landowner has been represented through an institution or representative of their choice, the recipient of the compensation and the one who signed the agreement and statement was the land owner himself witnessed by Sub Village Head, Village Head, and Sub District Head. This is consistent with the results of interviews with community representatives / ex-landowners during public consultations.

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.

Major 6.5.1; Major 6.5.2

Minimum wage based on West Kalimantan Governor Regulation No.590/Disnakertrans/2018 concerning Regency Minimum Wages and sectoral minimum wages of Regency of Ketapang on 2019 dated November 14, 2018. Based on this decree, sectoral minimum wage for Ketapang Regency is IDR. 2,638,000. Based on document verification, field observation, interview with workers (manuring workers, spraying team, mill workers) there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation. Based on interview with harvesters, it is known that there is no force labor. If they've got the target, they will get the premium pay. And if they don't get the target and has been working for 7 working hours, they will get daily minimum wage. Interview with Labor Union and Manpower Agency, said that wages and overtime paid are in accordance with applicable regulations.

Company Regulation has been registered in Manpower Agency according to the Decree no. 176 of 2016 concerning Ratification of the Company Regulation of PT Kayung Agro Lestari, with the ratification number: 108 / PP / STKT-C / XI / 2016 on 3 November 2016, valid for two years since it was ratified by the Manpower Agency. This Company Regulation can be extended for a period of 1 year for the purpose of renewing the new Company Regulation and during that time period, the Company Regulation still valid.

The Company Regulation available in bahasa and explained the rights and obligations of employees, for example: Acceptance and Appointment of Workers, Probation Period, Working Period, Promotion, Wages, Allowances, Working Hours, Overtime Work, Leave and Holidays, BPJS Program, Complaints Settlement etc. Company has socialized the company regulation to the workers. Example record of giving Company Regulations to employees with the initial MH on May 3, 2017. Based on onterview with labor union and workers said that company regulation has been socialized by companies.

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Bahasa and workers are understood the substance of the contract. For example ; contract No. 137/PT.KAL/HR&CM/PKWT/VII/2019 dated July 27, 2019 and valid until July 31, 2020.

OFI

- Ensuring the progress of SBPP demands
- Ensure workers' completion / mediation progress

Minor 6.5.3.

Observations results to housing complex and interviews with workers, it was known that the company has provided adequate and well-functioning housing facilities. Source of clean water comes from artesian wells. Electricity comes from generators, school buses are also provided by companies to transport children of employees who attend school. The company also provides facilities

for worship, sports facilities and daycare for employees who work. In addition, the company also provides waste disposal sites for domestic waste management. For health services, the company provides clinics and doctor. From the results of field observations, it was known that the facilities and infrastructure provided for workers are still functioning properly.

The company also has a plan for the construction of housing facilities for workers until 2022. The results of interviews with workers, labor union and residents of housing revealed that the company has provided adequate facilities and infrastructure for workers. The interview also revealed that there were some workers who did not live in housing because they already had a private house.

Minor 6.5.4.

Based on the results of interviews with employees such as harvester, fertilizer and spraying employees, mill worker and residents of the housing are said that they have no difficulty in obtaining basic necessities and can buy from employee cooperatives at affordable prices. Besides basic needs can also be accessed in the nearest village and can be taken in about 30 minutes using a motorbike.

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.

Major 6.6.1 and Minor 6.6.2

The company has a policy of freedom of association for employees as outlined in the GM Internal Memo addressed to All Workers No. 094 / GM / KAL / IM dated November 11, 2014 which explains that the Company guarantees freedom of association for workers / employees within PT KAL with the condition that the union / organization does not conflict with applicable laws and regulations in Indonesia and PT KAL Company Regulations.

As a form of implementation of freedom of association, labor unions have been formed in the company. The labor unions in the company have been registered in the Manpower Agency, as follows:

- SBPP (*Serikat Buruh Patriot Pancasila*) : Labor Union registration accordance with Decree of the Head of the Manpower and Transmigration Office of Ketapang Regency No. 238 of 2018 dated December 10, 2018, with No. Registration 208 / OP-SBTP / PUK-SBPP-PT.KAL / DFT / 2018.
- SBSI (*Serikat Buruh Sejahtera Indonesia*) : Labor Union registration accordance with Decree of the Head of the Manpower and Transmigration Office of Ketapang Regency No. 102 of 2017 dated September 28, 2017, with No. Registration 168/OP-SWTP/FK-SBSI-PT.KAL/DFT/2017.
- SBSPK (*Serikat Buruh Solidaritas Pekerja Ketapang*) : Labor Union registration accordance with Decree of the Head of the Manpower and Transmigration Office of Ketapang Regency No. 65 of 2019 dated April 4, 2019, with No. Registration 217/OP-SBTP/PT.KAL/DFT/2019.

The results of interviews with labor unions and workers said that there was no prohibition on forming labor unions. The results of the interview also stated that there was no intervention in the appointment of representatives of labor unions. Labor union representatives were appointed by workers based on the results of the deliberation.

Company showed several recordings of meetings between labor unions, company and workers, such as:

- Report of implementation of PT KAL's Bipartite Cooperation Institute activities through letter No.02 / HR & MC / KAL / EM / IX / 2018 on September 21, 2018 to the Manpower and Transmigration Agency of Ketapang Regency. This letter explains the activities of the Bipartite Cooperation Institute from the period of January to June 2018.
- A meeting on March 2019 that was attended by 30 members of the Bipartite Cooperation Institute.
- Report of the Bipartite Cooperation Institution that was submitted to the Head of the Department of Manpower and Transmigration of the District of Ketapang and was received by the agency on May 9, 2019.
- Records of the meeting between the company and the SBPP on May 13, 2019 which were attended by representatives of Management and Labor Unions

Status: Comply

6.7
Children are not employed or exploited.
Major 6.7.1

The company has a policy of working age requirements set in PT KAL's GM Internal Memo addressed to Manager, Staff & All Employees No. 08 / GM / KAL / III / 2013 dated March 4, 2013 states that "Based on article 68 of Law No. 13 of 2003 concerning manpower PT KAL is committed to comply with all applicable legal provisions prohibiting employers from employing children, ie under 18 years of age as mentioned in Article 1 paragraph 26 of Law No. 13 of 2013.

The results of verification of the labor list document, known that there are no workers under the age of 18 years. Likewise with field visits, no underage workers were found. Interviews with workers and labor union also stated that the minimum age limit for workers is 18 years. There are also warnings about the prohibition on the use of workers under 18 years of age which are displayed in the locations of plantation offices and housing complex.

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.
Major 6.8.1 & Major 6.8.2

Nondiscrimination policy contained on the policy of respect for human rights, human trafficking and forced labor set by the President Director on August 4, 2016. The policy confirms that company respect and protect human rights, ethical business practices, good corporate governance, creating a working environment safe and healthy, encourage diversity in various aspects, open equal opportunities to prospective workers, do not discriminate both workers or prospective workers, respect the uniqueness and wealth of talents and views of employees. In this policy the company is also committed to creating a work environment that is free of human trafficking and forced labor, avoiding involvement in the practice of human trafficking or forced labor in any form.

The results of interviews with workers and labor union were also conveyed that the company provided equal treatment to each worker and there were no issues related to discrimination against workers or the community in obtaining employment. The results of verification of the labor list document, known that workers come from various tribes.

The results of interviews with workers, Head of the Manjau Sub Village and Community figure of Kuala Satong said that the company had provided opportunities and equal treatment to the local community in obtaining employment. The company always informs if there are job openings. From the results of the interview, it was also conveyed that the majority of villagers worked in the company.

Company has kept the personal file of each worker. Based on interview with management and labor union, the recruitment is conducted based on the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company has provide the assessment documents, promotions and the employee appointments. For example :

- Promotion Decree No. 001/HRO/SM-KAL/VI/2019. Also attached are the results of the employee appraisal consisting of Work Results, Effort, and Attitude.
- Work Agreement No. 255/ANJA-KAL/HRO/SPK/VIII/2019. Company can show documentation of job applications completed with the results of the assessment and the results of the health examination.

Status: Comply

6.9
There is no harassment or abuse in the work place, and reproductive rights are protected.
Major 6.9.1, Major 6.9.2

The policy to prevent all forms of sexual harassment contained in Internal Memo No. 019 / GMO / KAL / IM / III / 2015 from GM on March 1, 2015 with contents such as:

- Provides protection to all employees and staff who are victims of sexual harassment
- Establish a sexual harassment prevention committee
- Give attention and facilitate to convey directly to the sexual problems committee if there are employees who experience it
- Counseling for women affected by violence

Based on interview with workers, gender committee and labor union, known that policy to prevent all forms of abuse and sexual harassment have been disseminated by company throughout gender committee. Every complaint related to women's issues is conveyed and resolved through a gender committee. Examples of gender committee socialization:

- Report on documentation of sexual harassment socialization on August 10, 2019. The company has shown photos of the socialization and attendance list
- Report on documentation of sexual harassment socialization on October 16, 2019 attended by 29 participants.

Ensure the socialization of the Gender Committee (OFI)

Based on the interviews with female workers in daycare, spraying workers and interviews with gender committee, explained that all of the female workers are obtained leave entitlement to give birth for three months (H2) and the right to rest for female workers who experienced menstruation for maximal 2 days (H1). The mechanism of giving H1 is done by first checking in the clinic. For example :

- Record of menstruation leave based on letter No. 148/SS/POLIKLINIK/KAL/VIII/2019 dated August 31, 2019.
- Record of birth leave at Semilar mill based on letter No. 017/HR&CM/KAL/IM/VII/2019 dated July 2, 2019.

Minor 6.9.3

The company has Worker's Grievance Mechanism contained in Internal Memo No. 034 / GMO / KAL / IM / IX / 2016 dated September 8, 2016. Based on this mechanism, it is explained that complaints can be conveyed to direct superiors or higher superiors or to HRD department. Policies related to the secrecy of whistleblowers are regulated in the SOP of Communication and Information Provision (Document No. SOP-Leg-02 dated September 1, 2015) point 6 which states that the Company guarantees the full confidentiality of the identity of the informer / Whistleblower convey Communication and Information to the company if requested.

Results of interview with labor unions and gender committees, known that company has special complaint mechanisms through gender committees. If there are complaints related to women's issues submitted through the board of the gender committee. Interviews with female workers are known they understand the specific complaint mechanism through the gender committee. Based on the interviews with the Gender Committee, during 2018/2019 there were no complaints related to the sexual harassment or violence to all employees.

	Status: Comply	
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6.10

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

The company has a price list for partner or scheme smallholder plantations that refers to the provisions of the agency in the Minutes of the Meeting Determination of the "K" index and Prices of Oil Palm FFB Palm Oil Production of West Kalimantan Planters Period I September 2019. Based on document review, there's no issues regarding to late payments or payments that are not in accordance with government regulations.

The company also has agreements with FFB sellers for suppliers outside of plasma / partners, for example:

- Sale and Purchase of Fresh Fruit Bunches (No.: 0454-B / COM / KAL / 2018) between PT KAL and CV Cahaya Sejati.
- Sale and Purchase of Fresh Fruit Bunches (No.: 0403 / COM / KAL / 2019) between PT KAL and CV Desy Cahaya Mandiri.

In that document, especially Article 5 explains the parties agree that the purchase price of second party FFB refers to the purchase price of FFB which is determined or informed on the basis of written notice (written letter, electronic letter or text message) from the first party (PT KAL). Notification of the determination or change of FFB prices will be given by the first party to the second party no later than one day before sending FFB by the second party.

Based on the results of interviews with the Ketapang District Plantation Office, it was found that there were no complaints regarding the payment of FFB prices for either scheme smallholder or third party suppliers. This is comply with the results of interviews, especially smallholders from Kuala Satong Village, Manjau Hamlet. Based on the description above, it can be concluded that the company has and determined the FFB price document.

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1

Certificate holder has contributed to local development in the CSR programmes. Observed evidences of contribution to local economic development through empowerment of local contractors, road maintenance, religious facilities maintenance, funding on national holidays and religious holidays activities, educational equipment, etc. Based on interviews with the village around the company, it is known that the preparation of the CSR programmes has been carried out based on a consultation process with the village. The CSR realization has been in accordance with the needs and aspirations of the community.

Based on public consultation result with surrounding villages, auditor observed that there are no significant objection arise by community against certificate holder's performance. Positive perception mostly found on contribution to local economic development through scheme smallholder development, infrastructure development, CSR, local contractors, and stimulant of economic activities.

6.11.2

PT KAL with the surrounding community has agreed to establish a partnership in the development of the Oil Palm Plantation Partnership Pattern represented by the Plantation Cooperative and set forth in the Partnership Agreement;

- Cooperation Agreement between PT KAL with the Bina Satong Lestari Plantation Cooperative, Kuala Satong Village, Matan Hilir Utara District, Ketapang Regency, West Kalimantan signed on August 19, 2014 by PT KAL Management Representatives and Bina Satong Lestari Cooperative Management.
- The Partnership Agreement between PT KAL and Laman Mayang Sentosa Plantation Cooperative, Laman Satong Village, Matan Hilir Utara District, Ketapang Regency, West Kalimantan, was signed on August 19, 2014 by PT KAL's Management Representative and Laman Mayang Sentosa Kopbun Management.

Status: Comply	
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6.12
No forms of forced or trafficked labour are used.
Major 6.12.1; Minor 6.12.2; Major 6.12.3

Based on review on the labor list document of PT KAL, known that there was no illegal worker. The entire workers have their position based on the signed work contract or appointment letter. Interview with labor union revealed that there is no force or illegal labor who work in company. Moreover, company does not hire illegal or force labor or contract substitution.

Based on field visit in factory and estate, there was no indication the use of illegal or forced labor. And based on the field visit, there is no indication the use of child labor and no harvesters accompanied by wife or children.

Status: Comply	
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6.13
Growers and millers respect human rights

The company has a policy of respect for human rights, human trafficking and forced labor set by the President Director on August 4, 2016. The policy confirms that the company respects and protects human rights, ethical business practices, good corporate governance, creates an environment safe and healthy work, encouraging diversity in various aspects, opening equal opportunities to prospective workers, not discriminating against workers or prospective workers, respecting the uniqueness and wealth of talents and views of employees.

In this policy the company is also committed to creating a work environment that is free of human trafficking and forced labor, avoiding involvement in the practice of human trafficking or forced labor in any form.

Based on interview with worker in estate, mill and local contractor, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation.

Status: Comply	
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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.

Major 7.1.1

All PT KAL's plantation were carried out through land clearing from June 2009 - November 2013 and initial planting began in April 2010. PT KAL has conducted New Planting Procedure (NPP) in 2014 and the NPP Notification was Up Loaded on the RSPO Secretariat website on March 29, 2014 and there were no complaints until 29 April 2014 so that the plantation development process can be continued.

Environment Impact Assessment

Company has an AMDAL document consisting of the Environmental Impact Analysis Main Report (AMDAL), Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The document was compiled in collaboration with PT Edutama Jasindo as an AMDAL Drafting Consultant, carried out in 2010 and was approved by the Governor of West Kalimantan through Governor Decree No. 123 / BLHD / 2010 dated March 1, 2010 concerning Environmental Feasibility of Plantation Activities (Area: ± 18,754.9 Ha) and Palm Oil Processing Plant (Mill Capacity: 85 Tons of FFB / Hour) by PT Kayung Agro Lestari in the District of Matan Hilir Utara, Regency of Ketapang, West Kalimantan Province.

EIA is further explained in criterion 5.1

Social Impact Assessment

The company has conducted a Social Impact Assessment (SIA) in collaboration with the Faculty of Forestry of IPB in 2013. The time of conducting the field survey was conducted on October 19-26, 2013. The study has outlined the positive and negative impacts caused by PT KAL's operations and the Social Management Plan in the surrounding Village as well as the Managing Social Management Plan. The involvement of the parties during assessment was carried out through the Focus Group Discussions (FGD) both with employees and surrounded communities and partnership farmers.

SIA is further explained in criterion 6.1

Minor 7.1.2

The company has conducted an environmental and social impact assessment which has explained the negative impacts arising from the company's operations. The company has also carried out plans for managing and monitoring environmental and social impacts, such as:

- EIA : In the Environmental Management and Monitoring Matrix there are 5 types of Significant Impacts that must be managed and monitored, namely Potential Land Fire Hazards, Decreased River Water Quality, Protected Vegetation and Wildlife, Increased social unrest and Increased employment opportunities and community income. Implementation of environmental management & monitoring was described in RKL-RPL implementation report.
- SIA : PT KAL has compiled a social impact management program for the period of 2019, based on the results of the assessment report and the results of reviews involving various parties. The program has included an implementation schedule, related issues, status and PIC.

Minor 7.1.3

The company has involved plasma in the social impact assessment as described in indicator 6.1.5. The company has also realized the development of partnership estate with the surrounding community including cooperation with 3 villages namely Laman Satong, Kuala Satong and Kuala Tolak. In its management, the company has provided specialized HR to manage partnerships consisting of Managers, assistants and plasma foremen.

Status: Comply	
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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.

Major 7.2.1

The company has conducted a survey of soil and land suitability evaluation in prospective oil palm plantation area of PT Kayung Agro Lestari in Matan Hilir Utara Subdistrict, Ketapang District, West Kalimantan Province. This activity in collaboration with the Department of Soil Science and Land Resources Faculty of Agriculture, Bogor Agricultural Institute November 2009. Based on

the documents of land survey and land suitability evaluation of the survey area of about 19,332 ha, it is known used for oil palm plantations around 12,852 ha with land suitability classes generally S3 (On Marginal). The peat land area of 6,480 hectares of land have compatibility N (not appropriate). To maintain a good growth of palm oil, the manufacture of drainage channels, fertilizing, liming and specifically in coarse textured soils addition of organic materials are inputs that must be done to tackle some limiting factors. Regulation of the Minister of Agriculture No. 14 of 2009 allows, activities of oil palm plantation development of deep peat (> 3 meters) of less than 30 % or if the land area of shallow (< 3 meters) and mineral soil covering > 70 % of the total area of PT Kayung Agro Lestari then land clearing activities continue to be made (in accordance with the regulations).

Minor 7.2.2

The company showed a map of the type of soil, peat areas maps and map water gate as the basis for determining planning of drainage, roads and other infrastructure. For example, based on the results of conformity assessment indicated the type of soil map, then made a program of making water gate in an attempt to resist cutting peat soil surface in the area of PT KAL.

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.

7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.5

The entire of PT KAL's oil palm plantations were develop after November 2005 through land clearing from June 2009 - November 2013 and initial planting began in April 2010. PT KAL has conducted the 2014 New Planting Procedure (NPP) and the NPP notification has been submitted to the website RSPO on March 29, 2014 and there were no complaints until April 29, 2014 so that the plantation development process can be continued (On Going NPP, 2009).

NPP assessment conducted by PT Mutuagung Lestari on 30th January 2014 with the following conclusion "Therefore PT KAYUNG AGRO LESTARI has been adhered to the RSPO New Planting Procedure. Documentation of the assessments and plans are comprehensive and professionally carried out in accordance with the RSPO requirements and comply with the RSPO Principles and Criteria for new plantings."

The company carried out activities to trace and identify the presence of HCV in 2013. The field survey was carried out on October 19-26, 2013 with a public consultation on 25 October 2013 attended by 36 participants representing surrounding communities, Agriculture Dept of Ketapang District, BKSDA of Ketapang District, NGOs (Palung Foundation). Consultation Public Results are outlined in the Public Consultation Notification document.

The company has sent an Email template for report preparation for Zero Disclosure to RSPO Compensation <rspocompensation@rspo.org> on -16-07-2014 and was responded to by RSPO Compensation on 17-07-2014 by Dillon Sarim (RSPO Compensation Coordinator).

The company has conducted LUCA and sent to RSPPO along with other supporting data, the last submission was on 21 August 2019. Based on the RSPO email on 30 August 2019, stated that "RaCP case for PT KAL would be deemed closed", however, there are remediation areas required for palm oil planted on peat and riparian buffer zones. PT KAL shall identify and demarcate the required remediation areas, and develop and implement the remediation plan as per the RSPO requirements, following the RSPO BMPs. The remediation plan would be checked by the auditors according to the certification and P&C requirements

PT KAL has drawn up a remediation plan for planting in peat areas and riverbank areas.

The company has conduct a management and protect the river border, namely by compiling a program and implementing it in accordance with the specified program, as follows:

- Inventory of location and area and mapped according to river boundary size determination
- Marking river border areas by giving a red paint mark on the palm trunk which is the boundary of oil palm plantations
- Restoration of hydrological functions by planting and enriching vegetation
- Planting Vertiver, and leguminous plants (controlled) and inserting intermittent plants on riverbanks whose vegetation has been converted to oil palm plants

- To avoid pollution in the river border, palm oil maintenance it is done manually (does not use chemicals) and organic fertilizer is not permitted.
- Dissemination to employees and the community around the area about the benefits and functions of the river border
- To ensure river water quality analysis twice a year
- Monitoring and planting the trees in Kepayang River and Satong Kiri

Based on field observations to riparian of Kepayang River and Satong Kiri River, observed that the company has carried out management, there is no indication of disruption and spraying to the buffer zone.

Until now (ST2) there is no replanting activity at PT KAL.

The company has managed oil palm embedded peat areas, such as the placement of subsidence poles and piezometers, measurement of ground water level, water gate construction and water level monitoring, construction of drainage networks in the peat area, installation of bund-spot on the drainage. This implementation was verified by the auditor during field observations into the peat areas in SGT1, SGT2 and GST2.

Monitoring records of peat land are available, for example monitoring period Oct 2019 in blocks B038, C035, C039, A041, B043, A046, B047, A056, and B058.

Based on field observations, it known that the company has fire fighting facilities and infrastructure as well as a trained fire fighter team, the company has placed a reservoir in a fire-prone area and has placed a fire tower in a strategic location.

Status: Comply

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

Minor 7.4.1

The company has a map of soil types that identify the type of fragile soils in PT KAL is the type of peat and sandy soils. The map describes the area of fragile soils, mineral soil areas, conservation areas, rivers and access roads. In addition, the company also showed a map of the area of peat which describes the results of assessment of peat depth and size of the area based on the depth.

Major 7.4.2

The company has made efforts to protect fragile and marginal lands through predefined SOP and conformity assessment of land before planting. Based on soil survey and land suitability, PT KAL has an area of 6,480 ha of peat land of 12,852 ha that can be utilized. Peatlands are included in the criteria of peat > 3 meter measuring 2,664.31 (<30% of the total area) is based on a map of areas of peat. The use of peat in the management is done by the lower layers of peat to remain stagnant with determining the height of water surface between 50-75 cm.

The company has made efforts to reduce land subsidence by managing water availability properly, including by making drainage channels, sluice gates, permanent stop bunds and monitoring water levels below the surface with a piezometer. Based on the results of observations, piezometer monitoring points were found in the E53 Division 14 block and stop bund in block F53 GST-2 Estate with 40-50 cm overflow. However, it is known that the drought conditions are long so that water is not available.

For Mitra Estate there are 5 peat subsidence monitoring points, namely blocks A032, AA07, A028, A037 and AA053 with installation in April 2017. Based on this document, it is known that subsidence value per 6 months from October 2017 to April 2019, for example block A032 Division 7, measurements in October 2017 0.9 cm, April 2018 0.9 cm, October 2018 1.0 cm and April 2019 1.0 cm. So that the total decrease of 3.8 cm in 2 years.

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.

The entire of PT KAL's oil palm plantations were develop after November 2005 through land clearing from June 2009 - November 2013 and initial planting began in April 2010. PT KAL has conducted the 2014 New Planting Procedure (NPP) and the NPP notification has been submitted to the website RSPO on March 29, 2014 and there were no complaints until April 29, 2014 so that the plantation development process can be continued (On Going NPP, 2009).

NPP assessment conducted by PT Mutuagung Lestari on 30th January 2014 with the following conclusion "Therefore PT KAYUNG AGRO LESTARI has been adhered to the RSPO New Planting Procedure. Documentation of the assessments and plans are comprehensive and professionally carried out in accordance with the RSPO requirements and comply with the RSPO Principles and Criteria for new plantings."

At the beginning of the plantation development, the Company had been socializing to the surrounding community regarding to the plan, for example the socialization in the Districts of Matan Hilir Utara and Sukadana, 19 September 2006, located in the village of Kuala Satong. Meeting participants: Task Force of Matan Hilir Utara and Task Force of Sukadana, Village Head, Hamlet Head and Community Figure with details:

- Kuala Tolak Village50 attendants
- Kuala Satong Village 50 attendants
- Simpang Tiga Village 35 attendants
- Riam Berasap Village 40 attendants
- Laman Satong Village, Kec. MHU25 attendants

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.

The entire of PT KAL's oil palm plantations were develop after November 2005 through land clearing from June 2009 - November 2013 and initial planting began in April 2010. PT KAL has conducted the 2014 New Planting Procedure (NPP) and the NPP notification has been submitted to the website RSPO on March 29, 2014 and there were no complaints until April 29, 2014 so that the plantation development process can be continued (On Going NPP, 2009).

NPP assessment conducted by PT Mutuagung Lestari on 30th January 2014 with the following conclusion "Therefore PT KAYUNG AGRO LESTARI has been adhered to the RSPO New Planting Procedure. Documentation of the assessments and plans are comprehensive and professionally carried out in accordance with the RSPO requirements and comply with the RSPO Principles and Criteria for new plantings."

There were no customary rights, and traditional rights within the company's HGU, the entire area is a forest area that has been released based on the Decree of the Minister of Forestry Number: SK.643 / Menhut-II / 2009 (October 13, 2009) concerning the Relinquishment of Part of Converted Production Forest Areas covering an area of 17,986.90 Ha located in the Tulak River Forest Group, Matan Hilir Utara District, Ketapang Regency, West Kalimantan Province for the Oil Palm Plantation Cultivation Business on behalf of PT Kayung Agro Lestari.

There was an area of community cultivation in the area proposed by the HGU at the time, the land acquisition process had been carried out by the company and completed in 2015. At the beginning of the plantation development, the Company had been socializing to the surrounding community related to the plan to development of oil palm plantations, for example the socialization in Matan Hilir Utara and Sukadana, 19 September 2006.

The company has a procedure for land compensation as outlined in the Land Acquisition and Growth Procedure No. 021 / HR & GA / CP / Land Acquisition / 06-09, 1 June 2009. The procedure shows that in the process of compensating for land, it must go through the approval of the relevant land owner and involve relevant parties according to the type of land ownership.

The company has well documented the process of implementing land loss compensation, for example Letter of Agreement 3 of the Village Head in 2012.

Based on verification on the compensation documents, shows that the landowner has been represented through an institution or representative of their choice, the recipient of the compensation and the one who signed the agreement and statement was the land owner himself witnessed by Sub Village Head, Village Head, and Sub District Head. This is consistent with the results of interviews with community representatives / ex-landowners during public consultations.

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.

Company conducts land clearing or rejuvenation without burning in accordance with SOP AGR 01 concerning Land Clearing with Zero Burning.

In order to anticipate the threat of fire in the company's operational area, the company has an inventory of fire extinguishing facilities that has referred to government regulations in Minister of Agriculture Regulation No.5 of 2018.

Status: Comply

7.8

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

The entire of PT KAL's oil palm plantations were develop after November 2005 through land clearing from June 2009 - November 2013 and initial planting began in April 2010. PT KAL has conducted the 2014 New Planting Procedure (NPP) and the NPP notification has been submitted to the website RSPO on March 29, 2014 and there were no complaints until April 29, 2014 so that the plantation development process can be continued (On Going NPP, 2009).

NPP assessment conducted by PT Mutuagung Lestari on 30th January 2014 with the following conclusion "Therefore PT KAYUNG AGRO LESTARI has been adhered to the RSPO New Planting Procedure. Documentation of the assessments and plans are comprehensive and professionally carried out in accordance with the RSPO requirements and comply with the RSPO Principles and Criteria for new plantings."

The company has mitigated GHG as follows:

- Do not open peat areas with a depth of more than 3 meters and are required by Permentan No. 14 of 2009.
- Do not open the area that has been designated as a local protected area in accordance with SOP SCD 01 regarding the management of conservation areas and river borders.
- Undertake land clearing or rejuvenation without burning in accordance with SOP AGR 01 on Land Clearing with Zero Burning.
- Use of fertilizers in accordance with recommendations
- Use of organic fertilizer (empty bunch) in accordance with recommendations
- Use of pesticides according to the dosage.
- Maintenance of vehicle units
- Generator set monitoring & maintenance
- Monitoring ground water level and maintenance of stop bunds in peat areas.
- Utilization of shells and kernels for boiler fuel.
- Monitoring liquid waste applications.
- Conduct rehabilitation in open areas and river borders.

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.

RSPO internal audit

The company shows the RSPO internal audit of PT Kayung Agro Lestari conducted on 8-12 April 2019 conducted by internal auditors of PT KAL. There are 12 non-conformities. The company has shown evidence of improvement for example:

- Indicator 4.1.2, proof of improvement on 6 May 2019 stated fulfilled by ensuring fertilizer sowing devices in accordance with the recommended dosage.
- Indicator 4.4.2, proof of improvement on May 6, 2019, was declared fulfilled by conducting training to water management field officers on how to write and collect subsidized rate data.

All non-conformities (12 Indicators) have been corrected by the Company.

BMP aspects

Based on the results of the document review, field observations, interviews with workers and management it is known that the company has implemented innovations in BMP aspects namely:

- Control of rat pests with owls
- Application of marshall to *Oryctes rhinoceros*
- Thickening hatches and carry
- The recording of FFB uses gadgets by checker.

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>KAL POM is legally under PT KAL subsidiary of ANJA Group, processing FFB from its own estate and partnership plantation (full managed), all products produced legally are owned by PT KAL, and the physical handling process is carried out itself by PT KAL.</p> <p>The product transportation is handed over to a third party, the transporter is only responsible for delivering to the destination specified by PT KAL.</p>
	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>KAL POM not a trader and/or distributor.</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>PT KAL has been registered as a member of RSPO no. : 1-0032-07-000-00, and on the RSPO IT Platform no. RSPO_PO1000006366.</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>KAL POM does not have processing aids</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>Will be verified on ASA 1.</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>Will be verified on ASA 1.</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>KAL POM has a procedure which explain the implementation of entire element on the Mass Balance requirements, such as: SOP Mass Balance (ANJA Group) document no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018, prepared by Sustainability Manager and approved by Head of Sustainability, in the SOP describes the purpose, personnel responsible, supply chain form defined, over-projection mechanism, buyer/supplier complaint mechanism and mechanism of updating on palm-trace.</p> <p>The commercial manager are responsible to conduct the removing stock and announcing of shipping if there were the sales of CSPO and CSPK both claim under RSPO/other scheme or under conventional as well as if there were the allocation for credit, and to informs all sales to Sustainability Manager and Mill Manager. The detail of mechanism for updating trading in RSPO Palm-trace refer to document of IK-SOP-SCD 06-01 (work instruction of up-date trading e-trace system).</p> <p>Mill manager responsible to ensure the documentation of all SCC implementation, made a production and sales calculation in the mass balance system.</p> <p>Related to the material traceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Oct 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnel involves and their responsibility:</p> <ul style="list-style-type: none"> - Harvesting clerk, issued the FFB delivery document which informs volume, origin (block/estate), for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO). - WB operators, conduct verification the FFB delivered to POM, the certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets. - Mill clerk, receiving the report of FFB which delivered to POM (both from certified and non-certified), inputs the volume of FFB receive, CPO produced, PK produced, separate the volume of CPO/PK certified and non certified based on calculation ratio specified by the RSPO, and sales CSPO/CSPK and CPO/PK in the mass-balance report. <p>Apart from that, the company shows work instructions for product traceability IK-SOP-SCD-05-001 dated September 14, 2019 which explains the guidelines for using the E-PMS application in recording FFB, E-SPB for sending FFB to mill, the use of the application is for FFB produced from blocks that are RSPO certified.</p>	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Will be verified on ASA 1.	
	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	
Will be verified on ASA 1.	
	Status: Comply
5.4.2	

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Will be verified on ASA 1.	
	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.	
Will be verified on ASA 1.	
	Status: Comply
5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; 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. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. 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 	
Will be verified on ASA 1.	
	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. PT KAL is currently holding a third party for the transportation of its products, a contract can be shown for PK and CPO transportation: <ol style="list-style-type: none"> PK transportation agreement no. 002 / KAL / COM / PK / I / 2019 with CV Abadiloc Jaya; 2 Jan 2019, address at Ketapang, West Kalimantan CPO transportation work agreement No. 001 / KAL / COM / PK / I / 2019 with CV Abadiloc Jaya; 2 Jan 2019, address at Ketapang, West Kalimantan 	
	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	
Will be verified on ASA 1	
	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	

Will be verified on ASA 1	
	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 	
Will be verified on ASA 1	
	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. 	
Will be verified on ASA 1	
	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	
Based on procedure, the training for RSPO SCC planned to be done once a year.	
	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	
The latest training of SCC was done in February 2019, which attending by all key personnel who involve in SCC implementation such as security, WB operator, production clerk, production assistant and mill manager.	
	Status: Comply
5.9	Record keeping
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	
Will be verified on ASA 1	
	Status: Comply
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	
Will be verified on ASA 1	
	Status: Comply
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.	
Will be verified on ASA 1	
	Status: Comply
5.10	Conversion factors
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	
Will be verified on ASA 1	
	Status: Comply
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Will be verified on ASA 1	
	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.	
Will be verified on ASA 1	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Will be verified on ASA 1	
	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
	Will be verified on ASA 1
	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.
	Will be verified on ASA 1
	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.
	Will be verified on ASA 1
	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>KAL POM are received FFB from its own estate and partnership plantation and as well as from the community. The POM are planned to apply SCC module E – MB.</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>Will be verified on ASA 1</p>
	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>Will be verified on ASA 1</p>
	Status: Comply
E.3	Documented procedures
E.3.1	<p>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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; 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.

KAL POM has a procedure which explain the implementation of entire element on the Mass Balance requirements, such as: SOP Mass Balance (ANJA Group) document no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018, prepared by Sustainability Manager and approved by Head of Sustainability, in the SOP describes the purpose, personnel responsible, supply chain form defined, over-projection mechanism, buyer/supplier complaint mechanism and mechanism of updating on palm-trace.

The commercial manager are responsible to conduct the removing stock and announcing of shipping if there were the sales of CSPO and CSPK both claim under RSPO/other scheme or under conventional as well as if there were the allocation for credit, and to informs all sales to Sustainability Manager and Mill Manager. The detail of mechanism for updating trading in RSPO Palm-trace refer to document of IK-SOP-SCD 06-01 (work instruction of up-date trading e-trace system). Mill manager responsible to ensure the documentation of all SCC implementation, made a production and sales calculation in the mass balance system.

Related to the material traceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Oct 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnel involves and their responsibility:

- Harvesting clerk, issued the FFB delivery document which informs volume, origin (block/estate), for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO).
- WB operators, conduct verification the FFB delivered to POM, the certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets.
- Mill clerk, receiving the report of FFB which delivered to POM (both from certified and non-certified), inputs the volume of FFB receive, CPO produced, PK produced, separate the volume of CPO/PK certified and non certified based on calculation ratio specified by the RSPO, and sales CSPO/CSPK and CPO/PK in the mass-balance report.

Apart from that, the company shows work instructions for product traceability IK-SOP-SCD-05-001 dated September 14, 2019 which explains the guidelines for using the E-PMS application in recording FFB, E-SPB for sending FFB to mill, the use of the application is for FFB produced from blocks that are RSPO certified.

	Status: Comply
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E.3.2

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

Related to the material traceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Oct 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnel involves and their responsibility:

- Harvesting clerk, issued the FFB delivery document which informs volume, origin (block/estate), for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO).
- WB operators, conduct verification the FFB delivered to POM, the certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets.
- Mill clerk, receiving the report of FFB which delivered to POM (both from certified and non-certified), inputs the volume of FFB receive, CPO produced, PK produced, separate the volume of CPO/PK certified and non certified based on calculation ratio specified by the RSPO, and sales CSPO/CSPK and CPO/PK in the mass-balance report.

Apart from that, the company shows work instructions for product traceability IK-SOP-SCD-05-001 dated September 14, 2019 which explains the guidelines for using the E-PMS application in recording FFB, E-SPB for sending FFB to mill, the use of the application is for FFB produced from blocks that are RSPO certified.

	Status: Comply
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E.4

Purchasing and goods in

E.4.1	
The site shall verify and document the volumes of certified and non-certified FFBs received.	
Will be verified on ASA 1	
	Status: Comply
E.4.2	
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
Will be verified on ASA 1	
	Status: Comply
E.5	Record keeping
E.5.1	
<ul style="list-style-type: none"> a. 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. b. 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. c. 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.) 	
Will be verified on ASA 1	
	Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
IC	Will be verified on ASA 1	√
	Status: NA	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
IC	Will be verified on ASA 1	√
	Status: NA	
3.	Implementation of Certificate and Trademark is not used on product	X or√
IC	Will be verified on ASA 1	√
	Status: NA	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
IC	Will be verified on ASA 1	√
	Status: NA	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of ANJA 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.

ANJA Time Bound Plan (TBP) is explaining in table section 1. ANJA has run four (4) mills and eight (8) management unit Estates in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of ANJA based on their Time Bound Plan. There are four (4) uncertified management unit of ANJA. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement : The company are already doing internal audits.</p> <p>Auditor verification: Internal Audit for uncertified management unit</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama has been conducted Internal Audit on 12 to 16 November 2018 • Internal Audit for PT Putera Manunggal Perkasa has been conducted on 29 June to 10 July 2019. • PT Permata Putera Mandiri, has been conducted on 29 June to 10 July 2019. • PT Austindo Nusantara Jaya Tbk has been conducted on 29 June to 10 July 2019.
2.1.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <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. 	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RaCP Procedure will be observed again on the next visit audit.</p>

2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>company statement: NPP has been applied</p> <p>Auditor Verification :</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014 • PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014 • PT Permata Putra Mandiri, NPP date of notification on September 29, 2014 • PT Austindo Nusantara Jaya Tbk, NPP preparation on process – HCV Assessment review by HCV RN
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015),</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes</p> <p>Auditor verification : The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013.</p> <p>A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP.</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification : PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> • Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) • Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 • Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 • HGU on process

	<ul style="list-style-type: none"> • Environment Permit No. 211, 2013, dated 06 May 2013 • SEIA No. 210, 2013, dated 1 May 2013 <p>PT Putera Manunggal Perkasa</p> <ul style="list-style-type: none"> • Location Permit No. 522/30/II/2011, dated 09 February 2011. Total area \pm 22,195.28 Ha • Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area \pm 22,195.28 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 • Environment Permit No. 660.1/58/II/2012 TAHUN 2012, dated 16 Feb 2012, for 22.195 Ha, Mill Capacity 60 TPH • Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. • Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> • Location Permit No. 83/2010, dated 30 April 2010. Total area \pm 40,000 Ha • Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area \pm 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 • Environment permit No. 525/76/BSS/IV/2011, dated 25 April 2011. • Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant. • Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha <p>PT Austindo Nusantara Jaya, Tbk.</p> <ul style="list-style-type: none"> • Location Permit No. 12/2011, dated 6 oct 2012. Total area \pm 40,000 Ha • Extension of Location Permit No. 74 Tahun 2014, dated 2 sept 2014. Total area \pm 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number No. 131.09/118/B.MBT/2011, Tgl. 12 Oktober 2011 • Plantation Business Permit, According to West Papua Governor Decree No. 525/101/5/2013 Tahun 2013 for 40,000 Ha and 2 x 60 Ton FFB/Hours plant.
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		<ul style="list-style-type: none">• Environment Permit PKS 60 X 2 TPH, No. 660/147/7/2013 TAHUN 2013, dated 18 Juli 2013• SK HGU (Inti), Number. 03/HGU/KEM-ATR/BPN/2015 dated 02 April 2015, 30.515,75 Ha
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3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at IA Assessment

NCR No.	:	2019.01	Issued by	:	Rizliani Aprianita Hsb and Briyogi Shadiwa
Date Issued	:	25 October 2019	Time Limit	:	1 Year (9 Months recommended)
NC Grade	:	Major	Date of Closing	:	29 October 2019
Standard Ref. & Requirement	:	2.1.1 Evidence of compliance with relevant laws and regulations must be available			
Non-Conformance Description & Evidence observed (filled by auditor):					
Poin 1 1. Results of verification of the Work Agreement document and Minutes of inspection of work with the Contractor, it is known that there is harvest work carried out by a third party, which is indicated by the document: <ul style="list-style-type: none">- Agreement between PT KAL and PT JMA No. 014 / SPKB / 15/1019 dated 24 September 2019 with an agreement period until 20 October 2019.- Minutes of inspection of harvest results. 123BAPHP / DIV.12 / GST1 / 0819 for the period August 2019 This is not in accordance with Law No. 13 of 2003 Article 66 and Minister of Manpower regulations No. 19 of 2012 article 3					
Poin 2 2. The company has a procedure regarding the management of hazardous Waste No. Document SOP-EHS-009 edition 02 revision 01 on April 10, 2018. The procedure aims to handle hazardous waste in the form of used oil, used batteries and packaging waste in accordance with the provisions applicable. The procedure explains that hazardous waste must be collected in a special place in each estate (the shelf life is stipulated in the Internal Memo Regarding LB3 Delivery Mechanism No. : 30 / GMO / KAL / IM / X / 2019) and then sent to the Temporary Hazardous Waste Storage at Central Workshop. Based on the review of waste balance documents and field observations it is known that the temporary hazardous waste storage at the central workshop has functioned as a temporary storage facility for hazardous waste and that supporting facilities and infrastructure are available. Based on interviews with management representatives, it was stated that hazardous waste collection to transportation by the collectors was done at the temporary hazardous waste storage while in Central Workshop did not have a permit. Based on the evidence, the company has not been able to show evidence that hazardous waste management is in accordance with Government Regulation no. 101/2014 concerning the management of hazardous waste storage.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">1. Use of piece rate labor contract for harvest activities due to the low productivity of permanent labor2. The discovery of hazardous waste stored in temporary hazardous waste storage that is in the process of filing a storage permit because the officers who have not been consistent in storing to temporary hazardous waste storage that are licensed					
Correction (filled by organization audited):					

- Conduct a study of the current number of harvest workers with productivity and FFB production in the field and Make a planning program to fulfill the harvest labor.
- Submitting all hazardous waste to temporary hazardous waste storage which already have a Permit.

Corrective Action (filled by organization audited):

1. Make a planning program to fulfill the harvest labor and the addition program to recruit permanent harvest in 2020-2022.
2. Create a mechanism for temporary storage of hazardous waste in temporary hazardous waste storage which already has a permit and conducts socialization related to it to employees who handle hazardous waste management.
3. Conducted monthly inspection for hazardous waste management.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on October 27, 2019

Point 1

The company showed evidence of improvements in the form of:

- Productivity Analysis Document of PT KAL harvesters in 2018-2019 made on October 22, 2019.
- The 2020-2020 piece rate contract harvester reduction program which was established on October 22, 2019. The document informs the number of piece rate contract harvester in each plantation and plans to reduce the use of piece rate contract harvester for 2020 to 2023.

However, it has not shown evidence of improvement in the form of:

- Identification the ratio of harvest labor to the area
- The addition of the program to recruit permanent harvester in 2020-2022

Based on these evidences, the discrepancy was declared not yet fulfilled.

Verification on October 28, 2019

The company showed evidence of improvements in the form of:

- Internal Memo No. 35 / GMO / KAL / IM / X / 2019 dated October 25, 2019 concerning piece rate contract harvester reduction. The memo explained the gradual harvesting labor reduction program in stages and conducted annual monitoring by the estate manager.
- Program for piece rate contract harvester reduction and adding permanent harvester for 2020-2022. The program shows a plan to reduce piece rate contract harvester, recruitment and monitoring plan for harvester availability, and a Harvesters Productivity Improvement Program.

Based on the evidence submitted, the non-conformity in point 1 is declared Fulfilled with Observation and its implementation will be seen in next assessments.

Point 2

Verification on October 27, 2019

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

- Records of socialization of hazardous waste storage to the responsible personnel (along with internal memos relating to the removal of hazardous waste from the general manager).

- Monitoring of hazardous waste shipments from unlicensed temporary hazardous waste storage to licensed temporary hazardous waste storage.
- Documentation of transfer of hazardous waste from temporary hazardous waste storage has not been licensed.

However, there are still a few things that need to be addressed:

- Please explain further about the root of the problem "finding hazardous waste stored in temporary hazardous waste storage in process".
- Regarding the evidence of improvement shown, please attach additional documentation of temporary hazardous waste storage condition which has been filled with hazardous waste from temporary hazardous waste storage that has not been licensed because the documentation shown is only temporary hazardous waste storage condition that has not been licensed.

Based on these evidences, the non-conformities was declared not yet fulfilled.

Verification on October 29th, 2019

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

1. Revised SOP for B3 Waste Management, where there is an editorial change to "Placing Used Oil / used batteries in a special place (temporary hazardous waste storage) Licensed" as a form of confirmation all hazardous waste is stored in an authorized place.
2. Records of monthly inspection of temporary hazardous waste storage as a corrective action in the future.

Based on this explanation, the Non-conformities has been fulfilled.

Verified by	:	Briyogi Shadiwa
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3.5.2 Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Ensure the renewal and issuance of licenses that have expired and will expire
2	2.2.1	The company considered to ensure the boundaries of the areas that become scope (HGU) and outside scope (outside the HGU), and ensure that the area reserved for partnership areas is realized.
3	2.2.3	Completion of community arable area in HGU of LMS Cooperative.
4	4.3.4	Evaluation of monitoring of peat subsidence in GST-2
5	4.6.2	Monitoring the use of herbicides and their herbicidal packaging for contractor activities.
6	4.7.3	Ensure socialization regarding granting and replacing PPE to workers
7	4.7.5	<ul style="list-style-type: none"> Ensuring the fulfillment of fire fighting facilities and infrastructure according to the plan set Ensure that fire emergency response preparedness is effective
8	6.1.3	Ensuring that participatory of SIA program review has involves representatives from all relevant parties
9	6.2.1	Ensuring the progress of the proposed scheme smallholder for Bina Satong Lestari Cooperative
10	6.5.2	<ul style="list-style-type: none"> Ensuring the progress of SBPP grievance Ensure resolution progress / mediation of workers
11	6.9.1	Ensure the socialization of the Gender Committee
12	8.1	Preparation for the application of the RSPO P&C 2018
13	SCCS E.3.2	Company need to ensure the procedure for separating FFB from the proposed certified and non-certified areas (partnership reserve areas) in SGT1 & SGT2 and Plasma LMS
14	SCCS E.4.1	Company need to ensure the separating FFB from the proposed certified and non-certified areas (partnership reserve areas) in SGT1 & SGT2 and Plasma LMS after the license has issued.

4.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The use of the E-SPB and E-OPH system in the process of collecting data on FFB and sending FFB from the core estate to POM
2	-	The use of barcode systems in the process of marking trees in conservation areas for the purpose of educating students.
3	-	Good management of HCV areas and management collaboration with third parties
4	-	Commitment to the implementation of palm oil sustainability standards
5	-	Sustainable innovation in palm oil management, such as the development of owls etc

3.6 Summary of Arising Issues from Public and Auditor Response

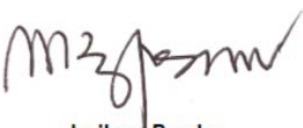

Public Issues (Institution/ NGO/Community)	Auditor Responses
Environment Agency, District of ketapang. <ul style="list-style-type: none"> • There are no community issues or issues related to environmental pollution due to companies operational. • Companies that have good relations and communication with the agency • Companies have permits related to the environment. • Companies that routinely provide information related to the Environment to the Environmental Agency. • There's a landfire accident on company operational area. • There's no issue related to hazardous waste management. 	<p>Auditor has verified all information and has been explained in criteria 1.1, indicator 2.1.1 criteria 5.1, 5.3, 6.2.</p> <p>Based on field observation, there's a landfire accident on company operational area. The company has shown evidence of chronological records of fire arising from outside the company area until the extinction process. From field observations the company suffered losses due to thousands of dead palm trees but no casualties. This incident has been reported to the Ministry of Environment and has been further investigated by the authorities (related agencies).</p>
National Land Dept, Ketapang Regency <ul style="list-style-type: none"> • PT KAL has own it land titles for the entire managed area, there is no land dispute reported to the BPN Ketapang Regency, and there is no overlapping license with other company. • The entire area has been in accordance with the regional spatial planning • The reporting of land use has been done routinely once a year, however the BPN are required to submit the copy of Plantation Business Development Report (LKUP) • There is no proposal for new license by PT KAL 	<p>There is no issue regarding to the land tenure.</p>
Technical Staff of the Ketapang Regency Manpower Agency <ul style="list-style-type: none"> • There are two labor unions that have been registered at Ketapang District Manpower Agency namely SBPP and SBSI. • The prevailing wages at PT KAL refer to the Ketapang Regency Sector wage of Rp. 2,638,000. There are no reports or complaints related to violations of payment of wages. • There are a number of differences of opinion regarding the implementation of employment between Labor Unions (SBPP) and the Company & First Aid Officer License, which expires in 2017. • The company has submitted several employment reports. • The company has a Company Regulation (PP) that has been approved by the Manpower Agency 	<p>The auditor team has verified the employment implementation described in indicators 2.1.1 and criteria 6.2, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, and 6.12. There is also a discrepancy with one of the labor implementations in indicator 2.1.1</p> <p>Different opinion/disagreement regarding the implementation of labor have been verified by the audit team, as follows:</p> <p>The results of interviews with the Labor Union (SBPP) revealed that there were differences of opinion between management and labor unions. Related to this, SBPP has sent a letter to management on 15 April 2019. Then, the company and SBPP have held a meeting on 13 May 2019 which was attended by representatives of Management and Labor Unions. Based on the meeting on May 13, 2019, there were minutes of the meeting with a total of 9 points / demands from the labor union. However, SBPP rejected the minutes of the meeting on May 13, 2019</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
	<p>through Letter No. 20 / SBPP_PUK / KAL / 05/2019 dated May 20, 2019. The letter explains that it will take legal steps in accordance with applicable regulations. Due to not accepting the results of the minutes of the meeting, the SBPP sent a letter to the Manpower Agency of Ketapang District through letter No.28 / SBPP-PUK / KAL / 07/2019 dated 24 July 2019 concerning mediation of tripatri. From the results of the interview with SBPP, it was stated that there was no response letter yet from the Manpower Agency of Ketapang District</p> <p>This becomes a Opportunity of Improvement to ensure the progress of SBPP demands</p>
<p>Agency of Agriculture and Animal Husbandry, District of ketapang.</p> <ul style="list-style-type: none"> • Plasma are already producing. The prevailing price follows the price issued by the Plantation Office of West Kalimantan Province once a month. • There was an overlapping problem with PT Laman Mining (a mining company) in the peat area. This matter has been tried and has been completed. • PT KAL had a fire in 2019. 	<ul style="list-style-type: none"> • It has been verified and stated under criteria 6.10 on the report • It has been verified and stated under criteria 2.2 on the report • It has been verified and stated under indikator 4.7.5 on the report
<p>Gender Committee</p> <ul style="list-style-type: none"> • There are no issues related to sexual harassment or violence, discrimination, etc. • Routine activities carried out by gender committees related to Posyandu, and socialization regarding gender committees. • Female workers are given H1(menstruation leave) permits as recommended by a doctor for a maximum of 2 days and H2 permit for 45 days before and 45 days after giving birth. 	<p>Auditor has verified all information and has been explained in criteria 6.3, 6.9.</p>
<p>Local Contractor</p> <ul style="list-style-type: none"> • The contractor is given a copy of the agreement. • There are no complaints related to payments. Payments are made on time according to the agreement. • The company has socialized to contractors and their workers related to work safety such as the use of PPE and the use of nets on FFB transport trucks. Provision of PPE is the responsibility of the contractor. • The company has also socialized to contractors related to wages to contractors must comply with regulations regarding minimum wages. • Wages of contractor workers can reach more than 3 million per month. • The majority of contractor workers already have BPJS. For workers who have not been covered by BPJS, if there are employees who have experienced work accidents, they will be covered by the contractor. Based on the agreement, in the 	<p>Auditor has verified all information and has been explained in criteria criteria 6.10</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>event of a work accident, it will be the responsibility of the contractor. During this 2-3 years there have been no work accidents of contractor workers.</p>	
<p>S BSPK (Serikat Buruh Solidaritas Pekerja Ketapang)</p> <ul style="list-style-type: none"> • Labor unions have been registered at the Manpower Agency of Ketapang Regency • There are 32 BSPK members at PT KAL • Wages are in accordance with applicable minimum wage provisions and there are no complaints related to payment of wages and harvest worker base. • The company has provided PPE and work tools free of charge to workers. • Health checks, especially for workers relating to chemicals, are routinely carried out every year. • There have not been any complaints from workers who are BSPK members • The company has provided decent and functioning housing and worker facilities to workers. • Have heard of a worker in the mediation process. however some workers who were given warning and mediation letters were indeed in violation of company regulations such as being absent within a few days. 	<p>The auditor team has verified the employment implementation described in indicators 2.1.1 and criteria 6.2, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, & 6.13</p>
<p>SBSI (Serikat Buruh Sejahtera Indonesia)</p> <ul style="list-style-type: none"> • Labor unions have been registered at the Manpower Agency of Ketapang Regency • Wages are in accordance with applicable minimum wage provisions and there are no complaints related to payment of wages, overtime and harvest worker base. • The company has provided PPE and work tools free of charge to workers. • Health checks, especially for workers relating to chemicals, are routinely carried out every year. • There have not been any complaints from workers who are SBSI members • The company has provided decent and functioning housing and worker facilities to workers. • Have heard of a worker in the mediation process. however some workers who were given warning and mediation letters were indeed in violation of company regulations such as being absent within a few days. 	<p>The auditor team has verified the employment implementation described in indicators 2.1.1 and criteria 6.2, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, & 6.13</p>
<p>SBPP (Serikat Buruh Patriot Pancasila)</p> <ul style="list-style-type: none"> • Labor unions have been registered at the Manpower Agency of Ketapang Regency • There are different opinion/disagreement regarding the implementation of labor between management and SBPP and have been delivered to Manpower Agency. And there was no response letter yet from the Manpower Agency of Ketapang 	<p>The auditor team has verified the employment implementation described in indicators 2.1.1 and criteria 6.2, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, & 6.13 This becomes a Opportunity of Improvement to ensure the progress of SBPP demands</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>District.</p> <ul style="list-style-type: none"> • Wages are in accordance with applicable minimum wage provisions and there are no complaints related to payment of wages, overtime and harvest worker base. • The company has provided PPE and work tools free of charge to workers. • The company has provided decent and functioning housing and worker facilities to workers. 	
<p>Laman Mayang Sentosa Cooperative</p> <ul style="list-style-type: none"> • Cooperative management is carried out with full management by the company. • Employees who work in a cooperative area are company workers. • The company has provided training to farmers, cooperative members and field employees. • Provision of PPE is carried out by the company, including employee wages. • The company has provided / presented data transparently to cooperatives • There is no complaint to the company 	<p>It has verified by auditor team and has been explained in indicator criteria 6.10, 7.1 and indicator 6.11.2</p>
<p>Manjau Hamlet, Laman Satong Village (Head of Hamlet, previous land owner and includes a member of Laman Mayang Sentosa Cooperative)</p> <ul style="list-style-type: none"> • The positive impact of the existence of PT KAL, one of which is providing employment to the majority of the community in Manjau Hamlet. • The company has also involved the community in the Edadame Agriculture Program, which is the Soy Bean Cultivation Program. • The negative impact felt as a result of the company's operations is the reduction in water / swamp resources. • There are no environmental pollution issues. • There are no land disputes or conflicts with the community • There are no overlapping issues with forest areas • The process of land acquisition is first carried out with socialization to the community. • The process of land acquisition and compensation is carried out according to the agreement and there is no coercion to the community. • The company has realized some assistance to the surrounding villages. Requests for requests for assistance from PT KAL are always responded by the company. • The company has provided information on conservation / HCV protection areas to the community. • There are no deliberations or meetings to identify community needs. During this time, if there is a need, the community will submit proposals and are always responded to by the 	<p>Auditor has verified all information and has been explained in criteria 2.2, 2.3, 5.1, 5.2, 5.5, 6.8, 6.11, etc.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>company. The company has provided data related to partners (Cooperatives) transparently. RAT cooperatives have also been routinely carried out every year.</p>	
<p>Head of Village, Secretary of Village and public community of Kuala Satong village (member of Bina Satong Lestari cooperative)</p> <ul style="list-style-type: none"> • The negative impact felt as a result of the company's operations is the reduction in water / swamp resources. • There are no environmental pollution issues. • There are no land disputes or conflicts with the community • There are no overlapping issues with forest areas • The process of land acquisition is first carried out with socialization to the community. • The process of land acquisition and compensation is carried out according to the agreement and there is no coercion to the community. • The company has realized some assistance to the surrounding villages. Requests for requests for assistance from PT KAL are always responded by the company. • The company has provided information on conservation / HCV protection areas to the community. • Deliberations or meetings are often held to identify community needs. <p>The company has cooperated in managing oil palm with the Bina Satong Lestari Cooperative starting in 2014. However, due to fire and flood disasters, partner members requested land swaps. This has been conveyed through meetings with companies, cooperatives and the district parliament Ketapang.</p>	<p>Auditor has verified all information and has been explained in criteria 2.2, 2.3, 5.1, 5.2, 5.5, 6.8, 6.11, etc The land swap have been verified by the audit team, as follows:</p> <p>The results of interviews with members of the Bina Satong Lestari cooperative, which is also a Kuala Satong village apparatus, was conveyed by the cooperative has sending a proposed exchange of a cooperative area. Demand of land swaps for cooperative areas are due to low FFB production due to several factors such as flooding and burning. The request has been submitted to management and related agencies, but the village / members have not known the follow-up.</p> <p>Related to this, the company showed letter No. 004 / Kop.BSL / KS / 2018 dated January 8, 2018 concerning Submission of Proposals / aspirations of members of the BSL Cooperative. The company has responded to the letter through Letter No. 004 / LP / KAL / EM / I / 2018 dated January 16, 2018. The company has also shown a chronology of the meetings that have been held in 2018-2019. During the audit, the nucleus estate has been checked on 10 October 2019 by the Plantation Agency Team, Parliament of Ketapang District and the BSL Cooperative according to a letter issued by Plantation Agency on 3 October 2019 and there were no results / follow-up yet from the field check.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kayung Agro Lestari General Manager</p>  <p><u>Jerileva Prurba</u> Tuesday, 29 October 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Tuesday, 29 October 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	District of Ketapang	-	Interview	21 October 2019	√	-
2	Agriculture and Animal Husbandry Agency	District of Ketapang	-	Interview	21 October 2019	√	-
3	National Land Dept.	District of Ketapang	-	Interview	21 October 2019	√	-
4	Technical Staff of the Ketapang Regency Manpower Agency	District of Ketapang	-	Interview	21 October 2019	√	-
5	Gender Committee	PT KAL	-	Interview	22 October 2019	√	-
6	Local Contractor	District of Ketapang	-	Interview	22 October 2019	√	-
7	SBSPK (Serikat Buruh Solidaritas Pekerja Ketapang)	PT KAL	-	Interview	22 October 2019	√	-
8	SBSI (Serikat Buruh Sejahtera Indonesia)	PT KAL	-	Interview	22 October 2019	√	-
9	SBPP (Serikat Buruh Patriot Pancasila)	PT KAL	-	Interview	22 October 2019	√	-
10	Laman Mayang Sentosa Cooperative	District of Ketapang	-	Interview	22 October 2019	√	-
11	Manjau Hamlet, Laman Satong Village (Head of Hamlet, previous land owner and includes a member of Laman Mayang Sentosa Cooperative)	District of Ketapang	-	Interview	22 October 2019	√	-
12	Head of Village, Secretary of Village and public community of Kuala Satong village (member of Bina Satong Lestari cooperative)	District of Ketapang	-	Interview	22 October 2019	√	-
13	PT KAL POM: <ul style="list-style-type: none"> • 1 Warehouse Officer • 1 WWTP operator • 6 grading officers • 1 process foreman and 1 sterilizer operator • 1 press operator • 1 boiler operator • 1 power house operator • 1 mechanical workshop 	PT KAL	-	Observation and Interview	22 October 2019	√	-
14	SGT-1 Estate: <ul style="list-style-type: none"> • 2 Harvesters • 2 Manuring Workers • 2 Spraying Workers 	PT KAL	-	Observation and Interview	23 October 2019	√	-
15	GST – 2 Estate <ul style="list-style-type: none"> • 1 foreman and 3 herbicide applicator 	PT KAL	-	Observation and Interview	22 October 2019	√	-

	<ul style="list-style-type: none"> 1 foreman and 4 fertilizers 2 pest census officer 3 firefighters 						
16	Mitra Estate <ul style="list-style-type: none"> 6 harvest workers 4 loaders FFB 	PT KAL	-	Observation and Interview	23 October 2019	√	-
17	SGT-2 Estate <ul style="list-style-type: none"> 4 manual weeding workers 5 harvest workers 	PT KAL	-	Observation and Interview	24 October 2019	√	-
18	WALHI	Jakarta	info@walhi.or.id	By email	October 2 nd , 2019	-	√
19	WWF	Jakarta	wwf-indonesia@wwf.or.id	By email	October 2 nd , 2019	-	√
20	SAWIT WATCH	Bogor	info@sawitwatch.or.id	By email	October 2 nd , 2019	-	√
21	AMAN	Jakarta	rumahaman@cbn.net.id	By email	October 2 nd , 2019	-	√
22	Aid Environment	Bogor	info@aidenvironment.org	By email	October 2 nd , 2019	-	√

Appendix 2. Assessment Program

DATE	21 to 25 October 2019		
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR	
Monday, 21 October 2019			
05.15 – 06.55 09.40 – 10.30 11.00 – 13.00 14.30 – 16.00 16.00 – 17.00	Jakarta – Pontianak Pontianak - Ketapang Stakeholders consultation to Related Government Institution (Ketapang Regebcy and local NGO) Ketapang – PT KAL Opening meeting	All Team Member	
Tuesday, 22 October 2019			
08.00 – 12.00	Field Observation GST-2 <ul style="list-style-type: none">• Manuring, Spraying, Harvesting, best agricultural practices• Legal operational and Conservation Area• Worker facilities (housing, health clinic, clean water, etc), Land Fire facilities and Storages, Scheduled waste, ect. <ul style="list-style-type: none">- Stakeholders consultation to Nearest village, community leader, previous land-owner, local contractor- Gender Committee, Union Labor		AFF SDP BYG RAH
12.00 – 14.00	Break		
14.00 – 17.00	Field observation to Kasai POM: <ul style="list-style-type: none">- FFB receiving and SCCS- Grading, FFB processing- WWTP, hazardous waste management, chemical management, workshop		SDP AFF BYG
Wednesday, 23 October 2019			
08.00 – 12.00	Field observation to Mitra and SGT1 Legal boundary, HCV management area, firefighting facilities, housing complex, clinic BMP agronomy, storages, landfill, workshop and other facilities	SDP / RAH AFF / BYG	
12.00 – 14.00	Break		
14.00 – 17.00	Continuing field observation and document verification	All Team Member	
Thursday, 24 October 2019			
08.00 – 12.00	Field observation to SGT2 Legal boundary, HCV management area, firefighting facilities, housing complex, clinic BMP agronomy, storages, landfill, workshop and other facilities	BYG / RAH AFF / SDP	

12.00 – 13.00	Break	
14.00 – 17.00	Continuing field observation and document verification	All Team Member
Friday, 25 October 2019		
07.00 – 08.00 08.00 – 10.00	Closing meeting preparation Closing meeting	All Team Member
10.30 – 12.30 14.05 – 14.45 17.45 -	Travelling from PT KAL - Ketapang Ketapang - Pontianak Pontianak - Jakarta	All Team Member