

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

**[ ✓ ] Surveillance**

Name of Management : **TAPUNG KANAN POM, PT SEKARBUMI ALAMLESTARI subsidiary of**  
Organisation **KUALA LUMPUR KEPONG Bhd**  
Plantation Name : **Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3**  
**Estate**  
Location : Kota Garo Village, Tapung Hilir Sub-District, Kampar District, Riau Province,  
Indonesia  
Certificate Code : **MUTU-RSPO/025**  
Date of Certificate Issue : 24 April 2018 Date of License Issue : 01 May 2020  
Date of Certificate Expiry : 23 April 2023 Date of License Expiry : 23 April 2021

| Assessment | Assessment Date        | PT. Mutuagung Lestari Auditor  | Reviewed by | Approved by         |
|------------|------------------------|--|-------------|---------------------|
| ASA-1.2    | 24 to 28 Februari 2020 | M. Arif Yusni (Lead Auditor), Haikal Ramadhan Kharismansyah, Radytio Puspanjana, Andriobiko (Observer) | Ardiansyah  | Octo HPN Nainggolan |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-1.2    | 20 March 2020                     |

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Figure 1. Location Map of PT Sekarbumi Alamlestari

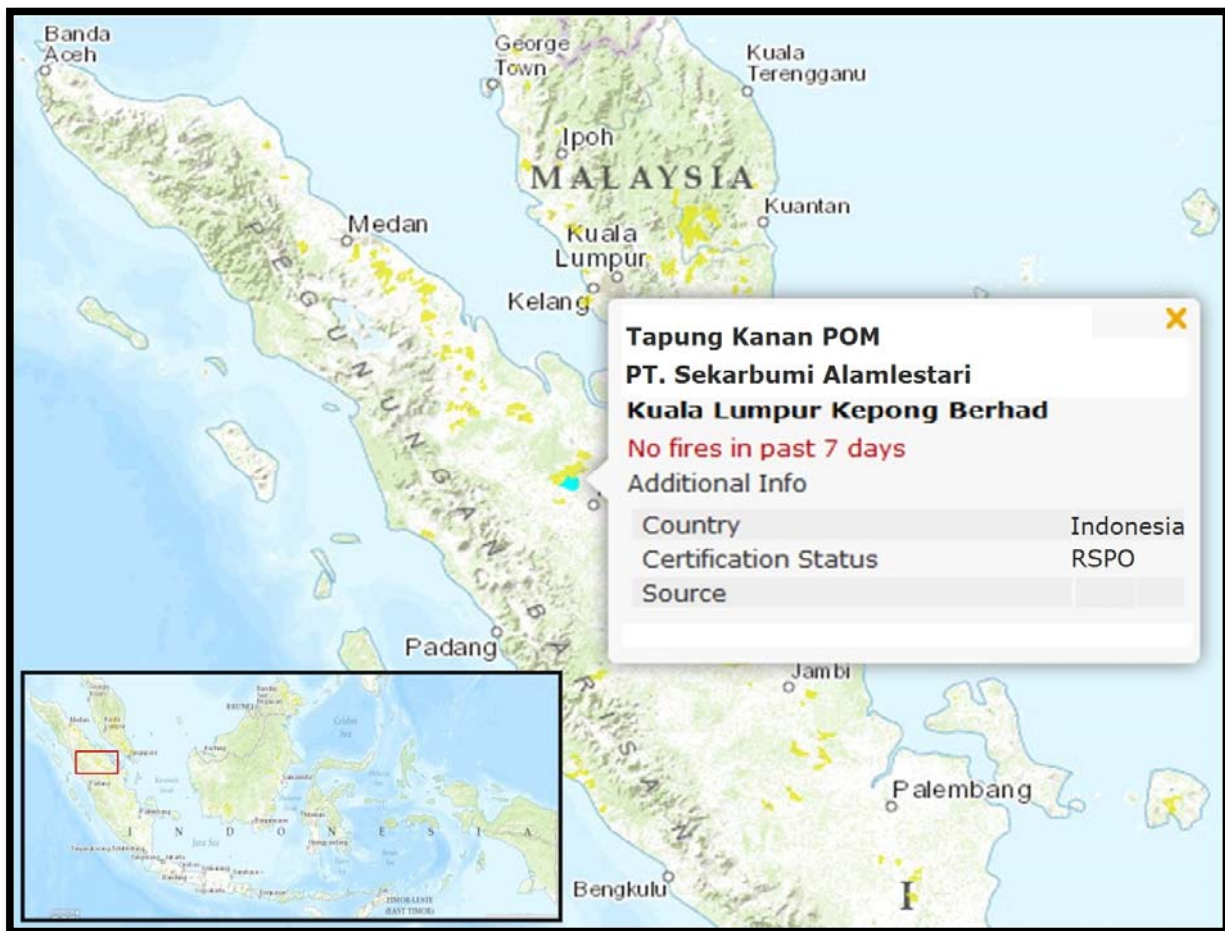
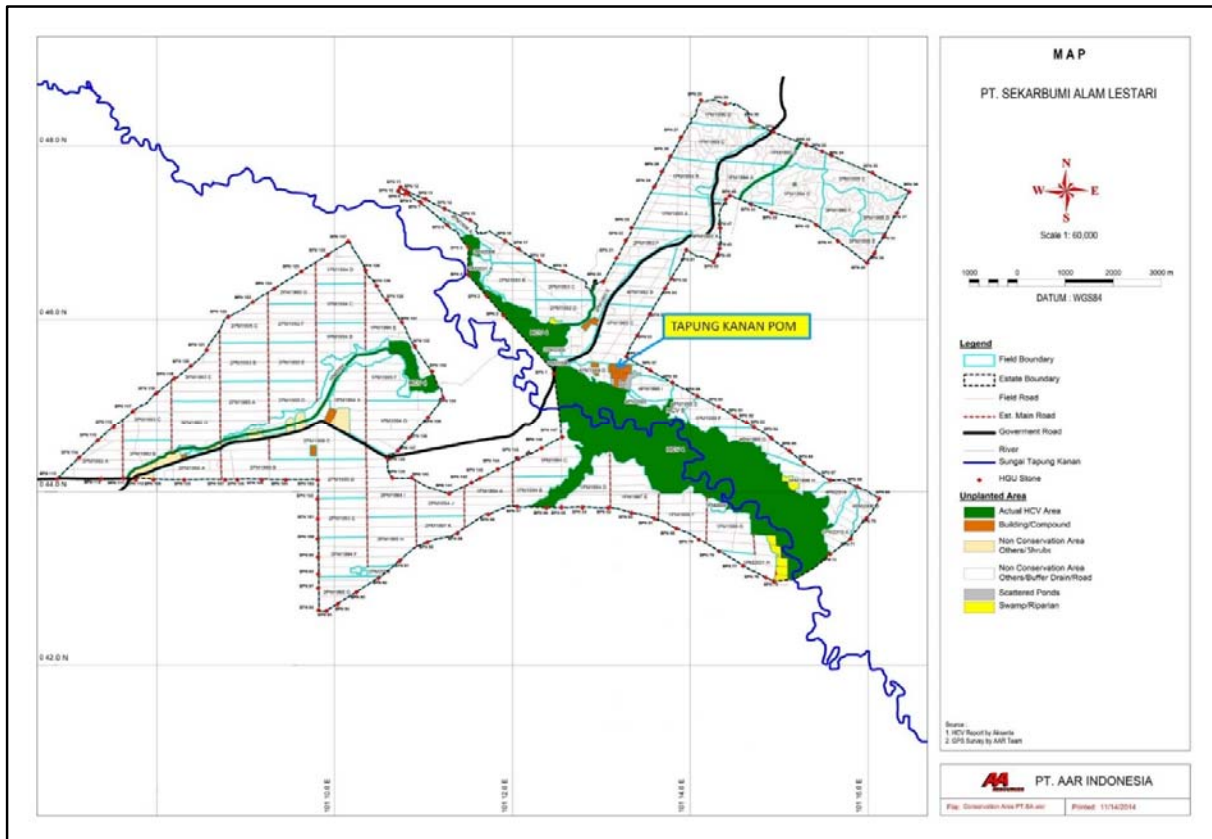


Figure 2. Operational Map of *Operational Map of PT Sekarbumi Alamlestari*



**Abbreviations Used**

|             |   |   |
|-------------|---|---|
| AAR         | : | Applied Agriculture Research  |
| ASA         | : | Annual Surveillance Assessment/Audit  |
| ASI         | : | <i>Air Susu Ibu</i> (Breastmilk)  |
| BHL         | : | <i>Buruh Harian Lepas</i> (Daily Worker)  |
| BKS PPS     | : | <i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (Sumatra Plantation Company Cooperation Agency) |
| BPJS        | : | <i>Badan Penyelenggara Jaminan Sosial / Social Insurance Organisation</i>                             |
| CB          | : | Certification Body  |
| CH          | : | Certificate Holder  |
| CLA         | : | Collective Labor Agreement  |
| CPO         | : | Crude Palm Oil  |
| CSPK        | : | Certified Sustainable Palm Kernel   |
| CSPO        | : | Certified Sustainable Palm Oil  |
| CSR         | : | Corporate Sustainable Responsibility  |
| EFB         | : | Empty Fruit Bunch   |
| EIA         | : | Environmental Impact Analysis   |
| FFB         | : | Fresh Fruit Bunch   |
| FY          | : | Financial Year  |
| GCOHS       | : | Guiding Committee of Occupational Health and Safety   |
| GAP         | : | Good Agriculture Practice   |
| GHG         | : | Green House Gasses  |
| GMP         | : | Good Management Practices   |
| GRP         | : | Ground Rock Phosphate   |
| HCV         | : | High Conservation Value   |
| HGU         | : | Land Use Title  |
| HIRA        | : | Hazard Identification and Risk Assessment   |
| ILO         | : | International Labor Organization  |
| IPAL / WWTP | : | <i>Instalasi Pengelolaan Air Limbah /Waste Water Treatment Plant</i>                                  |
| ISCC        | : | International Sustainability and Carbon Certification   |
| ISPO        | : | Indonesia Sustainable Palm Oil  |
| Jamkesda    | : | <i>Jaminan Kesehatan Daerah</i>   |
| K3          | : | <i>Kesehatan dan Keselamatan Kerja /Occupational Health and Safety</i>                                |
| KCP         | : | Kernel Crushing Plant   |
| KER         | : | Kernel Extract Ratio  |
| KIS         | : | <i>Kartu Indonesia Sehat/Indonesian Healthy Card</i>  |
| KKPA        | : | <i>Kredit Koperasi Primer Anggota /Scheme Smallholders Cooperative</i>                                |
| KLK         | : | Kuala Lumpur Kepong   |
| KTK         | : | Kebun Tapung Kanan  |
| KOPNI SL    | : | Koperasi Tani Sawit Lestari   |
| LA          | : | Land Application / Mill Effluent of Land Application  |
| LB3         | : | <i>Limbah Bahan Berbahaya dan Beracun /Hazardous Waste</i>  |
| LD          | : | Lethal Dosage   |
| LUCA        | : | Land Use Change Analysis  |
| MCL         | : | Mandau Central Laboratory   |
| MSDS        | : | Material Safety Data Sheet  |
| NAD         | : | Nangroe Aceh Darussalam   |
| NGO         | : | Non Government Organization   |
| OER         | : | Oil Extract Ration  |
| OFI         | : | Opportunity for Improvement   |

|           |   |  |
|-----------|---|--|
| OHS       | : | Occupational Health and Safety   |
| P2K3      | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)                                 |
| PK        | : | Palm Kernel  |
| PKB       | : | <i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)  |
| PR        | : | Public Relation  |
| PPE       | : | Personal Protective Equipment  |
| POM       | : | Palm Oil Mill  |
| POME      | : | Palm Oil Mill Effluent   |
| PT MAL    | : | PT Mutuagung Lestari   |
| PT SA     | : | PT Sekarbumi Alamlestari   |
| SA        | : | Sekarbumi Alamlestari  |
| SAOP      | : | Safety standard operating procedures   |
| SBAL      | : | Sekarbumi Alam Lestari   |
| SCCS      | : | Supply Chain Certification Standard  |
| SIA       | : | Social Impact Assessment   |
| SOP       | : | Standard Operating Procedure   |
| SKU       | : | <i>Syarat Kerja Umum</i> (Permanent Worker)  |
| SKU-B     | : | <i>Syarat Kerja Umum</i> (Permanent Worker) / Monthly Worker   |
| RSPO      | : | Roundtable on Sustainable Palm Oil   |
| RTE       | : | Rare, Threatened and Endangered  |
| TBS / FFB | : | <i>Tandan Buah Segar</i> / Fresh Fruit Bunches   |
| TPA       | : | Tempat Penitipan Anak (Daycare)  |
| TPAS      | : | <i>Tempat Pembuangan Akhir Sampah</i> / Landfill   |
| TPS       | : | <i>Tempat Penyimpanan Sementara</i> / Temporary Hazardous Storage                                      |
| UKL-UPL   | : | <i>Upaya Kelola Lingkungan - Upaya Pemantauan Lingkungan</i> / Environmental Management and Monitoring |
| UMSP      | : | <i>Upah Minimum Sektor Perkebunan</i> (Minimum Wage of Plantation Sectoral)                            |
| WLTk      | : | Wajib Laporkan Tenaga Kerja / Employment Official Report   |
| WTP       | : | Water Treatment Plant  |
| WWTP      | : | Waste Water Treatment Plant  |

|            |   |  |                                  |
|------------|---|--|----------------------------------|
| <b>1.0</b> | <b>SCOPE of the CERTIFICATION ASSESSMENT</b>                              |  |                                  |
| <b>1.1</b> | <b>Assessment Standard Used</b>   | <ul style="list-style-type: none"> <li><i>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018.</i></li> <li><i>RSPO Certification System for Principles and Criteria, 14 June 2017</i></li> </ul> |                                  |
| <b>1.2</b> | <b>Organization Information</b>   |  |                                  |
| 1.2.1      | Organization name listed in the certificate                               | <b>PT Sekarbumi Alamlestari – Subsidiary of Kuala Lumpur Kepong Bhd.</b>   |                                  |
| 1.2.2      | Contact person  | Apputhasamy Rathnam  |                                  |
| 1.2.3      | Organisation address and site address                                     | <ul style="list-style-type: none"> <li><b>RSPO registered company:</b><br/>Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, Malaysia</li> <li><b>Indonesia Liaison office:</b><br/>Jl. Pluit Selatan I No. 17 – 19, Jakarta, 14450, Indonesia</li> </ul>   |                                  |
| 1.2.4      | Telephone   | +62 21 661 1696  |                                  |
| 1.2.5      | Fax   | +62 21 661 2366  |                                  |
| 1.2.6      | E-mail  | ky.tan@klk.com.my  |                                  |
| 1.2.7      | Web page address  | <a href="http://www.klk.co.id">www.klk.co.id</a>   |                                  |
| 1.2.8      | Management Representative who completed the application for certification | Apputhasamy Rathnam  |                                  |
| 1.2.9      | Registered as RSPO member   | Registration number: 1-0014-04-000-00<br>18 October 2004   |                                  |
| <b>1.3</b> | <b>Type of Assessment</b>   |  |                                  |
| 1.3.1      | Scope of Assessment and Number of Management Unit                         | 1 Mill and 3 Estates as a supply bases:<br>Tapung Kanan POM, Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate.   |                                  |
| 1.3.2      | Type of certificate   | Single   |                                  |
| <b>1.4</b> | <b>Locations of Mill and Plantation</b>                                   |  |                                  |
| 1.4.1      | Location of Mill  |  |                                  |
|            | <b>Name of Mill</b>   | <b>Location</b>  | <b>Coordinate</b>                |
|            |   |  | <b>Latitude</b> <b>Longitude</b> |
|            | Tapung Kanan  | Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia  | N 0° 45' 26"      E 101° 13' 11" |
| 1.4.2      | Location of Certification Scope of Supply Base                            |  |                                  |
|            | <b>Name of Supply Base</b>  | <b>Location</b>  | <b>Coordinate</b>                |
|            |   |  | <b>Latitude</b> <b>Longitude</b> |
|            | Tapung Kanan 1  | Village of Kota Garo, Sub-District   | N 0° 47' 31"      E 101° 10' 44" |

|  |                               |   |                 |                  |          |          |
|--|-------------------------------|---|-----------------|------------------|----------|----------|
|  |                               | of Tapung Hilir, District of Kampar, Province of Riau, Indonesia                                    |                 |                  |          |          |
|  | Tapung Kanan 2                | Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia | N 0° 46' 53"    | E 101° 10' 09"   |          |          |
|  | Tapung Kanan 3                | Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia | N 0° 42' 56"    | E 101° 15' 0"    |          |          |
|  |                               |   |                 |                  |          |          |
| 1.5  | Description of Area Statement |   |                 |                  |          |          |
| 1.5.1  | Tenure                        |   |                 |                  |          |          |
|  | • State                       |   | 6,200 Ha        |                  |          |          |
|  | • Community                   |   | - Ha            |                  |          |          |
|  |                               |   |                 |                  |          |          |
| 1.5.2  | Area Statement                |   |                 |                  |          |          |
|  | • Total area                  |   | 6,200.00 Ha     |                  |          |          |
|  | • Mature area                 |   | 5,179.00 Ha     |                  |          |          |
|  | • Immature Area               |   | 20.00 Ha        |                  |          |          |
|  | • Mill / Housing / Road       |   | 74.00 Ha        |                  |          |          |
|  | • Nursery                     |   | 4.00 Ha         |                  |          |          |
|  | • Conservation                |   | 923.00 Ha       |                  |          |          |
| *Immature Area is Infilling Not New Planting |                               |   |                 |                  |          |          |
| 1.6  | Planting Year and Cycles      |   |                 |                  |          |          |
| 1.6.1  | Age profile of planting year  |   |                 |                  |          |          |
|  | Planting Year                 | Hectarage (Ha)  |                 |                  |          |          |
|  |                               | Tapung Kanan I  | Tapung Kanan II | Tapung Kanan III | Total    |          |
|  | Mature                        |   |                 |                  |          |          |
|  | 1992                          | 144.00  | 353.00          | —                | 497.00   |          |
|  | 1993                          | 681.00  | 470.00          | 85.00            | 1,236.00 |          |
|  | 1994                          | 384.00  | 545.00          | 553.00           | 1,482.00 |          |
|  | 1995                          | 198.00  | 234.00          | 357.00           | 789.00   |          |
|  | 1996                          | 250.00  | —               | —                | 250.00   |          |
|  | 1997                          | —   | —               | 147.00           | 147.00   |          |
|  | 1998                          | 38.00   | —               | 175.00           | 213.00   |          |
|  | 1999                          | 166.00  | —               | 164.00           | 330.00   |          |
|  | 2001                          | 15.00   | —               | 53.00            | 68.00    |          |
|  | 2005                          | —   | 59.00           | —                | 59.00    |          |
|  | 2006                          | 24.00   | —               | 8.00             | 32.00    |          |
|  | 2010                          | 47.00   | —               | —                | 47.00    |          |
|  | 2015                          | 29.00   | —               | —                | 29.00    |          |
|  | Sub Total Mature              |   | 1,976.00        | 1,661.00         | 1,542.00 | 5,179.00 |
|  | Immature                      |   |                 |                  |          |          |



|            |  |   |   |                                     |  |   |               |
|------------|--|---|---|-------------------------------------|--|---|---------------|
|            | 2019   | 20  | -   | -                                   | 20   |   |               |
|            | Sub Total Immature   | 20  | -   | -                                   | 20   |   |               |
|            | <b>TOTAL</b>   | 1,996.00  | 1,661.00  | 1,542.00                            | 5,199.00   |   |               |
|            | *Planting Year 2019 is infilling not New Planting                |   |   |                                     |  |   |               |
| 1.6.2      | New Planting area after January 2010                             | - Ha  |   |                                     |  |   |               |
| 1.6.3      | Planting Cycle   | 2 <sup>nd</sup> Cycle                             |   |                                     |  |   |               |
|            |  |   |   |                                     |  |   |               |
| <b>1.7</b> | <b>Description of Mill and Supply Base</b>                       |   |   |                                     |  |   |               |
| 1.7.1      | Description of Mill  |   |   |                                     |  |   |               |
|            | <b>Name of Mill</b>  | <b>Capacity<br/>(tonnes/ hour)</b>                | <b>FFB<br/>Processed<br/>(tonnes/year)</b>                                    | <b>CPO<br/>Out put<br/>(tonnes)</b> | <b>Palm Kernel<br/>Extraction<br/>(%)</b>                                  |   |               |
|            | Tapung Kanan   | 30  | 124,098.09  | 25,941.37                           | 20.90  |   |               |
|            |  |   |   |                                     | 6,889.57   |   |               |
|            |  |   |   |                                     | 5.55   |   |               |
|            | <i>*Production data source from February 2019 – January 2020</i> |   |   |                                     |  |   |               |
| 1.7.2      | Description of Certification Scope of Supply Base                |   |   |                                     |  |   |               |
|            | <b>Name of Estate</b>  | <b>Total Area<br/>(Ha)</b>                        | <b>Planted Area<br/>(Ha)</b>  | <b>FFB<br/>(tonnes/ year)</b>       | <b>Yield<br/>(tonnes/ha/<br/>year)</b>                                     | <b>Supplied to Mill<br/>FFB<br/>(tonnes/year)</b> | <b>%</b>      |
|            | Tapung Kanan 1   | 2,447.00  | 1,996.00  | 39,372.89                           | 19.93  | 39,372.89   | 100.00        |
|            | Tapung Kanan 2   | 1,880.00  | 1,661.00  | 29,201.44                           | 17.58  | 29,201.44   | 100.00        |
|            | Tapung Kanan 3   | 1,873.00  | 1,542.00  | 35,535.62                           | 23.05  | 35,535.62   | 100.00        |
|            | <b>TOTAL</b>   | <b>6,200.00</b>                                   | <b>5,199.00</b>   | <b>104,109.95</b>                   | <b>20.02</b>   | <b>104,109.95</b>                                 | <b>100.00</b> |
|            | <i>*Production data source from February 2019 – January 2020</i> |   |   |                                     |  |   |               |
| 1.7.3      | FFB description from other source                                |   |   |                                     |  |   |               |
|            | <b>Name of<br/>sources/Organisation</b>                          | <b>Type of Organisation</b>                       | <b>Number of<br/>smallholders</b>   | <b>Production<br/>Area (Ha)</b>     | <b>Supplied to Mill<br/>FFB<br/>(tonnes/year)</b>                          |   |               |
|            | Koperasi Sahabat Lestari<br>(Non Certified)                      | Associate smallholders<br>of PT Sekarbumi Lestari | 647   | 1,294.00                            | 19,988.14  |   |               |
|            | <b>TOTAL</b>   |   |   |                                     |  | <b>19,988.14</b>                                  |               |
|            | <i>*Production data source from February 2019 – January 2020</i> |   |   |                                     |  |   |               |
| 1.7.4      | Product categories   |   |   | FFB, CPO, PK                        |  |   |               |
|            |  |   |   |                                     |  |   |               |
| <b>1.8</b> | <b>Tonnage of Product</b>  |   |   |                                     |  |   |               |
| 1.8.1      | Past Annual Claim Certified Product                              |   | Previous Certificate Claim<br>24 April 2019 to 23 April 2020<br>(tonnes/year) |                                     | Actual Certified Product<br>February 2019 to January 2020<br>(tonnes/year) |   |               |
|            | • FFB Production   |   | 132,872   |                                     | 104,109.95   |   |               |
|            | • CPO Production   |   | 28,235  |                                     | 21,775.60  |   |               |
|            | • Palm Kernel (PK) Production                                    |   | 7,640   |                                     | 5,738.42   |   |               |
| 1.8.2      | Product selling  |   |   |                                     |  |   |               |
|            | Tonnage of selling product                                       |   | Period of actual selling product last year                                    |                                     |  |   |               |
|            | • CSPO sold as RSPO certified product                            |   | 0   |                                     |  |   |               |

|        |   |                                |  |   |                               |                           |                       |                            |
|--------|---|--------------------------------|--|---|-------------------------------|---------------------------|-----------------------|----------------------------|
|        | <ul style="list-style-type: none"><li>• CSPK sold as RSPO certified product</li><li>• CSPO sold under other scheme</li><li>• CSPK sold under other scheme</li><li>• CSPO sold as conventional</li><li>• CSPK sold as conventional</li></ul> | 5,400                          | 18,339.73                              | 0   | 0                             | 0                         |                       |                            |
|        |   |                                |  |   |                               |                           |                       |                            |
| 1.8.3  | Estimate of Certified FFB Claim   |                                |  |   |                               |                           |                       |                            |
|        | <b>Name of Estates</b>  | <b>Total Area (Ha)</b>         | <b>Planted Area (Ha)</b>               | <b>FFB (tonnes/year)</b>                            | <b>Yield (tonnes/ha/year)</b> |                           |                       |                            |
|        | Tapung Kanan 1  | 2,447.00                       | 1,996.00                               | 41,000  | 20.54                         |                           |                       |                            |
|        | Tapung Kanan 2  | 1,880.00                       | 1,661.00                               | 31,000  | 18.66                         |                           |                       |                            |
|        | Tapung Kanan 3  | 1,873.00                       | 1,542.00                               | 37,000  | 23.99                         |                           |                       |                            |
|        | <b>TOTAL</b>  | <b>6,200.00</b>                | <b>5,199.00</b>                        | <b>109,000</b>                                      | <b>20.97</b>                  |                           |                       |                            |
|        | <i>*Projected FFB production for 24 April 2020 to 23 April 2021</i>   |                                |  |   |                               |                           |                       |                            |
| 1.8.4  | Estimate of Certified Palm Product Claim  |                                |  |   |                               |                           |                       |                            |
|        | <b>Name of Mill</b>   | <b>Capacity (tonnes/ hour)</b> | <b>FFB Processed (tonnes/year)</b>     | <b>CPO</b>  |                               | <b>Palm Kernel</b>        |                       | <b>Supply Chain Module</b> |
|        |   |                                |  | <b>Out put (tonnes)</b>                             | <b>Extraction (%)</b>         | <b>Out put (tonnes)</b>   | <b>Extraction (%)</b> |                            |
|        | Tapung Kanan  | 30                             | 109,000                                | 22,900  | 21.00                         | 6,000                     | 5.5                   | MB                         |
|        | <i>*Projected FFB production for 24 April 2020 to 23 April 2021</i>   |                                |  |   |                               |                           |                       |                            |
|        |   |                                |  |   |                               |                           |                       |                            |
| 1.9    | <b>Other Certifications</b>   |                                |  |   |                               |                           |                       |                            |
|        | ISO 9001:2008   |                                |  | -   |                               |                           |                       |                            |
|        | ISO 14001: 2004   |                                |  | -   |                               |                           |                       |                            |
|        | OHSAS 18001:2007  |                                |  | -   |                               |                           |                       |                            |
|        | ISCC  |                                |  | -   |                               |                           |                       |                            |
|        | Others  |                                |  | ISPO: MUTU-ISPO/032, 30 April 2015 – 29 April 2020. |                               |                           |                       |                            |
| 1.10   | <b>Time Bound Plan</b>  |                                |  |   |                               |                           |                       |                            |
| 1.10.1 | <b>Time Bound Plan for Other Management Units</b>   |                                |  |   |                               |                           |                       |                            |
|        | <b>MANAGEMENT UNIT</b>  |                                |  | <b>LOCATION</b>                                     |                               | <b>Coverage Area (Ha)</b> | <b>Time Bound</b>     | <b>Status</b>              |
|        | <b>P O M</b>  | <b>Estate (Supply Base)</b>    |  |   |                               |                           |                       |                            |
|        | <b>INDONESIA</b>  |                                |  |   |                               |                           |                       |                            |
|        | Berau POM   | Malindomas Perkebunan          | Berau, Kalimantan Timur                |   | 7,971                         | 2019                      | Certified             |                            |
|        |   | Hutan Hijau Mas                | Berau, Kalimantan Timur                |   | 7,288                         | 2019                      | Certified             |                            |
|        | Jabontara POM   | Jabontara Eka Karsa            | Berau, Kalimantan Timur                |   | 14,086                        | 2017                      | Certified 2017        |                            |
|        |   | Anugerah Surya Mandiri         | Berau, Kalimantan Timur                |   | 2682                          | 2021                      |                       |                            |
|        |   |                                |  |   |                               |                           |                       |                            |
|        | MAP POM   | Mulia Agro Permai              | Baamang, Kalimantan Tengah             |   | 9,056                         | 2019                      | Certified             |                            |
|        |   | Menteng Jaya Sawit Perdana     | Mentaya Hilir Utara, Kalimantan Tengah |   | 6,399                         | 2021                      | -                     |                            |
|        | KMA POM   | Karya Makmur Abadi             | Mentaya Hulu, Kalimantan Tengah        |   | 13,127                        | 2019                      | Certified             |                            |
|        |   |                                |  |   |                               |                           |                       |                            |

|                                 |   |                           |        |      |                                     |
|---------------------------------|---|---------------------------|--------|------|-------------------------------------|
| Steelindo Wahana Perkasa POM    | Steelindo Wahana Perkasa                      | Belitung, Bangka Belitung | 14,065 | 2012 | Certified 1 January 2015            |
|                                 |   |                           |        |      |                                     |
| Parit Sembada POM               | Parit Sembada                                 | Belitung, Bangka Belitung | 3,990  | 2013 | Certified 2016                      |
|                                 | Alam Karya Sejahtera                          | Belitung, Bangka Belitung | 6,012  | 2013 | Certified 2016                      |
|                                 |   |                           |        |      |                                     |
| Mandau POM                      | Mandau  | Bengkalis, Riau           | 14,799 | 2012 | Certified 2012                      |
|                                 |   |                           |        |      |                                     |
| Nilo POM                        | Nilo  | Pelalawan, Riau           | 12,860 | 2012 | Certified 2014                      |
|                                 | Smallholder PT Adei Plantation – NILO Complex | Pelalawan, Riau           |        | 2018 | Certified                           |
|                                 |   |                           |        |      |                                     |
| Tapung Kanan POM                | Sekarbumi Alamlestari                         | Kampar, Riau              | 6,200  | 2012 | Certified 2013                      |
|                                 | Koperasi Tani Sahabat Lestari (Smallholder)   | Kampar, Riau              | 1,294  | -    | Refuse to take a part RSPO process. |
|                                 |   |                           |        |      |                                     |
| Gohor Lama POM (LNK Stabat POM) | Basilam                                       | Langkat, Sumatera Utara   | 2,337  | 2014 | Certified 2017                      |
|                                 | Gohor Lama                                    | Langkat, Sumatera Utara   | 3,307  | 2014 | Certified 2017                      |
|                                 | Tanjung Beringin                              | Langkat, Sumatera Utara   | 4,157  | 2019 | Certified                           |
|                                 | Maryke  | Langkat, Sumatera Utara   | 2,827  | 2014 | Certified 2017                      |
|                                 | Bekiun  | Langkat, Sumatera Utara   | 2,979  | 2014 | Certified 2017                      |
|                                 | Padang Brahrang                               | Langkat, Sumatera Utara   | 2,024  | 2014 | Certified 2017                      |
|                                 | Bukit Lawang                                  | Langkat, Sumatera Utara   | 1,482  | 2014 | Certified 2017                      |
|                                 | Tanjung Keliling                              | Langkat, Sumatera Utara   | 2,360  | 2014 | Certified 2017                      |
|                                 |   |                           |        |      |                                     |
| Padang Brahrang POM             | No longer in operation                        |                           |        |      |                                     |
| PENINSULAR MALAYSIA             |   |                           |        |      |                                     |
| Batu Lintang POM                | Pelam   | Kulim, Kedah              | 2,526  | 2012 | Certified 2013                      |
|                                 | Batu Lintang                                  | Serdang, Kedah            | 2,355  | 2012 | Certified 2013                      |
|                                 | Subur   | Batu Kurau, Perak         | 1,290  | 2013 | Certified 2013                      |
|                                 | Ghim Khoon                                    | Kulim, Kedah              | 434    | 2012 | Certified 2013                      |

|                      |                  |                                |       |      |                |
|----------------------|------------------|--------------------------------|-------|------|----------------|
| Kekayaan POM         | Kekayaan         | Paloh, Johor                   | 4,436 | 2011 | Certified      |
|                      | Landak           | Paloh, Johor                   | 4,451 | 2011 | Certified      |
|                      | Voules           | Tenang, Johor                  | 2,977 | 2011 | Certified      |
|                      | Bandar Tenggara  | Bandar Tenggara, Johor         | 950   | 2011 | Certified      |
|                      | New Pogoh        | Tenang, Johor                  | 1,560 | 2011 | Certified      |
|                      | Fraser           | Kulai, Johor                   | 2,932 | 2011 | Certified      |
|                      | Paloh            | Paloh, Johor                   | 2,029 | 2011 | Certified      |
|                      | Sungai Bekok     | Bekok, Johor                   | 636   | 2011 | Certified      |
|                      | Ban Heng         | Pagoh, Muar, Johor             | 631   | 2011 | Certified      |
|                      | See Sun          | Renggam, Johor                 | 589   | 2011 | Certified      |
| Paloh POM            |                  | Paloh, Johor                   |       |      | Outside Crop   |
| Jerang Padam POM     | Ayer Hitam       | Bahau, Negri Sembilan          | 2,640 | 2012 | Certified      |
|                      | Batang Jelai     | Rompin, Negri Sembilan         | 2,162 | 2012 | Certified      |
|                      | Jeram Padang     | Bahau, Negri Sembilan          | 2,114 | 2012 | Certified      |
|                      | Kombok           | Rantau, Negri Sembilan         | 1,915 | 2012 | Certified      |
|                      | Ulu Pemas        | Pemas, Negri Sembilan          | 923   | 2012 | Certified      |
|                      | Gunung Pertanian | Simpang Durian, Negri Sembilan | 686   | 2012 | Certified      |
|                      | Sungai Kawang    | Lanchang, Pahang               | 1,889 | 2012 | Certified      |
|                      | Renjok           | Telepong, Pahang               | 1,578 | 2012 | Certified      |
|                      | Tuan             | Telepong, Pahang               | 1,353 | 2012 | Certified      |
| Tanjung Malim POM    | Tanjung Malim    | Tanjung Malim, Perak           | 1,544 | 2013 | Certified 2013 |
|                      | Kerling          | Kerling, Selangor              | 619   | 2013 | Certified 2013 |
|                      | Sungai Gapi      | Serendah, Selangor             | 603   | 2013 | Certified 2013 |
|                      | Bukit Kato       |                                |       |      | Certified 2013 |
|                      | Kampar           |                                |       |      | Certified 2013 |
| Tuan Mee POM         | Tuan Mee         | Sungai Buloh, Selangor         | 1,556 | 2012 | Certified 2013 |
| Kuala Pertang POM    | Kerila           | Tanah merah, Kelantan          | 2,191 | 2013 | Certified 2014 |
|                      | Pasir Gajah      | Kuala Krai, Kelantan           | 2,107 | 2013 | Certified 2014 |
|                      | Sungai Sokor     | Tanah Merah, Kelantan          | 1,603 | 2013 | Certified 2014 |
| Changkat Chermin POM | Lekir            | Manjung, Perak                 | 3,332 | 2012 | Certified 2013 |
|                      | Changkat Chermin | Manjung, Perak                 | 2,540 | 2012 | Certified 2013 |
|                      | Raja Hitam       | Manjung, Perak                 | 1,497 | 2012 | Certified 2013 |

|  |                  |                      |        |              |                |
|--|------------------|----------------------|--------|--------------|----------------|
|  | Allagar          | Trong, Perak         | 805    | 2013         | Certified 2013 |
|  | Glenealy         | Parit, Perak         | 1,059  | 2013         | Certified 2013 |
|  | Serapoh          | Parit, Perak         | 936    | 2013         | Certified 2013 |
|  | Kuala Kangsar    | Padang Rengas, Perak | 843    | 2013         | Certified 2013 |
|  |                  |                      |        |              |                |
| <b>SABAH, MALAYSIA</b>   |                  |                      |        |              |                |
| Mill 1   |                  | Tawau, Sabah         |        | Outside Crop |                |
|  |                  |                      |        |              |                |
| Mill 1   | Jatika           | Tawau, Sabah         | 3,508  | 2009         | Certified 2009 |
|  | Sigalong         |                      | 2,864  | 2009         | Certified 2009 |
|  | Pangeran         |                      | 2,855  | 2009         | Certified 2009 |
|  | Sri Kunak        |                      | 2,770  | 2009         | Certified 2009 |
|  | Pang Burong      |                      | 2,548  | 2009         | Certified 2009 |
|  |                  |                      |        |              |                |
| Pinang   | Pinang           | Tawau, Sabah         | 2,420  | 2009         | Certified 2009 |
|  | Tundong          |                      | 2,155  | 2009         | Certified 2009 |
|  | Ringlelet        |                      | 1,834  | 2009         | Certified 2009 |
|  |                  |                      |        |              |                |
| Lungmanis  | Lungmanis        | Lahad Datu, Sabah    | 1,656  | 2010         | Certified 2010 |
|  | Sungai Silabukan | Lahad Datu, Sabah    | 2,654  | 2010         | Certified 2010 |
|  |                  |                      |        |              |                |
| Rimmer   | Rimmer           | Lahad Datu, Sabah    | 2,730  | 2010         | Certified 2010 |
|  | Tungku           | Lahad Datu, Sabah    | 3,418  | 2010         | Certified 2010 |
|  | Bukit Tabin      | Lahad Datu, Sabah    | 2,916  | 2010         | Certified 2010 |
|  |                  |                      |        |              |                |
| Bornion  | Bornion          | Kinabatangan, Sabah  | 3,233  | 2010         | Certified 2010 |
|  | Segar Usaha      | Kinabatangan, Sabah  | 2,792  | 2010         | Certified 2010 |
| <b>LIBERIA</b>   |                  |                      |        |              |                |
| No Palm Oil Mill   | Butaw Estate     | Liberia              | 8,011  | 2022         |                |
| Plan Bay Mill  | Plam Bay Estate  | Liberia              | 13,007 | 2022         |                |
| *KLK Time Bond Plan has been updated on 29 October 2019 and develop by sustainability team |                  |                      |        |              |                |

|        |   |
|--------|---|
| 1.10.2 | <b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>  |
|        | <p>PT SA has been certified since 24 April 2012 with the scope Tapung Kanan POM, TK I Estate, TK II Estate and TK III Estate. In addition, PT SA also has a partnership with smallholder scheme "KKPA Sahabat Lestari" which also supplies FFB to Tapung Kanan POM. Until now been running four years since Tapung Kanan POM obtained the certificate (Recertification) and KKPA Sahabat Lestari are yet to be proven in compliance with the RSPO certification standards (certifiable) according to the requirements of the RSPO certification system clausul 4.2.3.</p> <p>The Company has made an efforts to ensure that the area of KOPNI-SL as one of FFB suppliers to Tapung Kanan POM can be certified. The process of engagement and socialization has been conducted since 2015 (when ASA-2), for example, it can be shown the minutes of meeting on RSPO certification activities for area of KOPNI-SL on July 2, 2015 which was attended by 15 participants including members of KOPNI, Board of KOPNI and PT SA management.</p> <p>Assessment of the fulfillment of legality aspect of KOPNI-SL has been requested by PT SA to PT MAL and has been done on 14-16 Feb 17 but at the time of the activity the KOPNI's Board is not willing to attend. The meeting between PT SA and KP-SL was resumed in June 2017, and based on the meeting minutes it was found that KP-SL stated that it was unwilling to be audited. The assessment of documents and field observations was undertaken by PT Mutuagung (upon request of PT Sekar Bumi) against KP-SL on 13-16 June 2017, and at that time KP-SL refused to be audited.</p> <p>A tripartite meeting between PT SA, PT MAL (CB) and RSPO-Malaysia was conducted to discuss these issues on July 6, 2017 at RSPO Secretariat – Kuala Lumpur. Based on the results of the meeting, PT Sekarbumi Alamlestari issued a declaration letter on the status of Kopni Sahabat Lestari, dated July 10, 2017 to PTMutuagung, which explains the chronology of efforts made by the company, and also its cooperation status was not KKPA (which based on the IUP PT SA have no obligation to develop KKPA), so in this case KP-SL is independent –out grower.</p> <p>Verification of the declaration letter has been done by PT Mutuagung through an interview to members of the KOPNI on July 13, 2017 and mentioned that most of members and Boards refuse to take a part RSPO process.</p> |

|                |  |
|----------------|--|
| <b>2.0</b>     | <b>ASSESSMENT PROCESS</b>  |
| <b>2.1</b>     | <b>Assessment Team</b>   |
| <b>ASA 1.2</b> | <p>1. <b>Moh Arif Yusni (Lead Auditor)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legal Aspect, Social Aspect, Best Management Practices for mill and estate, and SCCS</p> <p>2. <b>Radytio Puspanjana (Auditor)</b>. Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. During the audit, he verified Environment, HCV, GHG.</p> <p>3. <b>Haikal Ramadhan Kharismansyah (Auditor)</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000, SA 8000, ISO 14000 and SCCS. Has conducting ISPO and RSPO audit with expertise on best management practices, OHS, Worker Welfare, and SCCS. During this audit verified Transparencies OSH, and Worker Welfare</p> <p>4. <b>Andriobiko (Observer)</b>. Associate Expert in Oil Palm Plantations. Experienced in several national private oil palm plantation companies as Operational Staff in 2008-2019. Has attended ISPO Auditor training.</p> |
| <b>2.2</b>     | <b>Assessment Methodology, Assessment Process and Locations of Assessment</b>  |
| <b>2.2.1</b>   | <b>Figure of person days to implement assessment</b>   |
| <b>ASA 1.2</b> | <p>Number of auditors: 3 auditors</p> <p>Number of days for <b>ASA-1.1</b> at site: 5 days</p> <p>Number of working days for <b>ASA-1.1</b> at site: 15 Working days</p>   |
| <b>2.2.2</b>   | <b>Assessment Process</b>  |
| <b>ASA 1.2</b> | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT the PT Sekarbumi Alamlestari to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</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) <i>interview</i>, 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>Public Stakeholder Notification was made on Mutucertification International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with</p>   |



|                |   |
|----------------|---|
|                | <p>stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.</p> <p>Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.</p> <p>Some opportunities for improvement of the results <b>ASA 1.2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-1.3</b>). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA 1.2</b></p> <p>The assessment program please find Appendix 2</p>  |
| <b>2.2.3</b>   | <b>Locations of Assessment</b>  |
| <b>ASA 1.2</b> | <p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Tapung Kanan POM</b></p> <ul style="list-style-type: none"> <li>- <b>WTP.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management</li> <li>- <b>WWTP.</b> Field observations related to Ban to entry to WWTP, run off, testing of effluent.</li> <li>- <b>solid waste area.</b> Field observations related to empty bunch, fiber, shell and solid management.</li> <li>- <b>POM drainage.</b> Observation and interview with 1 person related to POME and house keeping.</li> <li>- <b>POM Reservoir.</b> Observation related management and monitoring water consumption.</li> <li>- <b>Weight Bridge.</b> Observation and interview regarding workers' understanding of the FFB reception system</li> <li>- <b>Security.</b> Observation regarding the wage system and the work responsibilities of the security team</li> <li>- <b>Boiler Station.</b> Direct observations and interviews about the tool's working system and the recording of equipment's working hours and maintenance.</li> <li>- <b>Sterilizer Station.</b> Direct observation and interview of the operator at the sterilizer station related to technical work, use of PPE, and employment (periodic health checks).</li> <li>- <b>Kernel Station.</b> Direct observation and operator interviews at the kernel station related to technical work, use of PPE, and employment (periodic health checks).</li> <li>- <b>Clarifier Station.</b> Direct observations and operator interviews at the clarifier station related to technical work, use of PPE, and employment (periodic health checks).</li> <li>- <b>Engine Room.</b> Observation and interview with the generator engine and factory manager. Officers use PPE and have permanent permission and periodic health checks.</li> <li>- <b>Security Post.</b> Observation and interview about the mechanism of receiving FFB, Officers 'Working Hours, Completeness of PPE and Compliance of workers' rights</li> <li>- <b>Area Sorting (grading),</b> Field observations and interviews related to the technical work of sorting (determination of samples, grading criteria, and recording), and the use of PPE.</li> <li>- <b>Loading Ramp.</b> Field observation on PPE usage, symbols and warning related OHS.</li> </ul> <p><b>KTk I</b></p> |



- **Barn Owl Box, Block 374.** Observation of biological pest control by using owls (*Tyto alba*).
- **Land Application, Block 344** Observation of land application realization.
- **Monitoring well.** Observation related management and monitoring water
- **Housing Complex block 2A.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **HCV Area Block 93 E.** Observation the implementation of management in HCV area (Palapian riparian).
- **HCV Area Block 95 E.** Observation the implementation of management in HCV area (cemetery sacred).
- **Landfill Block 92D .** Observation about domestic management (landfill).
- **Harvesting activity, Block 93 C,** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Spraying, Block 92 B.** Interviews and Observations with pesticide applicators related work safely for themselves and the environment.
- **Nest Box Block 93 C.** Observation regarding the application of biological control.
- **EFB application Block 93 D.** Interviews and observations regarding work procedures and OHS awareness
- **FFB Transportation Block PM 1993 C ,** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **EFB Application Block PM 1993 D,** Observation related EFB application, worker welfare and OHS Aspect
- **HGU stakes and land demarcation No 36 (96C), 37 (95D), 38 (95D), 39 (96E) 40 (96E).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Monitoring Wells Block 344,** Observation related water quality testing
- **Ex-occupation area of Dolok Saribu, Blok PR2015.** Observation on ex occupation area, land demarcation, and potential conflict.
- **Ex-occupation area of Mardion, Block PR1993B.** Observation on ex occupation area, land demarcation, and potential conflict.

#### KTK II

- **Housing division 3A.** Observation and interview regarding employee welfare facilities
- **Manual Weeding. Block 95D.** Observations and interviews regarding work procedures and PPE provided
- **Manuring. Block 95 F.** Observation and interview regarding work procedures and safe working methods both for oneself and the environment
- **Daycare.** Observation of child welfare facilities and infrastructure
- **Rinse house.** Observations and interviews about work procedures and safe working methods for both itself and the environment
- **HCV Area Block PM05.** Observation the implementation of management in HCV area (Sepano riparian).
- **HGU stakes and land demarcation No 125,126, 127 and 128** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.

#### KTK III

- **HGU stakes and land demarcation No. 83, 84, 85 (block 94 D) dan No. 75 (block 01 H).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV – riparian of Paloge River, Block 94 D.** Observations marking of HCV areas and RTE information signboard, prohibition of burning , hunting and illegal logging of natural trees.
- **HCV – riparian of Paloge River, Block 01 H.** Observations marking of HCV areas and RTE information signboard, prohibition of burning , hunting and illegal logging of natural trees.
- **Housing division 4b.** Observation and interview regarding employee welfare facilities
- **Daycare Center division 4b.** Observations and interviews regarding child care facilities
- **Rinse and Storage House division 4b.** Observation about the facilities and infrastructure of the rinse house
- **Landfill.** Observation regarding domestic waste management
- **Harvesting activity, Block 97 E,** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Spraying, Block 94 B.** Interviews and Observations with pesticide applicators related work safely for themselves and the environment.
- **Nest Box Block 94 I.** Observation regarding the application of biological control
- **Transport Block 94 B.** Observation and interviews with foremen and workers related to work procedures, health

|                |   |
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|                | <p>insurance and labor protection, safe working practices and use of PPE.</p> <ul style="list-style-type: none"> <li>- <b>Fertilizer Application, Block 99 F.</b> Interviews and Observations with Fertilizer applicators related work safely for themselves and the environment.</li> </ul> <p><b>Central office</b></p> <ul style="list-style-type: none"> <li>- <b>Chemical Warehouse.</b> Observation regarding chemical management</li> <li>- <b>Workshop.</b> Observation regarding the competence of workshop workers</li> <li>- <b>Hazardous Waste Temporary Shelter.</b> Observation regarding Hazardous and Toxic waste management</li> <li>- <b>Fire Extinguisher Simulation.</b> Observation regarding emergency response team</li> <li>- <b>First aid facility.</b> Observation of first aid facilities in accidents and management of medical containers</li> </ul> <p><b>Stakeholder</b></p> <ul style="list-style-type: none"> <li>- Plantation Agency of Kampar regency</li> <li>- Land Agency of Kampar regency</li> <li>- Tapung Hilir Subdistrict</li> <li>- Labour Agency</li> <li>- Environmental Agency</li> <li>- Koto Aman Village</li> <li>- Koto Garo Village</li> <li>- Police Station of Tapung Hilir</li> <li>- Gender Committee</li> <li>- Contractor (PT AMINDO &amp; PT ABA)</li> <li>- Labor Union</li> </ul> |
| <b>2.3</b>     | <b>Stakeholder Consultation and Stakeholders Contacted</b>  |
| <b>2.3.1</b>   | <b>Summary of stakeholder consultation process.</b>   |
| <b>ASA 1.1</b> | <p>Consultation of stakeholders for PT Sekarbumi Alamlestari was held by:</p> <ol style="list-style-type: none"> <li>1. Public Notification on PT Mutuagung Website on 03 February 2020</li> <li>2. Consultation with government Agency of Kampar Regency on 24 February 2020.</li> <li>3. Conducted interview with the Sub-District Head and police station of Tapung Hilir on 25 February 2020</li> <li>4. Consultation with the local community (Head of the Koto Garo and Koto Aman Village) on 25 February 2020</li> <li>5. Public consultation with internal stakeholders (representatives of Bipartite Workers' / LKS and cooperative management) on 24 February 2020</li> <li>6. Consultation with relevant NGO (Walhi, Sawit Watch, WWF, and AMAN) via e-mail on 14 February 2020.</li> </ol>  |
| <b>2.3.2</b>   | <b>Stakeholder contacted</b>  |
|                | <i>Please find appendix 2</i>   |
| <b>2.4</b>     | <b>Determining Next Assessment</b>  |
|                | The next visit ASA -1 .3 will be conducted eight (8) month to twelve (12) month after date of annual license (23 April 2020)  |

### 3.0. ASSESSMENT FINDINGS

#### 3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Tapung Kanan POM – PT Sekarbumi Alamlestari Subsidiary of Kuala Lumpur Kepong, operation consisting of one (1) mill and 3 (three) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Minor Compliance Indicator and one (1) 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.

MUTUAGUNG LESTARI found that Tapung Kanan POM – PT Sekarbumi Alamlestari Subsidiary of Kuala Lumpur Kepong, complied with the requirements of **Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.**

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

| Ref Std.   | VERIFICATION RESULT of MUTU-Certification   |  |
|--|---|--|
| <b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b> |   |  |
| <b>1.1</b>   | <b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>  |  |
| <b>1.1.1, 1.1.2, 1.1.5</b>                             | <p>The Unit of Certification has a list of information written in the Register of Information and Related Stakeholders documents that have been signed by the head of PT Sekarbumi Alamlestari. The document informs about the type of document, and stakeholders related to the type of document include government agencies, the community, and related internal departments. The types of documents that can be accessed by stakeholders include: Regional Director – memo, Purchasing unit, Crop report, Agreement, Insurance, Log book for information request, Log book for complaints / requests for assistance, Occupational Health and Safety Assessment Series (OHSAS) Program, Incoming / outgoing Letters, RSPO Internal / external audit, Accident report, land use rights, human rights policy, company policies.</p> <p>The results of interviews with stakeholders, it is known that they are quite easy in accessing information. Information that can be accessed is available in Indonesian language, how to submit an application can be oral, email, fax, telephone and direct visit to the office.</p> <p>The party responsible for providing or updating information is the Estate Manager / Assistant / PR team / sustainability team and the person responsible for external communication is the general manager and general staff.</p> <p>In addition to the list of documents that can be accessed by the public, the Unit of Certification also has a list of stakeholder contacts who deal directly with the Unit of Certification. The list that informs the name of the institution / agency, the name of the contact person, position, mobile number, and address. The list of stakeholders consists of indigenous peoples and community leaders, institutions (officials) and related institutions, relevant government agencies.</p> |  |
| <b>1.1.3</b>   | <p>The Unit of Certification has a procedure for requesting information, communication and filing complaints on 24 November 2019 Rev.03. The SOP explains that every information from stakeholders is responded by the Unit of Certification for a period of 14 days. Records of requests for information are recorded in the incoming and outgoing mail book and their responses. The Unit of Certification showed responses from incoming letters, for example a letter from Trimanunggal</p>   |  |

Village dated 7 January 2020, regarding requests for heavy equipment / graders to repair the roads in Trimanunggal Village. The Unit of Certification gave a response letter and the realization of the action on 14 and 15 February 2020.

Based on the results of the document review and interviews with stakeholders, it is known that they do not ask for information from the Unit of Certification, only ask for CSR and invitation.

#### 1.1.4

The Unit of Certification has procedures for responding to documented stakeholders in the Management of Information, Communication and Submission of Complaints on 24 November 2018 Rev. 03. It is explained in the procedure that the PIC for communication and consultation is the estate manager / assistant / public relations team / sustainability team and the person responsible for external communication is the general manager and general staff. Information from stakeholders is responded by the Unit of Certification with a response period of 14 days.

Interviews with government agencies, labor union, village representatives, it was found that they understood how to communicate and consult with the Unit of Certification and the PIC who was responsible for communicating and consulting.

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|  | <b>Status: Comply</b> |  |
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### 1.2

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

#### 1.2.1; 1.2.2

The Unit of Certification has a policy of ethical company in Kuala Lumpur Kepong Berhad (15043-V) dated 01 October 2014. Based on this document, PT Sekarbumi Alamlestari is committed to acting ethically in all business transactions at oil palm plantations and mills and the management of contractors including: Conflicts of interest, Information confidential, Information technology, Internal information and securities trading, Protection of assets and funds, Business and court records, Compliance with law, Gifts or remuneration, Health and safety, Fair and polite

The Unit of Certification has a system for monitoring compliance and implementation of the policy, as well as overall ethical business practices. Based on the results of the 2019 complaints document review, it was concluded that there were no reports related to violations of ethical business practices. Based on interview with contractors it was known if the ethical business practices have been socialized to contractors during sign of the work agreement.

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|  | <b>Status: Comply</b> |  |
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## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

### 2.1

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

#### 2.1.1

Based on documents verifications the unit of certification can demonstrate compliance with these law and regulations, for instance:

##### Environmental aspect

- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely.
- Has been manage the hazardous waste, POME and domestic waste in accordance with applicable regulation.
- Land preparation without burning and has the infrastructure in fire anticipation, according to *Permentan* Number. 26 of 2007 section 15.

##### Employment System

Has implemented minimum wage payments in accordance with regulations established by the government

##### OHS Aspect

- Has provided PPE for all employees in accordance with the risk analysis and is provided for Free
- Involve employees in health insurance and employment insurance programs (*BPJS TK and BPJS Kesehatan*)
- Equipping operators with required competencies, for example license for lift operators and power plant operators

##### BMP aspect

In terms of best management practices, it is known that plantation and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process, trees planted are from seed producers (DxP) which are recognized by the Indonesian government. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.

#### **Legal Aspect**

The unit of certification can demonstrate compliance with these laws and regulations, for example: have land title (HGU), have environmental documents, Have plantation business permits and etc.

#### **2.1.2**

The CH has a mechanism to assess compliance with the law and regulation, in accordance with the procedures of Regulatory Compliance and Applicable Law (No. 02 dated 1 August 2013). Starting with inventorying and make a list of the rules applicable in regional, national, and international, and updating it annually or if necessary. The list of regulation shown contained of the field of employment, environment, HCV, OHS, and legality of land use. Those list were include of regional, national, and ratified international regulations. CH has conducted and documented evaluation adherence to rules, regulations and other requirements employment field annually. The latest regulatory compliance audit has been carried out based on a report dated 31 January 2020. The results of the audit have been inventoried the latest list of regulations in 2019, for example :

- Minister of Agriculture Regulation No. 5 of 2019 regarding plantation business licenses replacing the Minister of Agriculture Regulation No. 21 of 2017 concerning the second amendment to the Minister of Agriculture Regulation No. 98 of 2013 concerning guidelines for plantation business licensing
- Finance Minister Regulation No. 35 of 2019 concerning taxpayers
- Law no 17 of 2019 concerning water resources
- Presidential Regulation No. 75 of 2019 concerning amendments to Presidential Regulation No. 82 of 2018 concerning health insurance

#### **2.1.3**

Map of legal boundaries are available in audit site. Boundaries markers monitored once a year according to SOP demarcation and maintenance of boundary markers (SOP No. 4 revised on 10 August 2017), the last monitoring already carry out on October 2019 with the results of monitoring its known if all boundaries poles are good and maintained. From interviews with the local communities are not identified any cases of border violations. Based on field observation by auditor team, checking the sampled boundary poles using GPS tool GARMIN 62s, on Boundaries Pole in KTK 1 Pole No 36 (96C), 37 (95D), 38 (95D), 39 (96E) 40 (96E).; KTK 2 Estate Pole No. 125, 126,127 dan 128 and KTK 3 Estate Pole No 84, 85 (blok 94 D) dan No. 75 (block 01 H) all the legal boundaries are well demarcated, visibly maintained and appropriate with coordinates

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| <b>Status: Comply</b> |
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### **2.2**

**All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.**

#### **2.2.1**

List of all contractor parties been maintained by the unit of certification. Based on document verifications there are several contractors who with engagement with the company that separated with 3 (three) contractors who have a legal entity and several local contractors for upkeep that no have legal entity. Based on document verifications there are no contractors related workers recruitment agencies

#### **2.2.2; 2.2.3**

Based on the document's verifications, interview with management and local contractors the unit of certification can be demonstrated if all contracts with 3 (three) contractors who have a legal entity is containing specific clauses on meeting applicable legal requirements and this can be demonstrated. Clauses related to legal requirements are mentioned in the annex of Safety regulations, Environmental Health and labor that agreed by both parties, who described the safety aspect, PPE used, insurance, the minimum wage in accordance with regulations no child worker, employment registration, comply to the legal requirements and etc.

However based on document verifications, interviews with management it was known for activities that outsourced to local contractors that there is no legal entity for instance, EFB application (Work Agreement No 879./050/Pd/SPB/KTKI/2B/2019 and No SA3/SJ/SPB/KTK3/X/2019), in the works agreement there is no clause which describes the obligations of the law.. In addition, companies cannot demonstrate mechanisms for ensuring legal compliance as governed by the RSPO Principles and Criteria, relating to:

- Evidence of payment of minimum wages
- Health and employment insurance
- Implementation of OSH aspects

(n the 2017 RSPO certification system clause 4.4.6 it is stated *In cases where an organization seeking certification contracts or outsources non processing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards*). Based on that explanation raised non conformity no 2020.01

2.2.2 **Status: Non Conformity No.2020.01**

### 2.3

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

#### 2.3.1; 2.3.2

Records of the origins of all third-party FFB sourced are available on computerized system at Tapung Kanan POM. Based on documents verifications FFB that supplies to Tapung Kanan POM are from estate under scope of certifications and full manage smallholders under PT Sekarbumi Alam Lestari (Farmer Cooperative Sahabat Lestari) There are no FFB from the collection centers, agents or other intermediaries.

The unit of certification can presented FFB from scheme smallholders are from legal source, on geo location of FFB origins 0° 45' 26" N and 101° 13' 11" E, agreement with company No No.198/SPK-KKPA/SA-UM/XII/1999 or No. 036/Kopni-SL/KG/XII/1999 dated 2 December 1999 and land ownership documents for example No. 6031 dated 01 July 2004.

**Status: Comply**

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

### 3.1

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

#### 3.1.1

The certification unit has a work plan and budget projections for 2017-2022. The information in the document consists of routine operational activities such as land clearing, planting, maintenance and harvesting and mills (FFB, OER, KER, CPO & PK Processed and FFA Processes); CSR programs, environmental programs; expenditure projections including budget plans for mill and plantation operations, supporting departments (social, environmental & conservation and others) and revenue projections; revenue (sales of FFB, CPO & PKO)

#### 3.1.2

The company also had the program for replanting for the existing planted areas during 5 years projection amounting to 1,479 ha for the period of 2017-2022 with the distribution of replanting programs is:

| No | Year      | Replanting Programs (Ha) |
|----|-----------|--------------------------|
| 1  | 2017/2018 | 174                      |
| 2  | 2018/2019 | 297                      |
| 3  | 2019/2020 | 333                      |
| 4  | 2020/2021 | 322                      |
| 5  | 2021/2022 | 353                      |

The projection only for Tapung Kanan I and II estates, for now, there's no plan for replanting on Tapung Kanan III estate. During ASA 1.2 (February 2020) conducted, the replanting program has been realized covering 20 Ha in 2019, for the area who previously occupied by the community (for detail see 4.5 and 7.12). Based on management review the replanting program for the period of 2017 – 2019 is postponed due to CPO Price, the FFB production still high, palm oil tree density is more than 100 main plants/Ha and etc.



**3.1.3**

Management reviews in work units are conducted quarterly or more if there are things that need to be discussed. The last management review was conducted on 24 July 2019. There was a list of attendees at the management review of which 17 participants attended the meeting. The results of the evaluation contained several notes, namely a focus on increasing production, a focus on cost control and cost savings, a focus on supervision and analysis of employee wages.

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| <b>Status: Comply</b> |
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**3.2**

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

**3.2.1**

The company has implemented commitment to reduce environment impacts on the regular action plan to government, for example POME testing, emission and pollution testing, surface water & ground testing and hazardous waste management.

The Unit of Certification shows innovation in the progress of the report on action plans presented during in January 2020 with fertilization mechanization using Quick Truck (semi mechanized manuring) for time and cost supervision on the Right Tapung Plantation 1. Timeline Mar 2020 progress 746 ha.

The Unit of Certification has carried out internal audit activities as an effort to continuously monitor and improve. The last internal audit carried out on 20-24 January 2020 covered several aspects related to the Principles and Criteria of RSPO certification with the discovery of 10 non-conformities and was corrected on 20 February 2020.

**3.2.2**

as long as the RSPO template has not been created, this indicator cannot be applied

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| <b>Status: Comply</b> |
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**3.3**

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

**3.3.1**

The Unit of Certification has an SOP Agronomy in SPO Sustainability that explains the main processes such as harvesting, transportation, fertilizing, IPM, GAP, and supply chain requirements for the factory. Examples of SOP document numbers owned by a company are as follows:

- SOP for Land Opening and Replanting SOP 9 of 18 January 2018 Revision 00.
- SOP for sowing, planting and planting oil palm SOP 7 dated August 10, 2017 Revision 2
- SOP Standard for Maturity of fruit and Harvest SOP 11 dated 10 August 2017 Revision 1
- SOP Acceptance of oil palm fresh fruit bunches SOP 12 on 10 August 2017 Revision 00.
- And others.

Operational standard procedures for discarded palm oil mills in Kuala Lumpur Kepong Berhad SOP for palm oil mills version 1 July 2019. Contains among others weigh bridge stations, loading rigs, sterilizers, hosting and threshing, presses and digesters, nuts and kernels, etc.

The procedure that is owned by the Unit of Certification has covered all the main process activities from land clearing up to transporting FFB and for mill starting from receiving fruits to despatch CPO. Based on field observations at mills and plantations during the audit, it is known that procedures have been carried out and workers can explain and demonstrate their work according to procedures, referring to operational, safety and environmental best practices.

**3.3.2**

The Unit of Certification has a system to ensure consistency in the implementation of its SOPs, such as the Checking or Inspection of Work Quality (Operational Audit of Mill and Plant), ISPO and RSPO Internal Audit which checks whether the procedures in the Unit of Certification have been implemented by the Unit of Certification and Financial Audits conducted by external parties to ensure the use or costs used are in accordance with the rules set by the Unit of Certification Daily internal supervision is carried out by the level of supervision from the Foreman, Division Assistant, Assistant Head, to the Estate Manager. Operational audits are conducted once a month. An operational audit evaluates the operational and administrative operations of plantations and mills. RSPO internal audit is carried out every 6 months to evaluate the implementation of sustainability procedures in plantations and factories. Financial audits of public accountants are

conducted once a year. Furthermore, management representatives (Assistant, Managers, and related Superiors) routinely visit inspectorates to control the implementation of procedures. For the contractors the Unit of Certification always monitors the performance of contractors, for example, the Unit of Certification EFB application contractor monitors the technical work, quality and quantity of results

All of the Unit of Certification operational activities are recorded in the form of Monthly Reports for plantations and factories. The operational activities report is a recap of daily activities. This report is a routine report prepared by the plantation and mill management unit and submitted to top management.

### 3.3.3

The Unit of Certification shows reports on the results of internal audits carried out by the Unit of Certification internal team, for example ISPO and RSPO internal audit reports conducted on January 20-24, 2020. The internal audit documents the assessment of the application of the ISPO and RSPO principles and criteria and is also submitted in the report corrective and corrective actions taken.

The results of field visits and interviews with harvesting supervisors show that they record all operational activities in the Daily Supervisory Report (LHM) and submit the report every day. The daily report explains the type of work, the number of workers, the use of materials, and individual employee achievements. Furthermore, all of the Unit of Certification operational activities are recorded in the form of a Monthly Report for oil palm plantations and mills (POM). The operational activities report is a recap of daily activities. The evaluation mechanism for all operational activities, both plantations and mills, is carried out by the manager. This report is a routine report prepared by the plantation and mill unit manager and submitted to top management.

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| <b>Status: Comply</b> |
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## 3.4

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

### 3.4.1

#### **Environmental document.**

The certificate holder has a document of environmental aspect assessment (EIA) in the form of Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) Plantation and Palm Oil Mill in the village of Kota Garo, Siak Hulu District, Kampar Regency, Riau.

Document of UKL/UPL contains analysis of the environmental impacts for plantations covering an area of 6,200 hectares and palm oil mill with a capacity of 30 tons FFB / hour, has been included all area and operational activities company. This document are approved by Ministry of Environment, through letter No. B-5109 / Dep.I / LH / 07/2008 Year on 2008.

#### **SIA**

The certificate holder has Social impact assessment document conducted on September 2012. The assessment conducted covering all villages around HGU namely Koto Garo, Koto Aman, Kota Baru, Kota Bangun and Tri Manunggal as well as plantation area of PT SA, by the field observation, interviews, FGD (focus group discussion) and documents review.

Results of social impact assessment presented in social impact assessment report, describing the social issues of positive, negative and potential conflicts from the surrounding villages and plantations. The results of these studies have included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture and religion as well as health and education.

Based on stakeholder consultation with Village Head of Koto Garo and Village Head of Koto Aman social impact assessment report already covers all social impact on surrounding villages.

### 3.4.2 & 3.4.3

The Implementation of environmental monitoring and management plan are documented on periodical report of



environmental monitoring and management implementation report (UKL-UPL). The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly.

These reports described realization of monitoring and management of the environment in accordance with environmental parameters in the UKL/UPL. Public consultation with Environmental agency of Kampar indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

Based on verification, UKL-UPL report semester 2 year 2019 has already contained adequate environmental management and monitoring component, such as erosion, Decreasing of surface water and aquatic biota, RTE species, and public & employee healthy.

Base on document verification no environmental monitoring result there any non-conformance raised, and negative impact caused by company.

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on January 2019, which conducted in a participatory manner. The SIA Management and Monitoring Implementation 2019 consist of:

**Eksternal stakeholder**

- Legal boundaries and land conflict.
- Access to information and complaint responses.
- Increasing the community's economy and business opportunities.
- Monitoring land fire by satellites and collaboration with local Community.
- CSR program.
- Absorption of labor from surrounding community.
- Deliberation for CSR programs.
- Management land conflict.
- Land occupation.
- Communication with Cooperative. "Sahabat Lestari"

**Internal stakeholder**

- Housing conditions
- education facility
- Working hours, wages, overtime wages, PPE, complaints procedures, trade unions, electric & clean water, garbage, clinics, *BPJS* – cards, piece workers', contractors' employees, supplier / contractor code of ethics, work tools and scholarship.

Based on interview with Koto Aman Village and Koto Garo Village known that SIA, as well as management and monitoring plan has been conducted in participatory manner with all affected Village with questioner method. All social impacts and issue had been identified and managed, among others in aspects of livelihood, land tenure, employment, land conflict, economy, social, cultural and religious.

Based on interviews with representatives of Koto Aman village and document verification on management and monitoring SIA implementation year 2019 any non-conformance such as land conflict corrective plan inventory land tenure, discussion with government (last process conducted September 2019), discussion with conflicting people and questioner method to Koto Aman village. During audit, there is still a conflict with the company and is a plan for managing and monitoring the company's social impact still processing.

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|  | <b>Status: Comply</b> |  |
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**3.5**

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

**3.5.1 & 3.5.2**

Human resource management system which are described in Sustainability Procedure No.29 year 2017 about the management and recruitment of new workers. Procedure include explaining about recruitment requirements, career path,

and training. Besides that there is also a payroll and incentive system in accordance with the circular Number : 001/SA/Edar/IV/2019 about daily employee wages (for **SKU-H and BHL**) and Decree of the Board of Directors No.001 / Kep / Dir / Pnt / SA / IV / 2019 concerning the adjustment of 2019 monthly employee salaries.

However, based on observed evidence such as:

1. Based on the interviews with three warehouse officers are known that all of them have ten years of service and have been submitted as **SKU-B** but there is no clarity about the proposal. Until the audit has been completed, documentation regarding the promotion process has not yet been demonstrated
2. Based on interviews with **1 BHL** in block 95D revealed that he had been submitted to become a **SKU**. But refused because the work period will count to 0 again. Meanwhile other **BHL** workers asked for an opportunity to become a **SKU**.
3. Furthermore, based on payroll found two types of basic wages, namely for **SKU** (Referring to the BKS PPS plus rice supply) and For **BHL** (Referring to **UMSP**). But in the basic wage there is no salary scale

It can be shown the procedures governing the human resource system in SOP 29 on Workers Management which explains the methods of recruitment, monitoring and assessment, career path and so forth. However, the procedure has not yet explained in detail the career progression process (promotion) and the determination of employee classification including salary scale

Thus it can be concluded that the Certification Unit has not been able to show sufficient evidence that work procedures for human resource management have arranged in detail about the career path (promotion) system, and the determination of employee classification including wage scales. Based on that's explanation raised **non conformity no 2020.02**

There is no Differences in workers' rights depend on work status. For example, wages are indeed differentiated between **SKU** and **BHL**. The **SKU** wage value is 80% **UMSP** plus rice supply and if added it will be the same as **UMSP**. Whereas the value of **BHL** wages refers to **UMSP** because **BHL** is paid daily and does not receive a rice supply. The system has also been agreed by the workers and employers. As for health insurance and employment facilities, all workers have been covered without discrimination.

The certification unit has been able to show documentation of employee acceptance ranging from job application letters, employment agreements, until the decision to hire employees for example workers by name Fajar Prasetya. In addition, based on the Labor Registration Record Card, it is known that the youngest worker is born in 1994 with NIK 399. The worker works as a harvester in the Division II KTK II. Wages received as stated in the employment agreement are in accordance with the **UMSP** determined by the local Governor. There is evidence of payment of wages for the personnel concerned, for example the period January 2020. 17 Working days are multiplied by Rp. 112,800.00 so that the wage received before the premium is Rp. 1,917,600.00. Wages used are still using the determination in 2019 (Rp. 2,820,000 per month or Rp. 112,800.00 per day). The wage application of 2020 will begin to be implemented in April by paying the difference between January and March wages.

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| 3.5.1 | <b>Status: Non Conformity No.2020.02</b> |
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### 3.6

**An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.**

#### 3.6.1; 3.6.2

There is no revision over occupational health and safety policy in PT Sekarbumi Alamlestari. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the occupational health and safety has been socialized and implemented by the company through Socialization with personnel during muster morning before work and installation symbol about OHS. The Company can show the realization of the work program on OSH, for example, there are updates Guiding Committee of Occupational Safety & Health Board structure, OHS meeting every month, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical examination, particularly for high-risk personnel. Furthermore, a drill of emergency response is also regularly conducted, with the procedure related to it available for reference.

The company has risk conducted risk identification which recorded in Risk Assessment 2019. The document is composed to conduct identification and analysis of dangers potential that is probably happened at the workplace and the

recommendation to reduce the potential of the work accidents. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers based on an interview with Harvester in the estate sample, it is known that he knows the potential occupational risk and how to minimize the risk. There are also MSDS for agrochemical and PPE signboards in each estate and POM.

Effectiveness of the H&S plan has implemented, monitored and evaluated through several methods, such as monthly safety meetings, safe working practices training, field inspection, monitoring of first aid kit, etc. According to minutes of safety meeting review, it was known that foreign employee representatives has involved in the meeting. Furthermore, there are no negative issues related to safety matters. The monitoring of PPE completeness has conducted by supervisors. Furthermore, PPE for the visitor is provided by the mill and estate management.

**Status: Comply**

### 3.7

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

#### 3.7.1; 3.7.2

The certificate holder has had a training program for workers included All staff, Workers and contractors for period of 2019/2020 which consists of understanding the RSPO, such as hazardous waste management, welder training, first aid training, emergency response training. Recording and realization of training programs at PT Sekarbumi Alamlestari was recorded properly. Result of field observation in Mill and Estate and interviews with personnel's, it is known that the personnel's has been given training about their job and responsibilities. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures.

Records of training has been maintained for each personnel's in the document's records employee training. For example, on behalf of S\*\*li, the training that attended as follows, manuring training, awareness of MSDS, First aid training and etc. Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed. Contractors has been involved in several training such as OHS and emergency responses.

#### Training plan for year 2020

| Topic                            | Attendant                           | Plan                                 |
|----------------------------------|-------------------------------------|--------------------------------------|
| Code of Conduct                  | All Employee                        | January                              |
| KLK Policy, Awareness and ISCC   | All Employee                        | February                             |
| Supply Chain                     | Weight operator and security        | March                                |
| HCV                              | All Employee, Contractor            | March                                |
| Emergency Response Simulation    | Emergency response team             | April                                |
| UMSP Socialization               | All Employee, Contractor            | April                                |
| Conduct socialization Use of PPE | All Employee                        | Monthly                              |
| OHS refreshment                  | Operator process, Warehouse, Welder | June                                 |
| GAP and GMP                      | All Employee                        | Monthly; Routine in morning briefing |

|                |            |              |
|----------------|------------|--------------|
| RSPO Awareness | Contractor | Twice a year |
|----------------|------------|--------------|

### 3.7.3

Documents verifications and interview with managements its known if the company has been conducted SCC training on 15 March 2019 and 21 April 2019 with the numbers of participants are 6 persons, with the trainers from sustainability departments

Based on field visit on Tapung Kanan POM, obtained information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 40 mt capacity. The company can separate RSPO certified and non-certified products. Every FFB from non-certified area will be classified as a non-Certified product. Result interview with weighbridge operator can be demonstrated related FFB received form certified area (marked with stamps) and non-certified area

**Status: Comply**

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1 & 3.8.2

The supply chain model used by the certification unit is Mass Balance. Certified FFB sources come from KTK1, KTK2, and KTK3 Estate (according to the certificate MUTU-RSPO/025) . While the source of uncertified FFB comes from *KKPA Kopni Sahabat Lestari*

#### 3.8.3

Estimated certified product :

| Certified Products | Last Year Projection<br>24 April 2019 to 23 April<br>2020<br>(MT) | Actual Production<br>February 2019 –<br>January 2020<br>(MT) | Estimation of<br>Certified 24 April<br>2020 – 23 April<br>2021<br>(MT) |
|--------------------|---|--|--|
| FFB Production     | 132,872   | 104,109.95   | 109,000  |
| CPO Production     | 28,235  | 21,775.63  | 22,900   |
| PK Production      | 7,640   | 5,738.46   | 6,000  |

#### 3.8.4

The mill has been registered as member of RSPO named Tapung Kanan Palm Oil Mill PT Sekar Bumi Alam Lestari under Kuala Lumpur Kepong Berhad

|                           |   |
|---------------------------|---|
| License ID                | CB84467   |
| Member Name               | Tapung Kanan Palm Oil Mill PT Sekarbumi Alamlestari |
| Member ID                 | RSPO_PO1000000638                                   |
| RSPO Membership Number    | 1-0014-04-000-00 (Kuala Lumpur Kepong Berhad)       |
| Issued On                 | 24-04-2019  |
| Issued By                 | PT Mutuagung Lestari                                |
| Start Date                | 24-04-2019  |
| End Date                  | 23-04-2020  |
| Certificate Holder Type   | Multi-Site  |
| Number of Sites           | 3   |
| Total Certified Area (Ha) | 6200  |

#### 3.8.5

The certification unit has a SOP Sustainability revision 1 dated August 10, 2017. The procedure has explained the definitions, suppliers of FFB, Documentation for CPO / PK certified, Responsibilities, Training, Transaction Registration, Acceptance of FFB at security posts and stations, and weigh bridges, and production storage – building & storage tanks, sale & delivery of products to refinery / KCP

Based on interviews with weighbridge operators and security (TBS reception) revealed that the PIC had known the sources of FFB received by Tapung Kanan POM, namely sourced from certified estates (KTK 1, KTK 2, and KTK3) and KKPA that were uncertified (Kopni Sahabat Lestari).

### 3.8.6

Supply chain internal audits are listed in Sustainability Procedure dated August 10, 2017 revision 1 in the management responsibilities section. In this section, it is stated that an internal sustainability audit is carried out to control any discrepancies that may occur in the application of SOP and from the certified product management system that has been established by the Palm Oil Mill on an annual basis.

There are results of an internal audit conducted on January 20-24 2020 with 1 inconsistency, namely a management review that has not yet been carried out because the new management representative began active duty on January 20, 2020. The non-compliance was followed up and declared fulfilled

### 3.8.7

FFB tonnage records can be seen from the recap of Tapung Kanan POM FFB reception as follows :

| Month        | FFB (Ton)                       |   |                  |
|--------------|---------------------------------|---|------------------|
|              | Main Estate<br>(RSPO Certified) | Other Source<br>(KKPA Kopni Sahabat Lestari –<br>Non Certified) | Total            |
| Feb-19       | 9568.47                         | 1546.14   | 11114.61         |
| Mar-19       | 9521.42                         | 1528.58   | 11050            |
| Apr-19       | 6385.57                         | 1824.57   | 8210.14          |
| May-19       | 5941.39                         | 1842.99   | 7784.38          |
| Jun-19       | 6530.62                         | 1707.19   | 8237.81          |
| Jul-19       | 8846.63                         | 2443.62   | 11290.25         |
| Aug-19       | 11357.33                        | 2315.44   | 13672.77         |
| Sept-19      | 10838.28                        | 1955.15   | 12793.43         |
| Oct-19       | 10668.09                        | 1534.87   | 12202.96         |
| Nov-19       | 8074.25                         | 1002.53   | 9076.78          |
| Des-19       | 8242.54                         | 1167.62   | 9410.16          |
| Jan- 2020    | 8135.36                         | 1119.44   | 9254.80          |
| <b>Total</b> | <b>104109.95</b>                | <b>19988.14</b>   | <b>124098.09</b> |

Based on processed FFB data, CPO production, and PK during the past one-year period the following information is obtained:

| Certified Products | Last Year Projection<br>24 April 2019 to 23 April<br>2020<br>(MT) | Actual Production<br>February 2019 –<br>January 2020<br>(MT) |
|--------------------|---|--|
| FFB Production     | 132,872   | 104,109.95   |
| CPO Production     | 28,235  | 21,775.63  |

|               |       |          |
|---------------|-------|----------|
| PK Production | 7,640 | 5,738.46 |
|---------------|-------|----------|

\*There is no over production of CPO and PK

Mechanisms for handling unsuitable oil palm products and / or documents are listed in SOP Sustainability No. 32 on Supply Chain Documentation – the MB model stating that the marketing division is responsible for issuing sales contracts, arranging shipments, and making claims for product incompatibility and issuing payment invoice.

### 3.8.8

Transaction records during the license period are as follows:

| Transaction ID   | Transaction Date | Buyer Reference Number | Volume      | License ID | Transaction Type | Status    |
|------------------|------------------|------------------------|-------------|------------|------------------|-----------|
| TR-38ab39df-3e74 | 09/01/2020       | SBIP/00241-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-59149c0a-747d | 09/01/2020       | SBIP/00240-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-a91c0959-3e11 | 09/01/2020       | SBIP/00239-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-11124c1c-d5d9 | 09/01/2020       | SBIP/00238-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-2720221f-3593 | 06/12/2019       | SBIP/00237-S/PK-MB     | 100         | CB84467    | Shipping         | Confirmed |
| TR-1d038b26-cec3 | 06/12/2019       | SBIP/00236-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-318fbc0-3f5f  | 06/12/2019       | SBIP/00235-S/PK-MB     | 100         | CB84467    | Shipping         | Confirmed |
| TR-1881bc5b-e635 | 06/12/2019       | SBIP/00234-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-66f71eab-7c17 | 07/11/2019       | SBIP/00233-S/PK-MB     | 100         | CB84467    | Shipping         | Confirmed |
| TR-b7a3dc41-951d | 07/11/2019       | SBIP/00232-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-d4fc3bd7-8a94 | 07/11/2019       | SBIP/00231-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-83e3b5d3-4923 | 17/10/2019       | SBIP/00230-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-53ee29b4-072f | 17/10/2019       | SBIP/00229-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-e1dd103e-d4c7 | 23/09/2019       | SBIP/00228-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-f1e4bdf1-a14c | 23/09/2019       | SBIP/00227-S/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-f20f5c21-6110 | 23/09/2019       | SBIP/00226-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-595e2b21-0b3b | 18/09/2019       | SBIP/00225-S/PK-MB     | 100         | CB84467    | Shipping         | Confirmed |
| TR-e174e499-6722 | 09/08/2019       | SBIP/00224-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-7f7528d5-cb61 | 09/08/2019       | SBIP/00223-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-5b0554b0-3550 | 09/08/2019       | SBIP/00222-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-0001f1e3-67f9 | 09/08/2019       | SBIP/00221-S/PK-MB     | 200         | CB84467    | Shipping         | Confirmed |
| TR-460f570d-7a15 | 13/06/2019       | ADEK/02567-P/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-f044a981-cbd8 | 17/05/2019       | ADEK/02513-P/PK-MB     | 150         | CB84467    | Shipping         | Confirmed |
| TR-951ac894-aea3 | 22/04/2019       | ADEK/02510-P/PK-MB     | 150         | CB66463    | Shipping         | Confirmed |
| TR-dbc56be3-5f0c | 23/04/2019       | ADEK/02501-P/PK-MB     | 150         | CB66463    | Shipping         | Confirmed |
| TR-f72f6e64-c729 | 24/04/2019       | ADEK/02492-P/PK-MB     | 150         | CB66463    | Shipping         | Confirmed |
| TR-b88da473-1c31 | 25/04/2019       | ADEK/02479-P/PK-MB     | 100         | CB66463    | Shipping         | Confirmed |
| TR-97d787c5-ae24 | 12/03/2019       | ADEK/02479-S/PK-MB     | 200         | CB66463    | Shipping         | Confirmed |
| TR-57c7af90-b5a4 | 12/03/2019       | ADEK/02471-S/PK-MB     | 200         | CB66463    | Shipping         | Confirmed |
| TR-cd80ed5b-fbd5 | 12/03/2019       | ADEK/02438-S/PK-MB     | 250         | CB66463    | Shipping         | Confirmed |
| TR-5df59a4e-78d6 | 12/03/2019       | ADEK/02436-S/PK-MB     | 200         | CB66463    | Shipping         | Confirmed |
| TR-91e7d3a7-71c9 | 12/03/2019       | ADEK/02418-S/PK-MB     | 200         | CB66463    | Shipping         | Confirmed |
|                  |                  |                        | <b>5400</b> |            |                  |           |

### 3.8.9, 3.8.10 & 3.8.11

Based on Interview with management and documents verifications obtained information there is no outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities).

The company didn't use contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP. Based on work agreement transportation is under responsibilities of buyers.

**3.8.12**

Tapung kanan POM has recorded the entire RSPO Certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK) with the record

**FFB received**

| Month          | FFB (Ton)        |                 |                  |
|----------------|------------------|-----------------|------------------|
|                | RSPO Certified   | Non Certified   | Total            |
| February 2019  | 9568.47          | 1546.14         | 11114.61         |
| March 2019     | 9521.42          | 1528.58         | 11050            |
| April 2019     | 6385.57          | 1824.57         | 8210.14          |
| May 2019       | 5941.39          | 1842.99         | 7784.38          |
| June 2019      | 6530.62          | 1707.19         | 8237.81          |
| July 2019      | 8846.63          | 2443.62         | 11290.25         |
| August 2019    | 11357.33         | 2315.44         | 13672.77         |
| September 2019 | 10838.28         | 1955.15         | 12793.43         |
| October 2019   | 10668.09         | 1534.87         | 12202.96         |
| November 2019  | 8074.25          | 1002.53         | 9076.78          |
| December 2019  | 8242.54          | 1167.62         | 9410.16          |
| January 2020   | 8135.36          | 1119.44         | 9254.80          |
| <b>Total</b>   | <b>104109.95</b> | <b>19988.14</b> | <b>124098.09</b> |

**CSPO produce and sales**

| Month          | CPO Produce      | CSPO (MT)        |            |                             |
|----------------|------------------|------------------|------------|-----------------------------|
|                |                  | CSPO Produce     | CSPO Sales | Sold as Other Scheme (ISCC) |
| February 2019  | 2,333.67         | 2,011.28         | -          | 2,105,120                   |
| March 2019     | 2,335.17         | 2,012.32         | -          | 2,348,150                   |
| April 2019     | 1,758.08         | 1,364.34         | -          | 2,270,110                   |
| May 2019       | 1,665.48         | 1,272.83         | -          | 2,492,050                   |
| June 2019      | 1,689.449        | 1,330.01         | -          | -                           |
| July 2019      | 2,316.77         | 1,816.10         | -          | 1,424,960                   |
| August 2019    | 2,780.42         | 2,309.26         | -          | 2,369,430                   |
| September 2019 | 2,754.65         | 2,338.86         | -          | 1,913,560                   |
| October 2019   | 2,574.38         | 2,250.01         | -          | 500,000                     |
| November 2019  | 1,860.41         | 1,669.23         | -          | 1,000,000                   |
| December 2019  | 1,929.37         | 1,691.94         | -          | 539,730                     |
| January 2020   | 1,943.49         | 1,709.42         | -          | 1,376,620                   |
| <b>Total</b>   | <b>25,941.36</b> | <b>21,775.60</b> | <b>-</b>   | <b>18,339.73</b>            |

**CSPK produce and sales**

| Month | PK Produce | CSPK (MT)    |                             |                      |
|-------|------------|--------------|-----------------------------|----------------------|
|       |            | CSPK Produce | CSPK sales as RSPO Products | Sold as Conventional |
|       |            |              |                             |                      |



|                |                 |                 |                 |          |
|----------------|-----------------|-----------------|-----------------|----------|
| February 2019  | 638.23          | 549.88          | -               | -        |
| March 2019     | 620.88          | 534.97          | 1,050           | -        |
| April 2019     | 454.26          | 352.47          | 550             | -        |
| May 2019       | 412.49          | 315.25          | 150             | -        |
| June 2019      | 442.25          | 348.30          | 150             | -        |
| July 2019      | 593.51          | 465.56          | -               | -        |
| August 2019    | 751.56          | 624.57          | 800             | -        |
| September 2019 | 711.34          | 603.99          | 650             | -        |
| October 2019   | 679.02          | 593.44          | 400             | -        |
| November 2019  | 498.87          | 447.88          | 500             | -        |
| December 2019  | 517.18          | 453.53          | 550             | -        |
| January 2020   | 509.97          | 448.58          | 600             | -        |
| <b>Total</b>   | <b>6,829.56</b> | <b>5,738.42</b> | <b>5,400.00</b> | <b>0</b> |

### 3.8.13 & 3.8.14

Not applicable. Tapung Kanan POM only conduct FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

### 3.8.15

FFB certified is from KTK1, KTK2 and KTK 3 estate based on Certificate No. MUTU-RSPO/025. While uncertified FFB is from KKPA Kopni Sahabat Lestari

Based on interviews with weighbridge operators and security (TBS reception) revealed that the PIC had known the sources of FFB received by Tapung Kanan POM, namely sourced from certified estates (KTK 1, KTK 2, and KTK3) and KKPA that were uncertified (Kopni Sahabat Lestari).

### 3.8.16

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation. Based on SOP SCC (SOP No 32) mentioned if Retention times for all records and reports shall be a minimum 10 (ten) years. Document verification, the management unit can show all recording data for two years ago. Such as: contract document, FFB Consignment, CPO and PK Ticket, etc.

Documents verifications for period February 2019 – January 2020 there is no CSPO products sold under RSPO Scheme. All CSPO products sold under other scheme (ISCC Scheme). Related to that's matter the unit of certification can presented evidence that CSPO that sold has been removed.

For PK during period February 2019 – January 2020 there are 5400 MT CSPK sold under RSPO, with total of shipping announcement that announced is 32, as presented in the table below:

| Transaction ID   | Transaction Date | Buyer Reference Number | Volume | License ID | Transaction Type | Status    |
|------------------|------------------|------------------------|--------|------------|------------------|-----------|
| TR-38ab39df-3e74 | 09/01/2020       | SBIP/00241-S/PK-MB     | 150    | CB84467    | Shipping         | Confirmed |
| TR-59149c0a-747d | 09/01/2020       | SBIP/00240-S/PK-MB     | 150    | CB84467    | Shipping         | Confirmed |
| TR-a91c0959-3e11 | 09/01/2020       | SBIP/00239-S/PK-MB     | 150    | CB84467    | Shipping         | Confirmed |



|                  |            |                    |             |         |          |           |
|------------------|------------|--------------------|-------------|---------|----------|-----------|
| TR-11124c1c-d5d9 | 09/01/2020 | SBIP/00238-S/PK-MB | 150         | CB84467 | Shipping | Confirmed |
| TR-2720221f-3593 | 06/12/2019 | SBIP/00237-S/PK-MB | 100         | CB84467 | Shipping | Confirmed |
| TR-1d038b26-cec3 | 06/12/2019 | SBIP/00236-S/PK-MB | 150         | CB84467 | Shipping | Confirmed |
| TR-318fbcc0-3f5f | 06/12/2019 | SBIP/00235-S/PK-MB | 100         | CB84467 | Shipping | Confirmed |
| TR-1881bc5b-e635 | 06/12/2019 | SBIP/00234-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-66f71eab-7c17 | 07/11/2019 | SBIP/00233-S/PK-MB | 100         | CB84467 | Shipping | Confirmed |
| TR-b7a3dc41-951d | 07/11/2019 | SBIP/00232-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-d4fc3bd7-8a94 | 07/11/2019 | SBIP/00231-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-83e3b5d3-4923 | 17/10/2019 | SBIP/00230-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-53ee29b4-072f | 17/10/2019 | SBIP/00229-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-e1dd103e-d4c7 | 23/09/2019 | SBIP/00228-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-f1e4bdf1-a14c | 23/09/2019 | SBIP/00227-S/PK-MB | 150         | CB84467 | Shipping | Confirmed |
| TR-f20f5c21-6110 | 23/09/2019 | SBIP/00226-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-595e2b21-0b3b | 18/09/2019 | SBIP/00225-S/PK-MB | 100         | CB84467 | Shipping | Confirmed |
| TR-e174e499-6722 | 09/08/2019 | SBIP/00224-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-7f7528d5-cb61 | 09/08/2019 | SBIP/00223-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-5b0554b0-3550 | 09/08/2019 | SBIP/00222-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-0001f1e3-67f9 | 09/08/2019 | SBIP/00221-S/PK-MB | 200         | CB84467 | Shipping | Confirmed |
| TR-460f570d-7a15 | 13/06/2019 | ADEK/02567-P/PK-MB | 150         | CB84467 | Shipping | Confirmed |
| TR-f044a981-cbd8 | 17/05/2019 | ADEK/02513-P/PK-MB | 150         | CB84467 | Shipping | Confirmed |
| TR-951ac894-aea3 | 22/04/2019 | ADEK/02510-P/PK-MB | 150         | CB66463 | Shipping | Confirmed |
| TR-dbc56be3-5f0c | 23/04/2019 | ADEK/02501-P/PK-MB | 150         | CB66463 | Shipping | Confirmed |
| TR-f72f6e64-c729 | 24/04/2019 | ADEK/02492-P/PK-MB | 150         | CB66463 | Shipping | Confirmed |
| TR-b88da473-1c31 | 25/04/2019 | ADEK/02479-P/PK-MB | 100         | CB66463 | Shipping | Confirmed |
| TR-97d787c5-ae24 | 12/03/2019 | ADEK/02479-S/PK-MB | 200         | CB66463 | Shipping | Confirmed |
| TR-57c7af90-b5a4 | 12/03/2019 | ADEK/02471-S/PK-MB | 200         | CB66463 | Shipping | Confirmed |
| TR-cd80ed5b-fbd5 | 12/03/2019 | ADEK/02438-S/PK-MB | 250         | CB66463 | Shipping | Confirmed |
| TR-5df59a4e-78d6 | 12/03/2019 | ADEK/02436-S/PK-MB | 200         | CB66463 | Shipping | Confirmed |
| TR-91e7d3a7-71c9 | 12/03/2019 | ADEK/02418-S/PK-MB | 200         | CB66463 | Shipping | Confirmed |
|                  |            |                    | <b>5400</b> |         |          |           |

The unit of certification can presented if the CSPK sell is from positive stocks and the claim related CSPK products is no longer than 3 months. For example for shipping announcements with transaction id TR-38ab39df-3e74 dated 09 January 2020 volume 150 MT is based on shipping on December 2019.

Every transaction of selling certified product, this mill is using RSPO Palm Trace including Shipping Announcement, Trace, Remove and Confirm. Person in charge for RSPO Palm Trace access were located on Head Office Marketing Division.

### 3.8.17

Based on transaction report documents, all CSPO are claims as ISCC product and CSPK are claims as Mass Balance. Tapung Kanan POM did not use RSPO logo or trademark on product or off product.

|  |                       |  |
|--|-----------------------|--|
|  | <b>Status: Comply</b> |  |
| <b>PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS</b>  |                       |  |
| <b>4.1</b><br><b>The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.</b>  |                       |  |
| <b>4.1.1 &amp; 4.1.2</b><br><p>In the KLK Group's Sustainability Policy, mentioned that the CH recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations. Based on interview with local contractor, worker union and committee gender, it is known that they already understand about the policy. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.</p> <p>Certificate holder has a policy to not use the military for operations dated on 12 August 2016 by the Group Manager. Based on interviews with stakeholders (National Land Agency, Plantation Agency, Kota Garo and Kota Aman Village Officials, and Local Contractors) were found that the Certificate Holder had never used violence or intimidation in resolving disputes, but was deliberated first.</p>  |                       |  |
|  | <b>Status: Comply</b> |  |
| <b>4.2</b><br><b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b>   |                       |  |
| <b>4.2.1 &amp; 4.2.2</b><br><p>Based on document verifications, interviews with management and external stakeholders (Sector Police Tapung Hilir District, Tapung Hilir Subdistrict Head and Kota Aman Village Head) it was known there is a several cases of complaints faced by companies such as</p> <ul style="list-style-type: none"> <li>• <b>Grievance from the community (Acknowledgment of Kota Aman Village Group).</b></li> </ul> <p>The grievance is about demands on land that has not received compensation covering 1500 Ha in Tapung Kanan 2 Estate. About that's issue Kampar Regency through letter No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering ± 6,200 ha. About land claimed by the Koto Aman community covering ± 1,500 hectares, the area covering ± 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released</p> <p>According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991</p> <p>There is a letter from head of National Land Agency Province of Riau No HP.01.03/403-14/II/2019 dated 13 February 2019 about dispute and prosecute the community of Koto Aman, sub district of Tapung Hilir, Kampar Regency with PT Sekarbumi Alamlestari against Land Tittle No 1 year of 1994. In that letter National Land described the respond from National Land Agency Province Riau based on meeting regarding prosecute of Communities of Koto Aman on 13 February 2019, that is:</p> <ul style="list-style-type: none"> <li>- Land Tittle No 1 year of 1994 owned by PT SBAL has been in accordance with regulation</li> <li>- Based on letter from Kampar Regency No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering ± 6,200 ha. About land claimed by the Koto Aman community covering ± 1,500 hectares, the area covering ± 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released</li> <li>- National Land Agency Province of Riau expected the Regional Government of Kampar Regency facilitated meeting</li> </ul> |                       |  |

between Company and communities of Koto Aman

During 2017 – 2019 there are several meetings between the company and the local community of Koto Aman related to the settlement of disputes/claims from villagers. The meeting is mediated by local government (Related institution, police, regent and Regional People's Representative Assembly Kampar Regency, but until ASA 1.2 conducted there is no agreement has been reached. The company and government explained if the community is not satisfied should take legal action to the court. Based on an interview with external stakeholders obtained information currently there is no legal action that takes by the community of Koto Aman. During audit carry out the there are several shelter/ tents as a demonstration from the community outside of boundaries in Tapung Kanan 2 Estate

- **Complaints from internal PT SBAL represented by the union regarding the procurement of harvest work tools where the supply of work tools (especially for harvest) is charged 80% to workers and another 20% to employers.**

The minutes of the meeting with the union can be shown on 03 February 2020, but it has not been agreed upon by the union representative. As a follow-up to this matter, a request for an additional subsidized harvesting knife was shown from 20% to 30% with letter Number 057 / KM-TKE / SA / II / 2020 addressed to the Director on the date. However, there is no agreement on the request

The procedure for resolving land disputes is contained in SOP Sustainability No. 6 dated August 1, 2017. The procedure states that the plaintiff may appoint their representatives in the negotiation process. Negotiating agreements were reached freely and voluntarily without coercion (FPIC). Each signing of the agreement / compensation payment was witnessed by a government agency, village head and company representatives.

Whereas the complaints settlement procedure is regulated in SOP No. 01 regarding Requests and Provision of Information as well as Communication and Submission of Complaints which were endorsed by the Director on August 10, 2017. The SOP explains several things, including:

- Explain the Person in charge
- Stages for communicating and consulting with the company
- Ways to communicate through letters from stakeholders and recorded in the logbook
- Conduct communication and consultation with stakeholders at least once a year

The person who is responsible for receiving complaints and grievance are Public Relation and Manager. Furthermore, GM / Director also has the authority to ensure the progress of complaints and Grievance. As stated in the procedure if no resolution is found then the complaint or grievance can be submitted to the RSPO website

#### **4.2.3**

Based on the document review, field observation and interviews with union representatives as well as some harvester in KTK 1, KTK 2 and KTK 3 obtained information that there are some complaints of employees regarding the procurement of harvest work tools where the supply of work tools (especially for harvest) is charged 80 % to workers and another 20% to employers.

In the Collective Labor Agreement in article XV concerning Work Equipment, Occupational Safety and Health, among others, states the obligation of employers to provide work tools to workers without being burdened with costs (including a rickshaw for harvesters). The work tools provided must also be complete, of good quality and be provided on time.

The minutes of the meeting with the union can be shown on 03 February 2020, but it has not been agreed upon by the union representative. As a follow-up to this matter, a request for an additional subsidized harvesting knife was shown from 20% to 30% with letter Number 057 / KM-TKE / SA / II / 2020 addressed to the Director on the date. However, there is no agreement on the request

Thus it can be concluded that the certification unit has not been able to show the parties have obtained information regarding the progress of the case including the agreed schedule for resolving complaints. Based on that's explanation raised **non conformity no 2020.03**

**4.2.4**

The third party has been involved in the process of resolving conflicts, for example by mediation conducted by the Deputy Governor, the People Representative Council, and in conclusion if they do not agree, they will be brought to justice

**4.2.3 Status: Non Conformity No.2020.03**

**4.3**
**The unit of certification contributes to local sustainable development as agreed by local communities.**

One form of contribution to community development is through CSR. The realization of CSR in the period 2018 – 2019 and the program for the period 2019 – 2020 have been demonstrated. In the project CSR document, it is known that the activities to be carried out include the Celebration of Religious Holidays, the Honor of the Leaders of the Islamic Boarding School, Honors of Village Heads and Secretariat and the implementation of Posyandu. Based on management's explanation the form of community involvement in the preparation of CSR is through MUSREMBANG. Evidence of of the company participation in the 2019 MUSREMBANG activities was attended by village representatives, local government, community representatives, and company representatives.

Based on interviews with representatives of the villages of Koto Aman, Koto Garo and Tapung Hilir Sub-District, it is known that one of the positive impacts of the existence of the company is in terms of employment. The company also always responds and responds if there is a proposal given by the Village regarding the assistance needed.

**Status: Comply**

**4.4**
**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.**
**4.4.1**

Based on document verifications, interviews with stakeholder area it is known if the total area that managed by a unit of certifications is 6,200 hectares. For those areas PT Sekarbumi Alamlestari has obtained the land Use Right (HGU) covering an area of 6,200 hectares based on Land Use Right certificate No. 01, on December 1, 1994 which is valid until December 31, 2024 (30 years) valid until 31 December 2024. The certificate refers to the Decree of Agrarian Minister / Head of National Land Agency No. 36 / HGU / BPN / 94 on July 29, 1994.

**4.4.2; 4.4.3; 4.4.4; 4.4.5; 4.4.6**

PT. Sekarbumi Alamlestari is one of long-established plantations company since 1994. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

PT Sekarbumi Alamlestari has developed a mechanism of Implementation of Free Prior Informed Consent as document procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in *"SOP No 5 about Land Acquisition"*, who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.

According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991.

Edaphology team of Riau Province in the "document of edaphology" on 22 September 1991 No 22 / RSL / HGU / 1991 concludes that it has been completed and there are no parties objected. "Records of land compensation" when the arrangement of Land Use Title is stored at the Central Office of Jakarta on legal and taxation section, for example:

- Submission 4 hectares area is located in the Village of Kota Batak, Payment approved / accepted / confirmed by the owner; Company representatives; Officers of National Land Agency; Village Chief of Sikijang.

|   |   |
|---|---|
|   | <p>- 2 hectares land owners are up to 295 other heads of families. The process of land rights release was witnessed by Team of "Committee B Inventory", the village chief, landowners, Sub-District Head and Company representatives.</p> |
|   | <p><b>Status: Comply</b></p>  |
| <p><b>4.5</b><br/> <b>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</b></p>   |   |
| <p><b>4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8</b><br/> PT. Sekarbumi Alamlestari is one of long-established plantations company since 1994. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.</p> <p>According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991</p> <p>Based on document verifications and field observation its known if there is new planting in 2019 covering 20 Ha in Tapung Kanan 1 Estate. Those areas located in the scope of certification who previously occupied by the community (dispute area). Based on an interview with management, document verifications and Landsat image analysis it was known previously that area are planted area with a year of planting in 1999. In 2004, those areas claimed and occupied by the community. That dispute has been resolved in 2015 based on decree from the district court of Kampar Regency No 001/KM-KTK/SA/II/2015 about execution notification who described to owners of buildings, houses, huts, plants will be demolished within one week from 21 January 2015. A part of the area was replanted in 2015 (39 hectares) and the rest was planted in 2019</p> |   |
|   | <p><b>Status: Comply</b></p>  |
| <p><b>4.6</b><br/> <b>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b></p>   |   |
| <p><b>4.6.1; 4.6.2; 4.6.3; 4.6.4</b><br/> PT Sekarbumi Alamlestari has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in "SOP No 5 about Land Acquisition", who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.</p> <p>According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991</p> <p>Edaphology team of Riau Province in the "document of edaphology" on 22 September 1991 No 22 / RSL / HGU / 1991 concludes that it has been completed and there are no parties objected. "Records of land compensation" when the arrangement of Land Use Title is stored at the Central Office of Jakarta on legal and taxation section, for example:</p> <ul style="list-style-type: none"> <li>- Submission 4 hectares area is located in the Village of Kota Batak, Payment approved / accepted / confirmed by the owner; Company representatives; Officers of National Land Agency; Village Chief of Sikijang.</li> <li>- 2 hectares land owners are up to 295 other heads of families. The process of land rights release was witnessed by Team of "Committee B Inventory", the village chief, landowners, Sub-District Head and Company representatives.</li> </ul>  |   |



|   |                       |  |
|---|-----------------------|--|
|   | <b>Status: Comply</b> |  |
| <b>4.7</b>  |                       |  |
| <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b>   |                       |  |
| <b>4.7.1; 4.7.2; 4.7.3</b>  |                       |  |
| <p>PT. Sekarbumi Alamlestari is one of long-established plantations company since 1994. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.</p>  |                       |  |
| <p>PT Sekarbumi Alamlestari has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in <i>"SOP No 5 about Land Acquisition"</i>, who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.</p>   |                       |  |
| <p>According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991</p>   |                       |  |
| <p>Based on document verifications, interviews with management and external stakeholders (Sector Police Tapung Hilir District, Tapung Hilir Subdistrict Head and Kota Aman Village Head) it was known there is a grievance from the community (Acknowledgment of Kota Aman Village Group). The grievance is about demands on land that has not received compensation covering 1500 Ha in Tapung Kanan 2 Estate. About that's issue Kampar Regency through letter No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering <math>\pm</math> 6,200 ha. About land claimed by the Koto Aman community covering <math>\pm</math> 1,500 hectares, the area covering <math>\pm</math> 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released</p> |                       |  |
| <p>There is a letter from head of National Land Agency Province of Riau No HP.01.03/403-14/II/2019 dated 13 February 2019 about dispute and prosecute the community of Koto Aman, sub district of Tapung Hilir, Kampar Regency with PT Sekarbumi Alamlestari against Land Tittle No 1 year of 1994. In that letter National Land described the respond from National Land Agency Province Riau based on meeting regarding prosecute of Communities of Koto Aman on 13 February 2019, that is:</p>   |                       |  |
| <ul style="list-style-type: none"> <li>- Land Tittle No 1 year of 1994 owned by PT SBAL has been in accordance with regulation</li> <li>- Based on letter from Kampar Regency No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering <math>\pm</math> 6,200 ha. About land claimed by the Koto Aman community covering <math>\pm</math> 1,500 hectares, the area covering <math>\pm</math> 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released</li> <li>- National Land Agency Province of Riau expected the Regional Government of Kampar Regency facilitated meeting between Company and communities of Koto Aman</li> </ul>  |                       |  |
| <p>During 2017 – 2019 there are several meetings between the company and the local community of Koto Aman related to the settlement of disputes/claims from villagers. The meeting is mediated by local government (Related institution, police, regent and Regional People's Representative Assembly Kampar Regency, but until ASA 1.2 conducted there is no agreement has been reached. The company and government explained if the community is not satisfied should take legal action to the court. Based on an interview with external stakeholders obtained information currently there is no legal action that takes by the community of Koto Aman. During audit carry out the there are several shelter/ tents as a demonstration from the community outside of boundaries in Tapung Kanan 2 Estate</p>   |                       |  |
|   | <b>Status: Comply</b> |  |
| <b>4.8</b>  |                       |  |
| <b>The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate</b>  |                       |  |

**that they have legal, customary, or user rights.**

**4.8.1; 4.8.2; 4.8.3**

As a guidance for land conflict settlement the company has had SOP *Prosedur Penyelesaian Sengketa Lahan*/ land dispute settlement (SOP No 6 Dated 10 August 2017) that describes the mechanism of settlement of border, land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991.

Based on document verifications, interviews with management and external stakeholders (Sector Police Tapung Hilir District, Tapung Hilir Subdistrict Head and Kota Aman Village Head) it was known there is a grievance from the community (Acknowledgment of Kota Aman Village Group). The grievance is about demands on land that has not received compensation covering 1500 Ha in Tapung Kanan 2 Estate. About that's issue Kampar Regency through letter No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering  $\pm 6,200$  ha. About land claimed by the Koto Aman community covering  $\pm 1,500$  hectares, the area covering  $\pm 682$  hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released

There is a letter from head of National Land Agency Province of Riau No HP.01.03/403-14/II/2019 dated 13 February 2019 about dispute and prosecute the community of Koto Aman, sub district of Tapung Hilir, Kampar Regency with PT Sekarbumi Alamlestari against Land Tittle No 1 year of 1994. In that letter National Land described the respond from National Land Agency Province Riau based on meeting regarding prosecute of Communities of Koto Aman on 13 February 2019, that is:

- Land Tittle No 1 year of 1994 owned by PT SBAL has been in accordance with regulation
- Based on letter from Kampar Regency No. 100 / Pem / V / 2007/654 following up a letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering  $\pm 6,200$  ha. About land claimed by the Koto Aman community covering  $\pm 1,500$  hectares, the area covering  $\pm 682$  hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released
- National Land Agency Province of Riau expected the Regional Government of Kampar Regency facilitated meeting between Company and communities of Koto Aman

The process of resolving disputes / grievance from Koto Aman residents above has been discussed together and documented. The activity was mediated by the Kampar Regent and attended by the Head of the Koto Aman Village, Ninik Mamak Koto Aman, the Community Representative and the Representative of PT Sekarbumi Alamlestari, in addition. The community of Koto Aman Village could not show evidence of ownership for the land that demanded to the company.

During 2018 – 2019 there are several meetings between the company and the local community of Koto Aman related to the settlement of disputes/claims from villagers. The meeting is mediated by local government (Related institution, police, regent and Regional People's Representative Assembly Kampar Regency, but until ASA 1.2 conducted there is no agreement has been reached.

The sub-district and police have repeatedly mediated and communicated to the community to make a written report to the court to cancel / abort the land tittle (HGU PT Sekarbumi Alamlestari). Interview results were also obtained that National land Agency had stated that the acquisition of land at PT Sekarbumi Alamlestari was in accordance with procedures through Letter No. HP.01.03 / 403-14 / II / 2019 dated 13 February 2019.

In May – June 2019 the community conducted a blockade in the Tapung Kanan 2 area which cause the FFB could not be sent to Tapung Kanan POM, related that cases PT SA had reported to the Police as evidenced by a Report Proof (No STBL / 143 / V / 2019 / RIAU / RES CAMP dated 3 May 2019) by reporting inciting others to commit criminal offenses and

alleged criminal offenses. Related to this report, it has been settled through the court.

At the time of the audit the Koto Aman Community conducted a demonstration by building emergency tents / Shelters in front outside of the company area (outside the land title) on the land that owned by PT Chevron Pacific Indonesia. The company considers this not to be a problem because it is outside the company's operational area and as long as it does not interfere with the operations of PT Sekarbumi Alamlestari. The company and government explained if the community is not satisfied should take legal action to the court. Based on an interview with external stakeholders obtained information currently there is no legal action that takes by the community of Koto Aman.

The Company has a policy to not use the military for operations dated on 12 August 2016 by the Group Manager. Based on field observation and direct interview with sampled workers and communities, it was known that the unit of certification has no evidence to instigate violence in maintaining peace and order in their current operations. Generally, the certificate holder has complied with the right to use the land.

**Status: Comply**

#### **PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

##### **5.1**

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

##### **5.1.1; 5.1.2; 5.1.3; 5.1.4; 5.1.5; 5.1.6**

The unit of certification has a plasma (scheme smallholder) namely Farmer Cooperative Sahabat Lestari as well as cooperating with many local contractors/businesses. Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by following the Provincial price issued by the Plantation Agency of Riau. The price of FFB can be accessed directly by the public through the newspaper, internet or through circulars letter that sent by Plantations agency of Riau Province to all smallholders and partner companies.

The pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. Based on documents verifications revealed that the payment of FFB for smallholders' scheme was in accordance with the FFB prices set by the Plantation Agency of Riau Province pricing team. An example of payment verified by the auditor is invoice and proof of payment in December 2020 where the calculation of payment is in accordance with the amount of FFB production of farmers and the price set. Furthermore, into the local contractor the company can be presented that the payment is in accordance with the agreed agreement, which is 15 working days after submitting the payment request, for example in for work agreement no SPK No 006/SPK-KTK/APM/X/2019, payment for December was carried out on 21 December 2019.

##### **5.1.7**

The results of observations and interviews with the weighbridge operators obtained information that the certification unit has routinely calibrated the weighing equipment carried out by the government. Last calibration conducted in 02 April 2019 with the obligation to re-register at 28 March 2020.

##### **5.1.8**

The company does not receive FFB from independent smallholders or out-growers.

##### **5.1.9**

The unit certification has a procedure of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017). Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, worker union, hotline and email provided by the CH and through the RSPO website. Grievances included anonymous and whistle-blower cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.

**Status: Comply**



**5.2**
**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**
**5.2.1, 5.2.2, 5.2.3, 5.2.4 & 5.2.5**

Based on the results of interviews with management, the company obtained information that has explained about RSPO, an explanation related to the RSPO to plasma and fostered farmers was explained on questionnaire for the implementation of the management and monitoring plan of the SIA as a stakeholder.

The contribution to improving the level of livelihood as a buying Plasma FFB according to Plantation agency prices as explained in notarial deed Number. 24 August 23, 2007 regarding an agreement PT Sekarbumi Alamlestari and Sahabat Lestari Cooperative which set prices based on Decree Number. Menhutbun No. 627 / KPTS / II / 98, namely determination of price FFB based on the FFB price determination meeting by the Plantation agency.

The company has conducted pesticides training to smallholders February 2, 2019 by manager. The Has been conducted a review of plasma activities once a year by involving groups members.

Based on interviews with management, known plasma owned by company do not want to have RSPO certificates. This was confirmed by minutes of meeting between company and Sahabat Lestari cooperative (chairman of cooperative) July 3, 2015 which explained that cooperative had temporarily refused to carry out RSPO certification.

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|-----------------------|
| <b>Status: Comply</b> |
|-----------------------|

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**
**Any form of discrimination is prohibited.**
**6.1.1 & 6.1.2**

The Equal Opportunity and Treatment Policy on Employment Opportunities dated October 1, 2011 states that the Company is always fair and gives equal treatment without discrimination of race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership. In the KLK Group Sustainability Policy, point 3.2.ix states that the group and its suppliers / contractors are required to guarantee equal opportunities in the workplace.

Based on a review of employee list documents, interviews with stakeholders (Head of sub district Tapung Hilir, Village Head, Local Contractors, Worker union Women's Committee), it is known that the company has accepted workers through a selection mechanism according to ability and expertise needs, not distinguishing gender, race, religion, and workers has come from various regions both local and the worker from other area

The implementation of the policy can be seen from the composition of employees which is a combination of migrants and surrounding communities with ethnic and religious diversity. Based on interviews with union representatives and manual maintenance workers in the 95D CEC 2 block, it is known that the company has given equal treatment to each employee. There has never been a difference based on the similarity of origin and similarity of trust

There are no migrant workers in the company's operational area. Although they come from various regions, migrant workers still come from one country

**6.1.3**

Recruitment of employees as stated by the assistant and written in the procedure is based on the needs and availability of positions in the company. The company has been able to show examples of employee assessments and promotions as follows:

- Employee assessment form for Syahnun Sinaga assessment period 01 May 2019 – 31 July 2019 with a value of 48 (an average of 8 excellent categories) with recommendations from managers and coordinator managers to promote promotion of class
- Decree of the Board of Directors No. 043 / Kep / dir / Pnt / SA / X / 2019 dated October 25, 2019, which agreed to approve the career advancement of the employee

Based on PT SBAL employee master list, it is known that there is an employee recruitment in 2019. For example, workers with initials HSL with harvester positions in the Division 3B KTK-2. The company has been able to show employee recruitment documentation starting from job applications, assessment of abilities, results of interviews, and recommendations of user. Furthermore, the results of the health examination before work are shown in the fit to work category.

Based on the interviews with labour union, it is known that each recruitment process is carried out transparently and until now there has never been an issue regarding the unfair employee recruitment process

Then interviews with employee representatives and worker unions, it is known that there are still many employees who do not understand the promotion mechanism or employee appraisal. For example:

1. Based on interviews with three warehouse officers are known that all of them have ten years of service and have been submitted as SKU-B but there is no clarity about the proposal. Until the audit has been completed, documentation regarding the promotion process has not yet been demonstrated
2. Based on interviews with 1 *BHL* in block 95D found that he had been submitted to become a SKU. However, workers refuse to be appointed as permanent employees because the work period will be counted back to 0. Meanwhile other *BHL* workers asked for an opportunity to become a SKU

It can be shown the procedures governing the human resource system in SOP 29 on Workers Management which explains the methods of recruitment, monitoring and assessment, career path and so forth. However, the procedure has not yet explained in detail the process of career path (promotion) and the determination of employee classifications. Its became on-conformities in indicator 3.5.1

#### **6.1.4**

A pregnancy test conducted by the company is not discriminatory but as a form of protection of the reproductive rights of women workers, for example in the case of taking H-1 and H-2 leave. Pregnancy testing is done once a month by testing urine. In addition, H-1 monitoring is always carried out. If a female worker is found to be pregnant, it will be transferred to light work such as babysitting and park cleaners. Pregnant and breastfeeding mothers are not allowed to do work that is in direct contact with pesticides and fertilizers.

Based on the interviews with women workers, for example in block 92 and Block 95F KTK 1 it was found that there had never been discriminatory treatment against women workers. A pregnancy test is carried out to ensure that none of the pregnant or breastfeeding worker mom make direct contact with toxic chemicals for the health of themselves and the fetus.

#### **6.1.5**

One of the efforts to maintain the decency of the company is to establish a Gender Committee in accordance with the policy on Sexual Harassment and Violence on October 1, 2011, which states that the company does not tolerate sexual harassment and violence against women in the workplace. Based on interviews with representatives of women's committees, it was explained that until the audit activities were carried out there were no reports of violations of the decency policy and prevented acts of sexual harassment and violence

One case was handled by the gender committee in 2019 regarding violence against children committed by his biological mother. Representatives of the gender committee and the company have educated the family and conduct regular monitoring of the family once every one month to ensure that the mother gets proper assistance (in the form of counseling).

#### **6.1.6**

Based on the interviews with both male and female workers, for example in the 95F and 95D blocks of KTK II, it was found that there were no cases of wage differentials based on gender. The results of verification of employee payroll for the December 2019 period found the following information:

- **BHL**  
NIK 637 : 25 Working Days x Rp 112,800.00 = Rp 2,820,000.00 (Male)  
NIK 664 : 24 Working Days x Rp 112,800.00 = Rp 2,707,200.00 (Female)

- **SKU-H**  
Daily Wage Rp 89,300  
Initial : JML  
Basic Salary : 30 Working Days x Rp 89,300 = Rp 2,679,000.00  
Incentive: Rp 100,000.00  
Rice Supply : according to the family status of the Worker  
Overtime : 172 hour x Rp 16,301.00 = Rp 2,803,699.00  
Gross Salary = Rp 5,582,699.00
- **Monthly**  
Initial T.Gin  
Basic Salary : Rp2,679,000.00  
Fixed Allowance: Rp 629,909  
Rice Supply : according to the family status of the Worker

**Status: Comply**

## 6.2

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

### 6.2.1

The Collective Labor Agreement used by the company refers to the BKS PPS North Sumatra, Riau and NAD regions period 2018 – 2020 and has been agreed by the representatives of workers and employers. The collective labor agreement has arranged labor rights and obligations. For example working hours, wages, overtime, leave, until termination of employment

The endorsement of the Collective Labor Agreement shown is the decision No. Kep 88 / PHIJSK-PKKAD / PKB / VI / 2015 dated June 18, 2015 for the PKB for the 2015-2017 period. The endorsement of the PKB for the 2018-2020 period itself is still in progress. As explained by the union of PT SBAL. The PKB for the period 2018 – 2020 is still agreed to be effective because the content of the agreement is roughly the same as the previous PKB. In the previous PKB it was also stated that the PKB remained in effect until there was further official endorsement.

Based on interview with worker representative for example in block 95D and 95F KTK II known there is no negative issue related pay and condition of worker. Interviewees says basic rights of workers have been granted accordingly

### 6.2.2 & 6.2.3

The rules regarding employment of PT SBAL include the following documents:

- **Collective Labor Agreement of BKS PPS 2018 – 2020**  
Among them regulate regular working hours, deductions, overtime, sick leave, the right to get a vacation, maternity leave, to the process of termination of employment
- **Sustainability SOP No. 29 of 2017 concerning Management and Recruitment of New Workers**  
The procedures include explaining about recruitment method, career path, and training
- Circular Number: 001 / SA / Edar / IV / 2019 concerning the daily employee wages in 2019 issued by the Director on April 15, 2019 known that:  
SKU wages of IDR 2,679,000 or IDR 89,300 rupiah / day not including rice supply. Wage reference used is a letter of BKS-PPS Number 19 / BKS-PPS / 2019 dated March 1, 2019  
For casual worker, a wage of Rp. 2,820,000 per month or Rp. 112,800 per day is in accordance with the Decree of the Governor of Riau No. Kpts 661 / III / 2019 dated March 25, 2019 concerning UMSP of the Riau Agriculture / Plantation sector in 2019
- Attachment to Directors' Decree No.001 / Kep / Dir / Pnt / SA / IV / 2019 regarding adjustments to monthly employee salaries in 2019. The basic wage becomes Rp2,679,000 and for benefits has increased Rp.5,000.00 for each level of benefits

The company also shows examples of contractual work agreements, for example:

- Agreement Letter No. SA3 / SJ / SPB / KTK3 / X / 2019 for the EFB application for the period October 2019 to September

- Agreement letter No879./ 050 / Pd / SPB / KTKI / 2B / 2019 for the period October 2019 to September 2020 in the 2B division of Block 99F
- Agreement letter No. SA3 / SJ / SPB / KTK3 / X / 2019 for the period October 2019 to September 2020 for EFB Application in division 4A block 94B, 99F and 99G

In the letter of employment agreement, a clause regarding wages and working conditions has been written

Based on interviews with Palm Oil Mill workers (Sterilizer, Boiler, and Engine room stations) and Field Workers in blocks 95D and 95F it is known that the company has implemented company regulations properly such as issues regarding working hours, wages, overtime calculations, annual leave, maternity leave, policies H-1 and other predetermined rules.

The implementation of these plans include the following:

- Monitoring of H-1 and H-2 leave through foreman workbooks, daily work plans, and clinical monitoring
- The agreed and agreed working hours are 7 hours a day and 40 hours a week. If there is excess work hours, overtime is paid
- Every employee gets annual leave, large leave and annual holiday
- Has applied payments regarding minimum wages
- Has provided health protection and work accident protection for each employee

In the normal conditions there are no deductions or penalties for workers. Penalties are given specifically to the contractor if the work does not match the specifications agreed upon at the beginning. In addition there is a penalty if the harvester pick FFB is not in accordance with the criteria for harvesting. Penalties for contractors are clearly stated in the employment agreement while information on harvesting penalties is known by all workers through the morning briefing which is delivered every morning. Harvesting penalties also do not cut basic wages but the harvesting premi

As the information conveyed by union representatives and the company KTU, the wages used are still in reference to the 2019 stage. 2020 wages themselves will usually only be set in March 2020 so that the shortage of wage payments will be carried out at the April 2020 payroll.

Based on the interviews with employees for example in the block 95F and 95 D CEC 2 when fertilizer and manual weeding activities are known wage payments made by the company are in accordance with established rules.

The results of verification of employee payroll for the December 2019 period found the following information:

- **BHL**  
NIK 637 : 25 Working Days x Rp 112,800.00 = Rp 2,820,000.00 (Male)  
NIK 664 : 24 Working Days x Rp 112,800.00 = Rp 2,707,200.00 (Female)
- **SKU-H**  
Daily Wage Rp 89,300  
Initial : JML  
Basic Salary : 30 Working Days x Rp 89,300 = Rp 2,679,000.00  
Incentive: Rp 100,000.00  
Rice Supply : according to the family status of the Worker  
Overtime : 172 hour x Rp 16,301.00 = Rp 2,803,699.00  
Gross Salary = Rp 5,582,699.00
- **Monthly**  
Initial T.Gin  
Basic Salary : Rp2,679,000.00  
Fixed Allowance: Rp 629,909  
Rice Supply : according to the family status of the Worker

#### 6.2.4

The company has provided welfare facilities and infrastructure for employees, for example in terms of:

- **Housing Facilities**

For workers who are married, one house is given. While single workers will be combined in one house with a

- maximum of 4 people
- **Sport Facilities**  
Provided sports facilities in the form of fields such as badminton courts, soccer fields, and volleyball courts
- **Place of worship**  
Provided places of worship for Muslim and Christian workers as the majority religion of workers
- **First aid post**  
The health facilities used by the majority of employees are puskesmas as health facilities 1 of the BPJS Kesehatan. However, the company still provides first aid posts which are responsible for nurses with health care to be ready when work accidents occur that require immediate treatment.
- **School bus**  
The company provides school buses for employees' children and is free of charge
- **Employee Cooperative**  
Types of employee cooperative activities are savings and loans and the provision of basic necessities

Based on the field observation to the KTK I, KTK II, and KTK III housing estates, the housing conditions are in good condition. The landfill is also clean and equipped with standard facilities and clean water. Sports facilities and worship facilities are also available and can be used by employees. The results of interviews with residents of the housing area revealed that the facilities provided were deemed sufficient and humane

#### 6.2.5

Based on the interviews with housing resident in KTK I, KTK II, and KTK III as well as representatives of the gender committee and labor unions, it is known that access to food can be easily reached. The drive distance from the unit to the regency city is less than 1 hour. Besides that, there are periodically sellers of food ingredients, especially for vegetables and side dishes that enter the plantation area at the most every two weeks. In addition, there is also an employee Cooperative, which one of the fields of business is in terms of providing basic goods (basic needs)

Based on this it can be concluded that the certification unit has made efforts to improve workers' access to getting decent, adequate and affordable food.

#### 6.2.6

The wage eligibility standard referred to by the certification unit is UMSP. A detailed explanation of wages is in indicator 6.2.2. The DLW Benchmark for Indonesia has not been established yet, however, the company has done a simulation of calculating the Prevailing Wage. The components included in the calculation of decent living wages include the following:

- UMSP Kampar Regency 2020: Rp. 2,820,000.00
- Rice Supply: Rp. 162,500 excluding wife and children
- Housing, electricity supply subsidies, and clean water needs are provided free of charge by the company. If estimated in rupiah, the value is around Rp. 771,763.00

Based on the results of interviews with workers representatives for example in blocks 93C, 95D, and 95 F the wages received are in accordance with the minimum standards set by the government. Other than that Based on the interviews and field verification to contractor workers at KTK II it is known that they are paid on a daily basis and not lower than the minimum wage requirement

#### 6.2.7

Based on document review and interviews with several workers, it is known that the composition of employees in the operational area of the certification unit is Monthly, *SKU*, and *BHL*. *SKU* and Monthly are classified as permanent employees. While *BHL* is a Freelance Daily Worker. The total number of *BHL* personnel as information from the list of employees is 271 people with the following details:

| Type of work   | Amount     |
|----------------|------------|
| Harvester      | 85         |
| Weeder/Weeding | 183        |
| General Worker | 1          |
| Clerk          | 2          |
| <b>Total</b>   | <b>271</b> |

Definition of core work according to RSPO PnC 2018: The primary area or activity that a company was founded to do or focuses on in its business operations. Core work pertains to work that is essential and desirable to the growth of the organisation. All agricultural and milling activities are considered core work, e.g. planting, harvesting, fertilising, maintenance; FFB sorting and grading; machine-technical maintenance; and machine operation.

Until the surveillance activities are completed, there is no justification from the certification unit regarding the classification of core work, temporary work, or seasonal work. Thus it can be concluded that the Certification Unit has not been able to show sufficient evidence of classifying core work, temporary work or seasonal work and evidence that all core work has been carried out by permanent workers. It become **nonconformity No.2020.04**

6.2.7 **Status: Non Conformity No.2020.04**

### 6.3

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

#### 6.3.1;6.3.3

The Unit of Certification has policies related to trade unions that have been socialized and implemented within the Unit of Certification. The policy is contained in the Freedom of Association document dated 1 October 2011, which states the Unit of Certification commitment to giving workers the freedom to associate legally according to applicable Laws.

In addition, in the KLK Group Sustainability Policy, point 3.2.v states that the group and its suppliers / contractors must recognize and respect the right of employees to form and become union members according to their choices which are subject to restrictions stipulated in relevant domestic laws. .

In PKB Article II point 1a, the Unit of Certification recognizes the existence of a Labor Union, namely SPSI. The results of interviews with SPSI and workers in the plantation and factory, it is known that the Unit of Certification has a policy on Labor Unions that has been socialized to employees.

Based on interviews with employee factory and plantation, employees are free to associate, there is no intervention in the operation of the union, and there is no pressure on workers regarding their positions in the Labor Union.

#### 6.3.2

The Unit of Certification and Labor Unions have documented the activities of forming Labor unions and meetings between plantation companies and Labor unions and internal Labor unions. For Example :

- Minutes of mutual agreement between the Unit of Certification and Labor Union on 5 December 2019 which was attended by 7 people related to:
  - Educational assistance for children of employees who excel at school.
  - The company agreed to provide all children with employees who excel at school from elementary school to university level.
- Minutes of mutual agreement between the company and SP SPPP-SPSI on 26 September 2019 which was attended by 6 people related to:
  - Discussion of Freelance who have not been appointed as permanent employees

**Status: Comply**

### 6.4

**Children are not employed or exploited.**

#### 6.4.1, 6.4.2, 6.4.3 & 6.4.4

The policy regarding the age limit of workers is contained in the Collective Labor Agreement for the period 2018 – 2020 which states that one of the requirements in the recruitment process is adults and at least 18 years of age at the time of admission. In addition SOP No. 29 on Workers Management explained the conditions for hiring workers, one of which was a minimum age of 18 years.

Based on the list of employees of PT SBAL, there were no workers who were under 18 years of age. The youngest worker is No. 224 employees born in 1999. The worker has been working since 2018 so the age at the beginning of joining is 19



years. Information on the age limit of workers can also be seen from warnings placed at strategic locations such as division offices and security guard offices.

Based on interviews with representatives of contractor workers at KTK II housing, it is known that socialization regarding the age limit of workers is always delivered. In addition there is regular supervision from staff to ensure compliance with these policies. The results of a review of the employee registration document and interviews with the harvest foreman as well as the foreman foreman are known to have no workers under the age of 18

**Status: Comply**

## 6.5

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

### 6.5.1

In an effort to maintain decency, a Women's Committee was formed in accordance with the policy on Sexual Harassment and Violence on October 1, 2011, which stated that the company did not tolerate sexual harassment and violence against women in the workplace.

Based on interviews with representatives of women's committees, it was explained that until the audit activities were carried out there were no reports of violations of the decency policy and prevented acts of sexual harassment and violence. One case was handled by a gender committee team in 2019 regarding violence against children perpetrated by her biological mother. Representatives of the gender committee and the company have educated the family and conduct regular monitoring of the family once every one month to ensure that the mother gets proper assistance (in the form of counseling).

### 6.5.2 & 6.5.3

Based on the interviews with women workers in the block 95D and 95F, the policy has been implemented, for example, the mutation of pregnant and breastfeeding workers to lighter jobs and not in direct contact with chemicals. In addition, the granting of H-1 and H-2 has also been given to workers in accordance with the actual conditions and medical team referrals

Based on the field observation to the KTK I and KTK II housing, it is known that to accommodate the needs of young mothers, especially in terms of privacy, giving ASI to children, the company has provided ASI Corner at the TPA. In addition, information obtained from female nursing mothers is given a special time for 1 hour to provide breast milk for their children. May be done at the ASI Corner and their respective homes during break hours between 09:00 – 10:00

### 6.5.4

Mechanisms and systems for handling complaints are explained in SOP 20 regarding procedures for submitting complaints on the date of revision August 12, 2016. Complaints can be submitted through recording in the logbook that has been provided, directly to the RT / foreman, through the suggestion box, through the gender committee, union, hotline and e-mail provided by the company and through the RSPO website.

- All non-confidential complaints are recorded in the logbook, reviewed by the manager once a week, responses are submitted within 14 days.
- Head of Neighbourhood / foreman records 3 verbal complaints in the complaint logbook within 3 days.
- Complaints related to work practices can be submitted through trade unions
- Complaints including whistleblowers and anonymous cases can be delivered through the suggestion box, the suggestion box is checked by the GM / director
- Complaints concerning gender and sexual harassment can be submitted through the gender committee

Further explanation regarding complaints is explained in 4.2

**Status: Comply**

## 6.6

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

### 6.6.1 & 6.6.2

There are no migrant workers working in the company's operational area. All workers come from within one country



(although from various regions). In addition, each worker has been equipped with a clear employment contract. Workers' rights and obligations are also clearly stated in company regulations

**Status: Comply**

## 6.7

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

### 6.7.1

Specific personnel assigned to be responsible for the OHS program have also be appointed. Unit Management of PT. Sekarbumi Alamlestari has established an organization named Guiding Committee of Occupational Health and Safety (*GCOHS/P2K3*), who is responsible for the OHS program. The interviews with the Manpower, Transmigration and Social Agency of Kampar Regency revealed that the unit management has submitted the *GCOHS* report on a regular basis every three months. *GCOHS* report covers the entire OHS activities, including; *GCOHS* recommendations, investigation results of occupational accidents, *GCOHS* activity reports, employees' health checkup reports, and *GCOHS* minutes of meeting held every month. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The meeting is documented in minutes of meeting and list of attendees, for instance meeting in December 2019 with material to be discussed about PPE for workers and follow up of previous meetings.

### 6.7.2

The company has made efforts to deal with emergencies and accidents with SOP Emergency and Accidents (SOP No. 24). SOP includes the main potential causes of emergencies, among others: fires, chemical spills, and the main potential natural disasters; Health and Safety Procedures in Estate, signed by the Senior GM on November 1, 2011 and Safety standard operating procedures (SAOP) for Mill, signed by the Controller on 01 December 2011.

The company has the facilities and infrastructure emergencies such as fire extinguisher, First Aid Kit Boxes, Hydrant, water engine and fire truck. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits box.

The interviews with the supervisors also suggested that they all have the proper knowledge on how to perform first aid emergency in case of any occupational accident at their work area. For example, when a worker is exposed to tree's thorns, the first step to take is to clean the injury and perform first aid emergency, then the supervisor must take said worker to the estate's polyclinic for further treatment.

### 6.7.3

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. The Certificate Holder presented documentation over training on occupational health and safety and occupational health and safety implementation in estate and mill. Interview with mill and estate's personnel revealed that company has delivered training to improve personnel capacity and knowledge. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures.

Furthermore, based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in estate and mill revealed that company would substitute or replace the PPE if there is a damage or broken on the old one. Moreover, company has a commitment to comply the applicable occupational health and safety procedure, such as:

- Ministry of Manpower, Transmigration and Cooperative Decree No. 01 in 1976 regarding the responsibility to take Hiperkes training for company's Doctors
- Ministry of Manpower and Transmigration Decree No. 01 in 1979 regarding the responsibility to take Hiperkes training for company's paramedics.
- Ministry of Manpower Decree No. 01 in 1988 regarding the qualification and requirement for steam engine operators.

- d. Ministry of Manpower and Transmigration Decree No. 09 in 2010 regarding to lift and transport vehicle's operators.
- e. Ministry of Manpower and Transmigration Decree No. 04 in 1985 regarding to energy and production vehicle.
- f. Ministry of Manpower and Transmigration Decree no. 02 in 1982 regarding to welder's qualification in work place

#### 6.7.4

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, The Certificate Holder has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS.

Based on documents verifications and interview with contractors it was known for contractors who have a legal entity, the workers have been covers by accident insurance, however, for activities that outsourced to local contractors and there is no legal entity, for instance, EFB application, the unit of certification cannot present evidence if those workers have been covered by medical insurance. It became nonconformity on indicator 2.2.2.

Companies record of workplace accidents in Work Accident Monitoring report which reports the complete information about the accident, such as the month of the accident, number of cases, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of the Guiding Committee of Occupational Safety & Health. During the period of October 2018 – September 2019 (KLK Financial year) there are 144 works accidents with the number of workdays lost is 267 workdays. For all those accidents there are no claims to insurance. Works accidents that occur can be handled by paramedics and company doctors. Based on an interview with workers it was known there are no fatality or critical works accidents which caused the casualties to be referred to the hospital

#### 6.7.5

The lost time accidents records for the period of October 2018 – September 2019 as follows:

- Frequency rate: 84.8
- Severity rate: 157.2
- Number of accidents: 144
- Number of work accidents causing lost days: 117 accidents
- Number of workdays lost: 267 Workdays
- Total Working Hours: 1,698,292 Working hours

The calculation of Frequency rate and Severity rate based on the formula: itself is obtained from the following calculation:

- Frequency rate:  $\text{Number of lost time injuries in the reporting period} \times 1,000,000 / (\text{Total hours worked in the reporting period})$ .
- Severity rate:  $\text{Number of workdays lost in the reporting period} \times 1,000,000 / (\text{Total hours worked in the reporting period})$ .

**Status: Comply**

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

#### 7.1

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

##### 7.1.1

The Unit of Certification has an IPM program documented as follows:

SOP for Plant Pest Control and Sustainability SOP section 17 dated August 10, 2017, which explains the pest and disease control activities and critical threshold for all pests that are observing, for example:

- The critical threshold for netter caterpillars is 5% of the sample observed
- The critical threshold for mice is 5% of the observed sample
- The critical threshold for termites is 5% of the observed sample

The Unit of Certification has a record of detecting pests every 2 months in each plantation, which is done for netter caterpillars, bagworm, *Oryctes*, insects and termites while for mice every 6 months. While for the detection of disease symptoms is done once a year, a disease that is often found *Ganoderma*.

The integrated pest management program is implemented by the Unit of Certification and is monitored and evaluated monthly. Evaluations are recorded in the form of a pest infestation matrix and disease symptoms that describe the type of pest; attack rate; attack analysis, level to threshold; conclusion to determine control techniques if needed.

Based on data and summary of the 2019 census in KTK 1, KTK 2 and KTK 3, it is known that there are no pests and symptoms of disease that exceed the economic threshold. Therefore, companies do not need to control chemically. Based on field observations at KTK 1, KTK 2 and KTK 3, visually there were no symptoms of netter caterpillar attacks in the canopy, or rat pest attack on FFB collected at the FFB collection points.

The Unit of Certification also applies biological pest management methods such as planting beneficial plants such as 49ompany494949. Which attracts natural predators of netter 49ompany494949r. Planting of *Turnera* species is planted along most of the plantation's main roads. Meanwhile, to prevent mouse attacks, the Unit of Certification also installed barnowl. Based on field observations to barn owl in Block PM 1994 I KTK 3 and in Block PM 1993 C KTK 1 it is known that active barn owl can be seen from the former bones and feathers of owls around the barnowl.

The Unit of Certification shows the minutes of the implementation of integrated pest control training which was carried out in 2019, for example:

- IPM training on December 19, 2019 with 15 employees.
- 

#### 7.1.2.

Based on document review and field observations, the Unit of Certification implements several biological control practices to suppress pest and disease attacks such as barn owls (*Tyto alba*) and is well managed. Verification results on the [cabi.org](http://cabi.org) site are known that the species was declared not invasive in Indonesia.

#### 7.1.3

Based on the study of pest control documents, pest control procedures owned by the Unit of Certification, as well as interviews with related management, it is known that the Unit of Certification does not use fire in controlling pests.

**Status: Comply**

### 7.2

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

##### 7.2.1;7.2.5

The Unit of Certification shows SOP Sustainability SOP documents. 18 revision 2 of the 20 January 2020 revision date regarding the safe use and storage of chemicals. Only agrochemicals listed in the applicable laws and regulations may be used. KLK group has not applied paraquat in controlling weeds, its function has been replaced by chemicals that are more environmentally friendly. Since 2013 the Unit of Certification no longer uses direct pesticides such as paraquat which can eradicate all weeds.

The Unit of Certification sprayers circles and paths using selective pesticides three times a year. Field observations in PM 1994 Block B KTK 3 and PM 1992 Block KTK 1 are known if the workers already know the method of selective spraying, for example only spraying a circle or mixture that has weeds and if there are no weeds no spraying is carried out.

The Unit of Certification uses registered chemicals which are permitted by the Government and can be seen on the website [www.pesticide.id](http://www.pesticide.id).

Based on document verification, field visits to pesticide storage, interviews with management and applicants for pesticides information is obtained if the Unit of Certification does not use pesticides that are prohibited by the government as stated in Attachment II of Minister of Agriculture Regulation No. 39 of 2015 concerning registered pesticides, the pesticides used by the Unit of Certification are pesticides class II and III, for example Eagle (Isopropil Amina glyphosate) WHO class class III, target weeds to control broadleaf and narrow-leaf weeds.

**7.2.2**

The Unit of Certification conducts routine pesticide applications to control weeds in circles and lanes every 4 months. The Unit of Certification shows documents regarding the use of pesticides in operational activities. The Unit of Certification shows a record of the use of pesticides which explains the active ingredients used, the dosage of LD-50 and the number of active ingredients applied per hectare. For example KTK 3 activities of spraying circle and path pesticides used by metaprima, application area 1928 ha, 12.78 kg, dose 0.006628 kg / ha.

**7.2.3**

IPM plans that have been implemented include planting a beneficial plant as a place to perch on predators of caterpillars that feed on palm oil leaves and barn owl (*Tyto alba*). In addition the Unit of Certification has also carried out routine early detection that is listed in the early warning system monthly report. Based on the pesticide use data shown, the use of pesticides for pests and diseases minimized because the application will only be carried out if the census results are above the control threshold.

**7.2.4**

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

**7.2.6**

Based on field observations, interviews with workers in the PM Block 1994 B KTK 3 and PM 1992 B KTK 1 as well as interviews with management, the Unit of Certification can show that the application of pesticides is carried out by trained people and in accordance with the guidelines applicable in product company and storage, proven with:

- The Unit of Certification shows a list of employee training on December 18, 2019 at the KTK office on Material Safety Data Sheet training followed by 22 employees
- The Unit of Certification shows a list of employee training on December 19, 2019 at the KTK office on chemical mixing training.

The workers are equipped with safety shoes, helmets equipped with face shield glass, aprons, shirts and trousers, masks and nitrile gloves. This type of PPE is in accordance with MSDS recommendations for glyphosate and methyl metsulfuron.

Workers can explain and show work according to procedures, such as justifying the use of pesticides, considering the flow of the wind during spraying, mixing of pesticides, pesticides and their targets, prohibited areas for spraying (eg HCV areas and riparian areas). Pesticides are mixed in a pesticide warehouse and transported by special vehicles for safety aspects and to reduce environmental pollution. Regarding food brought to the field, the management unit has been provided with a special box to minimize the risk of negative impacts.

Based on field observations to KTK 1, KTK 2 and KTK 3 the company has provided a special place for storing work tools (knap sack) and PPE for sprayers. Based on interviews with sprayers at KTK 1, KTK 2 and KTK 3, it was known that the work tools and PPE are stored in a place determined by the company.

however, during the field visit at KTK 3 there was an isolated case, where the number of knapsacks and PPE stored was not the same as the number of workers. information from management, its due to the rest of the knapsacks and PPE is being used for assistance in other units. related to this the company has the opportunity for improvement to ensure all PPE and works tools (knap sack) are stored in a designated place. (OFI).

**7.2.7**

SOP Sustainability section 18 dated January 15, 2020 revision 2 concerning the safety of pesticides and chemical storage which describes the storage of chemicals stored separately with non-chemical substances and must be given the symbol toxic hazardous materials.

Based on field observations to the Unit of Certification pesticide storage warehouse, it is known that the storage of pesticides has been carried out according to existing procedures such as MSDS, separate locations from other items and

the floor does not have a channel to the soil body, there is a symbol of toxic hazardous materials.

### 7.2.8

Procedures for pesticides waste handling has been developed by certificate holder, listed on sustainability procedures no /non toxic and hazardous waste management) on 2017. Field visit during audit on KTK-1 estate and KTK-2 estate found that that all ex chemicals containers were kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding pesticides handling, and hazardous & toxic material handling have been conducted on February 2018 for related workers.

Interview with spraying team on KTK-3 estate and KTK 2 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 KTK-1 estate 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.

### 7.2.9

The results of the document review, interviews with management and employees, and field observations revealed that the Unit of Certification did not apply pesticides by air.

### 7.2.10

Health checks were carried out simultaneously throughout PT Sekarbumi Alamlestari. Based on the results of verification of documents, interviews with management and employees obtained information that the Unit of Certification regularly conducts health checks specifically for high-risk types of plantation employees, namely spray workers, generator guards, workshops, fertilizer and day care. Document verification results found that the final health check was carried out on the steps of 11-12 December 2019. The total number of plantation employees examined was 200 people, based on the results of the Thamrin clinical laboratory examination, all of them were declared healthy and fit for work. Based on interview with workers it was known if there are no issue related skin diseases due to pesticide like irritation or etc

### 7.2.11

The Unit of Certification has SOP 18 (10 August 2017) concerning the Safety of the Use and Storage of Chemicals including Hydrocarbons. The SOP explains, among others, about:

- Selection of pesticide used
- The manager is responsible for choosing the types of chemicals used
- Only registered chemicals may be used
- Dosage of use follows recommendations
- Pregnant and nursing women are prohibited from working in the spraying section or dealing with chemicals.

The Unit of Certification has a SOP Sustainability section 21 dated 7 April 2016 which regulates pregnancy examinations for spray officers:

- pregnancy test is an obligation on chemical spray workers to notify the Unit of Certification of their pregnancy. After being checked by the Unit of Certification doctor and the results showed positive that the Unit of Certification will switch to another job that is lighter and does not come into contact with chemicals.
- Breastfeeding women are prohibited from doing work using chemicals.

Based on field observations of spraying activities at KTK 1 and KTK 3 and interviews with management, it is known that the Unit of Certification does not employ employees who are not yet 18 years old and female workers in pregnancy or breastfeeding situations and employees with medical limitations will be transferred to care work.

|  |                       |  |
|--|-----------------------|--|
|  | <b>Status: Comply</b> |  |
|--|-----------------------|--|

## 7.3

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

### 7.3.1

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc. are stored in the Hazardous Waste Temporary

Storage licensed.

All Hazardous waste generated Estate and Mill stored on temporary hazardous waste storage licensed, temporary hazardous storage permit for Tapung Kanan Estate accordance decree Head of Environmental agency, Regency Kampar Number. 660 / DLH-PPK / ILB3 / 2017/13 12 May 2017 valid for 5 years. The company represents Agreement letter Hazardous Waste management PT Sekarbumi Alamlestari and PT Mitra Jaya Pertiwi. There are minutes of hazardous waste dated on 10 January 2020 with vehicle number BM 9168 FU, by PT Mitra Jaya Pertiwi consist of:

- Container contaminated 0.311 ton (manifest number AHX 0005622).
- Used filters 0.130 ton (manifest number AHX 0005620).
- Used oils 0.900 ton (manifest number AHX 0005621).
- Used rags 0.008 ton (manifest number AHX 0005582).

Base on observation during audits at temporary hazardous & toxic waste storage shown that all of hazardous waste are compliant with the periods in permit (< 180 days). Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2019 addressed to environment agency.

### 7.3.2 & 7.3.3

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill and its known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.
- POME use for fertilizer, based on field visit the condition of flatbed has been maintenance well and no environmental pollution potential.
- The managing for clinical waste, the company also has cooperation with licensed parties such as PT Kaltim Medika Utama.

Base on Field visit on KTK 1, KTK 2 and KTK 3 housing complex found that companies managed settlements/housing domestic waste by provide landfill on each afdeling and sort the organic/an-organic waste, no open fire for waste disposal.

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| <b>Status: Comply</b> |
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## 7.4

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

### 7.4.1;7.4.4

The Unit of Certification has an SOP regarding Seeding, Planting and Plant Maintenance which is listed in SOP Sustainability no. 7 rev. 2 dated 10 August 2017, in section C concerning Plant Care. The SOP explains, among others, related to fertilization based on the results of soil and leaf analysis.

The factors considered in determining the fertilizer dosage are:

- Soil (soil type, physical and chemical properties)
- Climate (rainfall, rainy days, and distribution)
- Fertilization research results
- Age of plants
- Plant productivity achieved
- Results of leaf and soil nutrient analysis. The leaf and soil analysis period is carried out every year.
- Visual observations in the field.

These procedures establish many strategies for maintaining and increasing long-term fertility, by combining efficient and measurable organic fertilization that takes into account the age of oil palm and soil nutrients by taking leaf and soil samples. The document review results show that the management unit has been fertilizing using chemical fertilizers, effluents and EFB. Based on field observations on fertilizing activities in PM 1999 F Block KTK 3, the Unit of Certification



applied Ammonium Sulfate fertilizer with a dosage of 1.75 kg / pkk. Verification of documents obtained information if during 2019 it was found that the certification unit carried out inorganic fertilization in accordance with fertilizer recommendations.

Programs and realization. Based on the review of documents in each Estate, it shows that the fertilizing activities (time, location, dosage, amount) are in accordance with the recommendations. Inorganic fertilizers used by the certification unit are Ammonium Sulphate, Rock Phosphate, Dolomite, Kieserit, Borate Mouriate of Photash (MOP), NK 17/30, Kemira NPK, FE EDTA with a total application of 6,489.89 tons for the KTK 1, KTK 2 and KTK 3.

Overall, the certification unit has made efforts to maintain and improve soil fertility. Visually, there are no symptoms of nutritional deficiencies in the blocks that have been visited. Based on production data from 12 months before the assessment (February 2019 – January 2020), it shows reasonable productivity, which is an average of 20.02 tons / ha / year with a varied planting year and is dominated by plants > 19 years. The oldest plant age is in 1992.

#### 7.4.2

Soil and leaf sampling is done annually as a basis for fertilizer recommendations. Soil and Leaf Sample Test was last carried out on 8-10 April 2019 as a recommendation for the preparation of the 2020 fertilizer program conducted by PT. Applied Agricultural Resources.

The results of the analysis of the leaves of KTK1, KTK 2 and KTK 3 inform the content of the elements N, P, K, Mg, Ca, and B. While the results of the soil analysis) inform about j pH, C-organic content, N-total elements, P, K, Mg.

#### 7.4.3

The Unit of Certification has a recording strategy for nutrient recycling which includes the use of Fiber and decanter cake, EFB applications, soil applications and the use of leaves. Based on the results of the document study, it is known that the application of EFB in 2019 is 30,029.63 tons with an application area of 1,012.77 ha, for the use decanter cake that is 2,047.32 tons with an application area of 193.39 ha, while for applications POME is 58,098 m<sup>3</sup>.

From the results of field observations, the auditor also visited the realization of the application of the empty group in Tapung Kanan Plantation III (Block 1993 D). It was found that the technical application of EFB is in accordance with company regulations: applied among trees, using a dose of 30 tons / ha, not overlapping, and not applied in streams.

|                       |
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| <b>Status: Comply</b> |
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### 7.5

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

The Unit of Certification have maps that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are not suitable for planting. Based on general field observations, it is known that the area in PT. Sekarbumi Alamlestari is dominant flat and undulating. There is no steep area planted with oil palm. At the time the assessment was carried out, the Unit of Certification had not yet carried out a replanting activity. The oldest age of oil palm plantations in the Unit of Certification operational area in years (TT 1992). The Unit of Certification is still considering replanting because the production of plants is still quite good for the last 3 years, which is an average of 23 tons / ha / year. At the time of the audit activity, there were no new planting activities in the area of the Unit of Certification management.

|                       |
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| <b>Status: Comply</b> |
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### 7.6

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

#### 7.6.1; 7.6.2; & 7.6.3

The Unit of Certification has maps that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are not suitable for planting. Based on field observations in general, it is known that the area in PT Sekarbumi Alamlestari is dominant flat and wave. There is no steep steep area planted with oil palm.



Companies can also show topographic maps and land surveys in the management of planting areas. This information is used by the Unit of Certification in the development of oil palm plantations which are now underway such as the establishment of road, bridge, trench and other infrastructure.

**Status: Comply**

### 7.7

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

#### 7.7.1-7.

Based on the PT Applied Agriculture Resources Indonesia document in January 2020, it is known that the land in PT Sekarbumi Alamlestari consists of Typic Hapludults, Typic Kanhapludults, Typic Paleudults and Typic Endoaquepts soil groups. Based on the data above it is known that there is no peat soil in the PT Sekarbumi Alamlestari area.

**Status: Comply**

### 7.8

**Practices maintain the quality and availability of surface and groundwater**

#### 7.8.1 & 7.8.2

Water management plan for PT SA are listed on some document such as environment management and monitoring document and HCV management plan 2019-2020. These document describe the water source identification, POM and estates water usage monitoring & efficiency, and water catchment area protections.

The company also conducted regularly water quality testing every semester for Tapung kanan river. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Tapung kanan also provides clean water access for all workers.

The company shown identification and maps for water courses and wetlands included riparian on 1 : 75,000 scale. HCV identification shown the main watersheds on company areas are tapung river, and other tapung Sub-watersheds including Sepano, Sepahat, and Paloge watershed. Procedures for watersheds protection has been established and listed on sustainability procedures no 22 on 2017. Field visit during audit, for examples on Palapian riparian block 93 E KTK-1 estate acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border.

The company has ascertained watershed and wetlands managements for replanting activities based on procedures, explained in environmental Implementation report UKL-UPL and management and monitoring HCV Implementation report semester II year 2019.

Base on Field visits on Sepahat riparian block 94 A division 2 KTK-1 estate and Sepano riparian block PM05 KTK-2 estate found companies managed riparian by marked the buffer zone (throughout 50 m bothsides on riparian), perform revegetation with mahogany, and signboard placement. There is no indications chemical activities (spraying) on both riparian areas.

#### 7.8.3

The CH has permit the utilization of POME for applied to land (Land Application) based on decree of Head of capital investment and integrated services, Kampar regent No 503/DPM-PTSP.PEL/LA/2017/02 dated 7 October 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. Based laboratory testing, it could be concluded that testing results period October to December 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 KTK-1 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.

**7.8.4**

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 December 2019 average of water use for processing still below the determined budget (1.18 m<sup>3</sup>/ton FFB while budget is 1.5 m<sup>3</sup>/ton). Overall use of water under the budget of company.

**Status: Comply**
**7.9**
**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

The company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2019 POM Tapung Kanan has produces 1,361,701.20 kWh of electricity from turbine, while electricity generated from diesel fuel 260,513.98 kWh. The efficiency renewable energy use per ton of palm product in the mill is 47.69 KWh / MT CPO, while result Direct fossil fuel used is 9.12 KWh / MT CPO.

**Status: Comply**
**7.10**
**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.**
**7.10.1**

The company has identified pollutions and emissions sources of Tapung Kanan POM, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as: emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste and infectious waste.

Fossil fuel reducing on Tapung Kanan palm oil mill have been implemented by fiber/shell usage for boiler. POM Waste water has been monitored every months and monitoring periods January to December 2019 shown that all of waste water testing parameters is compliant to the standards quality.

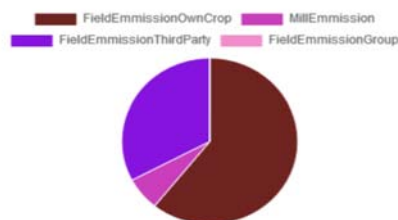
Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator. The Palm GHG Calculation option applied Full version.

Calculation of GHG and its monitoring has conducted by EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Tapung Kanan POM and its supply base are listed as follows :

**Summary Emission**

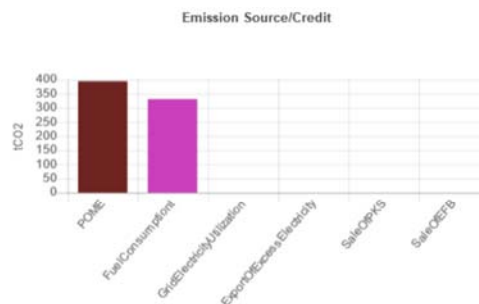
| Product | tCO <sub>2</sub> e / tProduct | Action |
|---------|-------------------------------|--------|
| CPO     | 0.33                          |        |
| PK      | 0.33                          |        |
| PKO     | 0.00                          |        |
| PKE     | 0.00                          |        |

| Description                      | Unit | Value   | Action                   |
|----------------------------------|------|---------|--------------------------|
| Oil palm planted on mineral soil | Ha   | 5199.00 | <input type="checkbox"/> |
| Oil palm planted area on peat    | Ha   | 0.00    | <input type="checkbox"/> |
| Total oil palm planted area      | Ha   | 5199.00 | <input type="checkbox"/> |
| Conservation area (Forested)     | Ha   | 923.00  | <input type="checkbox"/> |
| Conservation area (Non-Forested) | Ha   | 0.00    | <input type="checkbox"/> |
| FFB Production per hectare       | t/ha | 24.63   | <input type="checkbox"/> |
| OER                              | %    | 20.82   | <input type="checkbox"/> |
| KER                              | %    | 5.50    | <input type="checkbox"/> |



### Mill Emissions and Credits

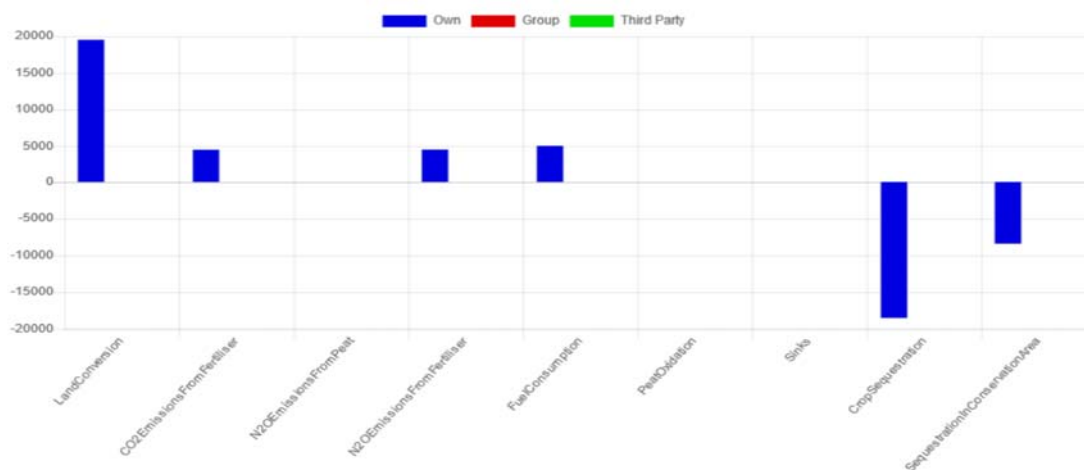
| Description                                    | tCO2          | tCO2e/t FFB | Action |
|--|---------------|-------------|--------|
| <b>Emission Sources</b>                        |               |             |        |
| POME   | 396.05        | 0.00        |        |
| Fuel Consumption                               | 332.67        | 0.00        |        |
| Grid Electricity Utilisation                   | 0.00          | 0.00        |        |
| <b>Credits</b>                                 |               |             |        |
| Export of Excess Electricity to Housing & Grid | 0.00          | 0.00        |        |
| Sale of PKS                                    | 0.00          | 0.00        |        |
| Sale of EFB                                    | 0.00          | 0.00        |        |
| <b>Total</b>                                   | <b>728.72</b> | <b>0.01</b> |        |



### Estate/Plantation field emissions and sinks

|                                    | Own       |          |             | Group |          |             | 3rd Party |          |             |           |
|------------------------------------|-----------|----------|-------------|-------|----------|-------------|-----------|----------|-------------|-----------|
| Description                        | tCO2e     | tCO2e/ha | tCO2e/t FFB | tCO2e | tCO2e/ha | tCO2e/t FFB | tCO2e     | tCO2e/ha | tCO2e/t FFB | Total     |
| Emission Source                    |           |          |             |       |          |             |           |          |             |           |
| Land Conversion                    | 19595.23  | 3.77     | 0.18        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 19595.23  |
| CO2 Emissions from Fertiliser      | 4575.05   | 0.88     | 0.04        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 4575.05   |
| N2O Emissions from Peat            | 0.00      | 0.00     | 0.00        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 0.00      |
| N2O Emissions from Fertiliser      | 4599.66   | 0.88     | 0.04        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 4599.66   |
| Fuel Consumption                   | 5109.81   | 0.98     | 0.05        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 5109.81   |
| Peat Oxidation                     | 0.00      | 0.00     | 0.00        | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | 0.00      |
| Sinks                              |           |          |             |       |          |             |           |          |             |           |
| Crop Sequestration                 | -18573.67 | -3.57    | -0.17       | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | -18573.67 |
| Sequestration in Conservation Area | -8463.91  | -1.63    | -0.08       | 0.00  | 0.00     | 0.00        | 0.00      | 0.00     | 0.00        | -8463.91  |
| Total                              | 6842.18   | 1.32     | 0.06        | 0.00  | 0.00     | 0.00        | 3685.14   | 0.00     | 0.00        | 10527.32  |

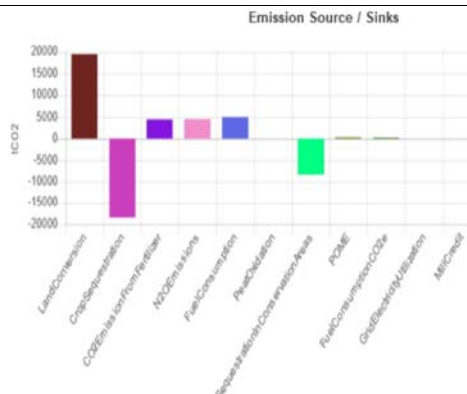
### Field Emission and Sinks



**Emissions from Palm Kernel Crusher**

| Emission Source         | tCO <sub>2</sub> e |
|-------------------------|--------------------|
| PK from own mill        | 0.00               |
| PK from other sources   | 0.00               |
| Fuel Consumption        | 0.00               |
| Total Crusher Emissions | 0.00               |

This mill has no kernel crusher operation


**7.10.2 & 7.10.3**

Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until ASA-1.2 audit conducted, no new planting activities above 15 November 2018.

The company has identified pollutions and emissions sources of Tapung Kanan POM for period 2020, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as: emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste and infectious waste. Plans to reduce or minimize has been implemented and monitored as explained on UKL-UPL semester II year 2019.

Fossil fuel reducing on Tapung Kanan palm oil mill have been implemented by fiber/shell usage for boiler. POME has been monitored every months and monitoring periods October to December 2019, shown that all of POME testing parameters is compliant to the standards quality.

**Status: Comply**

**7.11**

**Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1, 7.11.2 & 7.11.3**

PT Sekarbumi Alamlestari have a burn ban policy approved by Director of the KLK Group, dated on 01 August 2013 which states the certificate holder is committed to the policy of banning burning with obey national regulation and guidelines ASEAN Policy on zero burning. In the implementation ensures that employees and contractors comply with this policy. Beside that there is SOP Clearing with number 31, In the SOP describes and governs the opening stage and land clearing without burning.

Based on interview and field visit, the company didn't burn during land clearing and replanting. Replanting was last done in 2015 covering an area of 26 ha. Replanting is done by heavy equipment mechanic and chopping palm oil arranged properly on circles track. Based on field visit in estate area, housing and others that known there are signboards of burning ban warning.

The company has involved stakeholders on locations border operational areas as an effort to prevent and control fires through socialization and simulation of land fires on 18 October 2019 involving Sub-district Tapung Hilir and Koto Garo village.

**Status: Comply**

**7.12**

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

**7.12.1, 7.12.2 & 7.12.3**

Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Until ASA-1.2 audit

conducted, no new planting activities above 15 November 2018.

Based on document verifications and field observation its known if there is new planting in 2019 covering 20 Ha in Tapung Kanan 1 Estate. Those areas located in the scope of certification who previously occupied by the community (dispute area). Based on an interview with management, document verifications and Landsat image analysis it was known previously that area are planted area with a year of planting in 1999. In 2004, those areas claimed and occupied by the community. That dispute has been resolved in 2015 based on decree from the district court of Kampar Regency No 001/KM-KTK/SA/II/2015 about execution notification who described to owners of buildings, houses, huts, plants will be demolished within one week from 21 January 2015. A part of the area was replanted in 2015 (39 hectares) and the rest was planted in 2019.

The CH shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1.3, 4, and 6 presence on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About a HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is 923 Ha. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species.

Base on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

#### **7.12.4, 7.12.5, 7.12.6, 7.12.7**

The company shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1.3, 4, and 6 presence on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About a HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is 923 Ha. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species.

Related to RTE species, company had RTE species protections procedures, listed on sustainability procedures SOP 22 on 2017 stated that all workers including contractors are not allowed to hunt, to raise, and killed all RTE species. To provide protection against those RTE species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency). Company also conduct regular inspection for HCV/RTE species protection, last inspection was done on January 2020, indicates there is no wild hunting and no wild animal traps presence on HCV areas.

Based on field visit on riparian Sepahat river block 94 A division 2 KTK 1 Estate and riparian Paloge block 94 D KTK 3 estate known that the HCV area has been managed well and in accordance with the management plan. The CH was able to shows monthly monitoring of fauna and monitoring/maintenance of marking HCV poles which conducted monthly. It was reported that there were no conflict between human and wildlife.

Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas of HCV-related and affect the local community.

The company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.

The socialization on RTE species to the workers also conducted in time of muster morning including socialization of sanction. It also has been verified during interview with the workers in field and emplacement. Meanwhile, the company

has information signboard of HCV area and protected fauna within estates operational areas, moreover there were found no protected fauna on offices and employees housing areas in both in estate and mill.

HCV identification results also explain there is an RTE species according IUCN-Redlist namely for example *Elephas maximus* and *Panthera tigris*. PT.SA has established HCV management plan 2020 that includes appropriate management and monitoring to maintain HCV attributes and RTE species.

The company has Presenting specific assessment as feedback of RTE species monitoring result data especially for *elephas maximus*. Evaluation of RTE species monitoring, result is base home range mapping, population and migration time frame.

The company established HCV management plan to maintain the HCV areas in operation area of PT SA, listed on Management plan HCV 2020 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. The integrated management plan is reviewed at least once every five years.

The management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations such as questioner method applied for nearest local community.

The Monitoring of HCV has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. According to document review seen the record of protected species is regularly monitored. Evaluation feedback from monitoring result for Estate i.e.:

- Maintenance of HCV signboard.
- Socialization to employees is done once every 6 months and once a year for the nearest local community.
- Monitoring of RTE performed every month, based on the evaluation of HCV previous year is the installation of camera traps.

#### 7.12.8

The company did not expand and develop plantation areas after 15 November 2018. Based on hectare statement documents, known that the planting is done since 1992 – 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pest's attack. Disclosure of Liability of KLK Group to RSPO has been conducted on 31 July 2014 by email. PT Sekarbumi Alamlestari included in the Zero Liability, and not necessary to perform LUCA.

|  |                       |  |
|--|-----------------------|--|
|  | <b>Status: Comply</b> |  |
|--|-----------------------|--|

**3.2. Conformity Checklist of Certificate and Trademark Use**

|                |  |              |
|----------------|--|--------------|
| <b>1.</b>      | <b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>             | <b>X or√</b> |
| <b>ASA 1.2</b> | PT SA do not use trademark or logo   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>2.</b>      | <b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b> | <b>X or√</b> |
| <b>ASA 1.2</b> | PT SA do not use trademark or logo   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>3.</b>      | <b>Implementation of Certificate and Logo is not used on product</b>   | <b>X or√</b> |
| <b>ASA 1.2</b> | PT SA do not use trademark or logo   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>4.</b>      | <b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>  | <b>X or√</b> |
| <b>ASA 1.2</b> | PT SA do not use trademark or logo   | √            |
|                | <b>Status: Comply</b>  |              |



### 3.3. Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on October 2019.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. 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

| <b>2.2 Un-Certified Units or Holdings</b> |   |   |
|---|---|---|
| <b>Section</b>                            | <b>Requirement</b>  | <b>Concerns to Discuss, if any</b>  |
| 2.2.1                                     | Did the company conduct an internal audit? If so, has a positive assurance statement been Produced?   | Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..   |
| 2.2.2                                     | No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul> | There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed |
| 2.2.3                                     | Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.   | No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.  |
| 2.2.4                                     | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.   | SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.                  |
| 2.2.5                                     | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.  | None noted. No stakeholder comments or complaints received  |
| 2.2.6                                     | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.  | None noted. No stakeholder comments or complaints received  |

**3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**
**3.4.1. Identification of Findings, Corrective Actions and Observations at ASA 1.1**

|  |          |   |                        |          |                         |
|--|----------|---|------------------------|----------|-------------------------|
| <b>NCR No.</b>   | <b>:</b> | <b>2019.01.</b>   | <b>Issued by</b>       | <b>:</b> | <b>Moh Arif Yusni</b>   |
| <b>Date Issued</b>   | <b>:</b> | <b>14 March 2019</b>  | <b>Time Limit</b>      | <b>:</b> | <b>ASA 1.2</b>          |
| <b>NC Grade</b>  | <b>:</b> | <b>Minor</b>  | <b>Date of Closing</b> | <b>:</b> | <b>10 February 2020</b> |
| <b>Standard Ref. &amp; Requirement</b>   | <b>:</b> | <b>6.1.4</b><br><b>The documented plan for management and monitoring of social impacts is reviewed at least once every two years. If needed, the plan should be improved. There must be evidence that the review process involves the participation of all affected parties</b> |                        |          |                         |
| <b>Evidence observed (filled by auditor):</b><br><p>The company has carried out periodic reviews every 2 years related to the Social Impact Management and Monitoring Plan owned. The review process is carried out by involving the participation of the parties affected through the questionnaire.</p> <p>However, based on monitoring results on 2018, it known that:</p> <ul style="list-style-type: none"> <li>• Participatory methods that have been carried out do not fully cover all the factors that will have social impacts (both positive and negative) such as the use and access rights, traditional rights or customary rights of indigenous peoples, to the latest issues that develop in around the company's operational area.</li> <li>• Representation of the sample is not entirely representative of all affected parties (including representatives of women, migrants, scheme smallholder farmers, workers (local, migrant, permanent workers or contract workers) to identify sources of impacts and potential social impacts, and determine recommendations for management and monitoring of social impacts.</li> <li>• There is not enough evidence that the results of the management and monitoring of social impacts carried out by the company in the previous period have become a benchmark in the identification of the latest social impact monitoring and management.</li> </ul> |          |   |                        |          |                         |
| <b>Non-Conformance Description (filled by auditor):</b><br><p>Monitoring process method not yet involving all the affected parties.</p>  |          |   |                        |          |                         |
| <b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Has not conducted a questionnaire / interview to external stakeholders.</li> <li>• There is no description of the survey participants so it is difficult to explain that all parties are represented.</li> </ul>   |          |   |                        |          |                         |
| <b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Distributing questionnaires to all affected parties such as community agencies, be it local government, native / migrant communities and surrounding village.</li> <li>• Made the description of survey participants for social / environmental impacts.</li> <li>• Made the conclusions and social impact management programs.</li> </ul>  |          |   |                        |          |                         |
| <b>Corrective Action (filled by organization audited):</b><br><p>Made the list of stakeholders / interviewees.</p>   |          |   |                        |          |                         |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><b>Verification February 10, 2020</b><br><p>The company shown evidence, such as:</p> <ul style="list-style-type: none"> <li>• Document Summary of Resource Persons Monitoring for Environmental and Social Impacts 2018/2019.</li> </ul>   |          |   |                        |          |                         |

- Social Management and Monitoring Plan of PT Sekarbumi alam Lestari for 2019/2020.  
The management plan shown has contained the latest issues in the company's operational areas, especially related to the legal boundaries of the company that intersect with Kota Garo village and Kota Aman Village.

Based on evidence submitted NCR number 2019.01 has been comply and will be verified on next surveillance

|                    |          |                       |
|--------------------|----------|-----------------------|
| <b>Verified by</b> | <b>:</b> | <b>Moh Arif Yusni</b> |
|--------------------|----------|-----------------------|

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA 1.2**

|  |          |   |                        |          |                          |
|--|----------|---|------------------------|----------|--------------------------|
| <b>NCR No.</b>   | <b>:</b> | <b>2020.01</b>  | <b>Issued by</b>       | <b>:</b> | <b>Moh. Arif Yusni</b>   |
| <b>Date Issued</b>   | <b>:</b> | <b>28 February 2020</b>   | <b>Time Limit</b>      | <b>:</b> | <b>Next Surveillance</b> |
| <b>NC Grade</b>  | <b>:</b> | <b>Non Critical</b>   | <b>Date of Closing</b> | <b>:</b> |                          |
| <b>Standard Ref. &amp; Requirement</b>   | <b>:</b> | <b>2.2.2</b><br><b>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</b> |                        |          |                          |
| <b>Evidence observed (filled by auditor):</b><br>Based on document verifications, interviews with management it was known there are several activities that outsourced to third parties or local contractors, for instance, EFB application (Work Agreement No 879. / 050/Pd/SPB/KTKI/2B/2019 and No SA3/SJ/SPB/KTK3/X/2019). The engagement between the company and contractor regulated in work agreement that agreed by both parties, however, in those works agreement there is no clause which describes the obligations of the law. In addition, companies cannot demonstrate mechanisms for ensuring legal compliance as governed by the RSPO Principles and Criteria, relating to: <ul style="list-style-type: none"> <li>- Evidence of payment of minimum wages</li> <li>- Health and employment insurance</li> <li>- Implementation of OSH aspects</li> </ul><br>(n the 2017 RSPO certification system clause 4.4.6 it is stated <i>In cases where an organization seeking certification contracts or outsources nonprocessing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards</i> ) |          |   |                        |          |                          |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company cannot presented if all works agreement there is a clause which describes the obligations of the law and demonstrate mechanisms for ensuring legal compliance as governed by the RSPO Principles and Criteria,  |          |   |                        |          |                          |
| <b>Root Cause Analysis (filled by organization audited):</b>   |          |   |                        |          |                          |
| <b>Correction (filled by organization audited):</b>  |          |   |                        |          |                          |
| <b>Corrective Action (filled by organization audited):</b>   |          |   |                        |          |                          |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b>   |          |   |                        |          |                          |
| <b>Verified by</b>   | <b>:</b> |   |                        |          |                          |

|  |  |                        |                                 |
|--|--|------------------------|---------------------------------|
| <b>NCR No.</b>   | : 2020.02  | <b>Issued by</b>       | : Haikal Ramadhan Kharismansyah |
| <b>Date Issued</b>   | : 28 February 2020   | <b>Time Limit</b>      | : Next Surveillance             |
| <b>NC Grade</b>  | : Non Critical   | <b>Date of Closing</b> | :                               |
| <b>Standard Ref. &amp; Requirement</b>   | 3.5.1<br>Employment procedures for recruitment, selection, hiring, promotion, retirement and/or termination are documented and made available to the workers and their representatives where applicable. |                        |                                 |
| <b>Evidence observed (filled by auditor):</b><br><br>Based on documents verifications, interview with managements and workers its known if workers composition in PT SBAL classified as monthly workers, daily workers and casual workers. Based interview and field observation it was known several information as follows:<br>4. Based on the interviews with three warehouse officers are known that all of them have ten years of service and have been submitted as <b>SKU-B</b> but there is no clarity about the proposal. Until the audit has been completed, documentation regarding the promotion process has not yet been demonstrated<br>5. Based on interviews with <b>1 BHL</b> in block 95D revealed that he had been submitted to become a <b>SKU</b> . But refused because the work period will count to 0 again. Meanwhile other <b>BHL</b> workers asked for an opportunity to become a <b>SKU</b> .<br>6. Furthermore, based on payroll found two types of basic wages, namely for <b>SKU</b> (Referring to the BKS PPS plus rice supply) and For <b>BHL</b> (Referring to <b>UMSP</b> ). But in the basic wage there is no salary scale<br><br>It can be shown the procedures governing the human resource system in SOP 29 on Workers Management which explains the methods of recruitment, monitoring and assessment, career path and so forth. However, the procedure has not yet explained in detail the career progression process (promotion) and the determination of employee classification including salary scale<br><br><b>Non-Conformance Description (filled by auditor):</b><br>Thus it can be concluded that the Certification Unit has not been able to show sufficient evidence that work procedures for human resource management have arranged in detail about the career path (promotion) system, and the determination of employee classification including wage scales |  |                        |                                 |
| <b>Root Cause Analysis (filled by organization audited):</b>   |  |                        |                                 |
| <b>Correction (filled by organization audited):</b>  |  |                        |                                 |
| <b>Corrective Action (filled by organization audited):</b>   |  |                        |                                 |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b>   |  |                        |                                 |
| <b>Verified by</b>   | :  |                        |                                 |

|  |   |                        |                                 |
|--|---|------------------------|---------------------------------|
| <b>NCR No.</b>   | : 2020.03   | <b>Issued by</b>       | : Haikal Ramadhan Kharismansyah |
| <b>Date Issued</b>   | : 28 February 2020  | <b>Time Limit</b>      | : Next Surveillance             |
| <b>NC Grade</b>  | : Non Critical  | <b>Date of Closing</b> | :                               |
| <b>Standard Ref. &amp; Requirement</b>   | <b>4.2.3</b><br><b>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and</b> |                        |                                 |
| <b>Evidence observed (filled by auditor):</b><br><p>Based on the document review, field observation and interviews with union representatives as well as some harvester in KTK 1, KTK 2 and KTK 3 obtained information that there are some complaints of employees regarding the procurement of harvest work tools where the supply of work tools (especially for harvest) is charged 80 % to workers and another 20% to employers.</p> <p>In the Collective Labor Agreement in article XV concerning Work Equipment, Occupational Safety and Health, among others, states the obligation of employers to provide work tools to workers without being burdened with costs (including a rickshaw for harvesters). The work tools provided must also be complete, of good quality and be provided on time.</p> <p>The minutes of the meeting with the union can be shown on 03 February 2020, but it has not been agreed upon by the union representative. As a follow-up to this matter, a request for an additional subsidized harvesting knives was shown from 20% to 30% with letter Number 057 / KM-TKE / SA / II / 2020 addressed to the Director on the date. However, there is no agreement on the request</p> |   |                        |                                 |
| <b>Non-Conformance Description (filled by auditor):</b><br><p>The certification unit has not been able to show the parties have obtained information regarding the progress of the case including the agreed schedule for resolving complaints</p>   |   |                        |                                 |
| <b>Root Cause Analysis (filled by organization audited):</b>   |   |                        |                                 |
| <b>Correction (filled by organization audited):</b>  |   |                        |                                 |
| <b>Corrective Action (filled by organization audited):</b>   |   |                        |                                 |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b>   |   |                        |                                 |
| <b>Verified by</b>   | :   |                        |                                 |



| <b>NCR No.</b>  | : 2020.04  | <b>Issued by</b>       | : Haikal Ramadhan Kharismansyah |              |        |           |    |                |     |                |   |       |   |              |            |
|---|--|------------------------|---------------------------------|--------------|--------|-----------|----|----------------|-----|----------------|---|-------|---|--------------|------------|
| <b>Date Issued</b>  | : 28 February 2020   | <b>Time Limit</b>      | : Next Surveillance             |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>NC Grade</b>   | : Non Critical   | <b>Date of Closing</b> | :                               |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Standard Ref. &amp; Requirement</b>  | <b>6.2.7</b><br><b>Permanent, full-time employment including contractors' workers and contracted workers is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</b> |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Evidence observed</b> (filled by auditor):<br>Based on document review and interviews with several workers, it is known that the composition of employees in the operational area of the certification unit is Monthly, <i>SKU</i> , and <i>BHL</i> . <i>SKU</i> and Monthly are classified as permanent employees. While <i>BHL</i> is a Freelance Daily Worker. The total number of <i>BHL</i> personnel as information from the list of employees is 271 people with the following details:<br><table border="1"> <thead> <tr> <th>Type of work</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Harvester</td><td>85</td></tr> <tr> <td>Weeder/Weeding</td><td>183</td></tr> <tr> <td>General Worker</td><td>1</td></tr> <tr> <td>Clerk</td><td>2</td></tr> <tr> <td><b>Total</b></td><td><b>271</b></td></tr> </tbody> </table> |  |                        |                                 | Type of work | Amount | Harvester | 85 | Weeder/Weeding | 183 | General Worker | 1 | Clerk | 2 | <b>Total</b> | <b>271</b> |
| Type of work  | Amount   |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| Harvester   | 85   |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| Weeder/Weeding  | 183  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| General Worker  | 1  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| Clerk   | 2  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Total</b>  | <b>271</b>   |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| Definition of core work according to RSPO PnC 2018: The primary area or activity that a company was founded to do or focuses on in its business operations. Core work pertains to work that is essential and desirable to the growth of the organisation. All agricultural and milling activities are considered core work, e.g. planting, harvesting, fertilising, maintenance; FFB sorting and grading; machine-technical maintenance; and machine operation.<br><br>Until the surveillance activities are completed, there is no justification from the certification unit regarding the classification of core work, temporary work, or seasonal work   |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Non-Conformance Description</b> (filled by auditor):<br>that the Certification Unit has not been able to show sufficient evidence of classifying core work, temporary work or seasonal work and evidence that all core work has been carried out by permanent workers.   |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Root Cause Analysis</b> (filled by organization audited):  |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Correction</b> (filled by organization audited):   |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Corrective Action</b> (filled by organization audited):  |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Assessor Evaluation and Conclusion</b> (filled by auditor):  |  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |
| <b>Verified by</b>  | :  |                        |                                 |              |        |           |    |                |     |                |   |       |   |              |            |

**3.4.3 Opportunity for Improvement**

| No | Ref. Std. | Description   |
|----|-----------|---|
| 1  | 7.2.6     | Ensure that all PPE for workers related to chemicals are stored in a designated place |

**1.4.4 Noteworthy Positive Components**



| No | Ref Std | Descriptions   |
|----|---------|--|
| 1  |         | Commitment to continue applying the principles of Sustainable Palm Oil Plantation Management |
| 2  |         | The collaboration and competence of the assisting team is very good                          |

**3.5 Summary of Arising Issues from Public, and Auditor Response**

| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <b>Plantation Agency<br/>Kampar Regency</b> <ul style="list-style-type: none"> <li>- The assessment of plantation has conducted by district level on 2019.</li> <li>- PT SA area has regularly reported its Progress Report of Plantation Business (<i>Laporan Perkembangan Usaha Perkebunan/ LPUP</i>). For the Report in semester 2 year 2010, the company should input the data of land use.</li> <li>- Land use / fire facilities are sufficient, although not fully in accordance with <i>Permentan No.5 2018</i>. The Company has justified the needs of fire infrastructure in accordance with the business and landscape conditions.</li> <li>- CSR activities have been conducted for the surrounding villages and need to be improved again. CSR programs are included in the Progress Report of Plantation Business.</li> <li>- Period of 2019 no fire incident occurred in the company's operational area. Land fire report included on Progress Report of Plantation Business</li> <li>- The company has responded to information requests quickly and transparently.</li> <li>- The dispute process with Koto Aman Village, last carried out on September 2019, related to the details of the Kampar Regency Plantation, has not received further information.</li> </ul> | <p>Related to land disputes, the company can show several meetings with related parties, facilitated by the local government. This is explained in criterion 4.2 and 4.8</p>              |
| <b>Land Agency<br/>Kampar Regency</b> <ul style="list-style-type: none"> <li>- The Company have Land Use Title clear and clean</li> <li>- The company has responded to information requests quickly and transparently.</li> <li>- Riparian area located in 50 meters left and right area of the small river</li> <li>- There is issue regarding land dispute in PT SA, with Kota Aman village, according to Land agency on terms of the legality of the company already has land rights, the last process was carried out on September 2019, at the meeting it was concluded that both parties to the dispute were asked to present the evidence that was required and make a presentation of the evidence (details of the development the land agency did not have further information).</li> </ul>  | <p>Related to land disputes, the company can show several meetings with related parties, facilitated by the local government. This is explained in criterion 4.2 and 4.8</p>              |
| <b>Labor Agency of Kampar Regency</b><br>The Unit of Certification has implemented basic employee wages in accordance with the Kampar Regency minimum wage. There are no employment issues in the company, for example related to the use of child labor, the issue of employee harassment, or the existence of discrimination..  | <p>There are no negative issues that need further verification. The company has paid minimum wages, overtime and others labor standard in accordance with the government regulations.</p> |

| Public Issues<br>(Institution/ NGO/Community)  | Auditor Verification  |
|--|---|
| <b>Environmental Agency of Kampar Regency</b><br><br>There are no negative issues related to environmental pollution. The company has fulfilled obligations related to environmental licensing (AMDAL, hazardous waste storage permit, LA permit), as well as mandatory reporting.   | There is no negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related environmental, and no indications of environmental pollution   |
| <b>Gender Committee PT SBAL</b> <ul style="list-style-type: none"> <li>• The company always supports and facilitates gender committee activities</li> <li>• Routine activities such as posyandu, study of mothers and monitoring of H-1; H-2 and pregnant and breastfeeding mothers</li> <li>• During the past 1 year there were no issues of sexual harassment</li> <li>• There is 1 case of violence against a child by his biological mother. Because the birth spacing is too tight. (baby blues).</li> </ul>  | In general there are no negative issues regarding gender issues. One case was handled by the gender committee in 2019 regarding violence against children committed by his biological mother.<br><br>Representatives of the gender committee and the company have educated the family and conducted regular monitoring of the family once every one month to ensure that the mother gets proper assistance (in the form of counseling)                  |
| <b>Labor Union PT SBAL</b> <ul style="list-style-type: none"> <li>• Complaints about the financing of harvesting equipment at a ratio of 20% to 80% of workers</li> <li>• Complaints regarding the appointment of employees regarding the service period. When <i>BHL</i> or contract employee is appointed as <i>SKU</i>, the working period is start from the zero working period, not continued from the first time they work.</li> <li>• The status of KKPA workers is under the authority of KOPNI or under the authority of PT SBAL</li> </ul>                                   | The results of verification of documents and interviews with the company found that complaints that have been processed are regarding the financing of harvesting equipment. It has been proposed by the manager to be 30% versus 70%.<br><br>Complaints about harvesting equipment have become a mismatch in 5.3.5 While the HR system is becoming a nonconformity in criteria 4.1<br><br>Status of the KKPA worker is under authority of <i>KOPNI</i> |
| <b>Contractor (PT AMINDO &amp; PT ABA)</b> <ul style="list-style-type: none"> <li>• The company has been routine in providing socialization regarding work standards. In addition, the OHS aspect and other employment obligations have also been conveyed</li> <li>• Payments are made on time in accordance with the agreed agreement. Even if there is a pure deduction due to work that is not according to specifications</li> <li>• Health and Work insurance have been included. But experiencing problems because of the nature of employees who are not permanent.</li> </ul> | In general there are no negative issues or problems in terms of cooperation with contractors  |
| <b>Koto Garo Village, Tapung Hilir Sub District, Kampar Regency, Riau Province</b><br><b>(Previous village head and landowner)</b><br><br>Based on the results of the interviews there were issues obtained including social management carried out by the Company is very weak, the villagers hoped that this would be enhanced by receiving FFB from the community, structured   | The company has been able to show evidence of social management and evaluation of the plan that has been held.<br><br>CSR programs have been conducted with participative methods involving the community around the company  |

| <b>Public Issues<br/>(Institution/ NGO/Community)</b>  | <b>Auditor Verification</b>  |
|--|--|
| community economic development, etc. Related to communication with the company it needs to be improved again   | through district level of regional meetings.   |
| <p><b>Koto Aman Village (Village Head)</b></p> <p>There is a land dispute that has not been resolved, namely the Claim for Land that has not yet been compensated (Recognition of the Koto Aman Village Group),<br/>Related to claims for land that have not yet received compensation (Recognition of Koto Aman Village Group),</p> <p>The process of resolving disputes of Koto Aman Residents above has been discussed together and documented. The activity was mediated by the Kampar Regent and attended by the Head of the Koto Aman Village, Ninik Mamak Koto Aman, the Community Representative and Representative of PT Sekarbumi Alamlestari, in addition to that the community of Koto Aman Village could not show proof of ownership of the land which it demanded to the company. BPN has stated that the acquisition of land in PT Sekarbumi Alamlestari has been in accordance with procedures through Letter No. HP.01.03 / 403-14 / II / 2019 dated February 13, 2019.</p> | <p>Related to land disputes, the company can show several meetings with related parties, facilitated by the local government. This is explained in criterion 4.2 and 4.8</p> |
| <p><b>Tapung Hilir Subdistrict head and police station head of Tapung Hilir Head</b></p> <p>There is a land dispute in the Kebun Tapung Kanan area, mediation efforts have been made at the provincial level involving various stakeholders.</p> <p>The results of interviews with the Tapung Hilir Sub-District and District Police obtained information that they considered that the demands of the Koto Aman Community were no longer relevant, where the parties demanded that they also could not prove the basis of the claim to the company. The sub-district and police have repeatedly mediated and directed the community to make a written report to the court to cancel the PT Sekarbumi Alamlestari HGU. Interview results were also obtained that BPN had stated that the acquisition of land at PT Sekarbumi Alamlestari was in accordance with procedures through Letter No. HP.01.03 / 403-14 / II / 2019 dated February 13, 2019.</p>                                     | <p>Related to land disputes, the company can show several meetings with related parties, facilitated by the local government. This is explained in criterion 4.2 and 4.8</p> |

|     |   |
|-----|---|
| 4.0 | <b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>  |
| 4.1 | <b>Formal Sign-off of Assessment Findings</b>   |
|     | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Sekarbumi Alamlestari<br/>Manager Coordinator</p>  <p><b>Mawardi</b><br/>Friday, 28 February 2020</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari<br/>Lead Auditor</p>  <p><b>Moh Arif Yusni</b><br/>Friday, 28 February 2020</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  | Plantation Agency  | Kampar District, Riau Province | -  | Interview                              | 24 February 2020 | ✓        |    |
| 2  | Land Agency  | Kampar District, Riau Province | -  | Interview                              | 24 February 2020 | ✓        |    |
| 3  | Manpower and Transmigration Agency   | Kampar District, Riau Province | -  | Interview                              | 24 February 2020 | ✓        |    |
| 4  | Environmental Agency   | Kampar District, Riau Province | -  | Interview                              | 24 February 2020 | ✓        |    |
| 5  | Sawit Watch  | Jakarta                        | <a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a> | Questionnaire via email                | 14 February 2020 |          | ✓  |
| 6  | WALHI  | Jakarta                        | <a href="mailto:info@walhi.or.id">info@walhi.or.id</a>           | Questionnaire via email                | 14 February 2020 |          | ✓  |
| 7  | IARI   | Jakarta                        |  | Questionnaire via email                | 14 February 2020 |          | ✓  |
| 8  | AMAN   | Jakarta                        | <a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>   | Questionnaire via email                | 14 February 2020 |          | ✓  |
| 9  | <b>Tepung Kanan POM</b> <ul style="list-style-type: none"> <li>Grading : 4 worker</li> <li>Sterilizer : 1 operator</li> <li>Presser: 2 operator</li> <li>Kernel Station : 2 operator</li> <li>Engine Room Station : 1 operator</li> <li>Boiler Station : 1 operator</li> </ul> | PT Sekarbumi Alamlestari       | -  | Field observation and direct interview | 24 February 2020 | ✓        |    |
| 8  | <b>Tapung Kanan 1 Estate</b> <ul style="list-style-type: none"> <li>Harvesting 4 workers and 1 supervisor</li> <li>EFB application 2 workers</li> <li>Circle and path spraying. 4 and 1 Supervisor</li> </ul>  | PT Sekarbumi Alamlestari       | -  | Field observation and direct interview | 26 February 2020 | ✓        |    |

|    |  |                                   |   |  |                        |   |  |
|----|--|-----------------------------------|---|--|------------------------|---|--|
|    | workers<br>- Transport 3<br>worker and 1<br>supervisor   |                                   |   |  |                        |   |  |
| 9  | <b>Tapung Kanan 3 Estate</b><br>- Harvesting 6<br>workers and 1<br>supervisor<br>- Circle and path<br>spraying. 4 and<br>1 Supervisor<br>workers<br>- Transport 3<br>worker and 1<br>supervisor<br>- Fertilizer<br>aplication 8 worker<br>and 1 supervisor | PT Sekarbumi<br>Alamlestari       | - | Field observation<br>and direct<br>interview | 25 Februari<br>2020    | ✓ |  |
| 10 | <b>Tapung Kanan 2 Estate</b><br>- Rinse House : 1<br>Worker<br>- Daycare : 2<br>worker<br>- Emplacement : 2<br>resident<br>- Manual weeding :<br>3 worker<br>- Manuring : 3<br>worker<br>- Local<br>Contractors: 3<br>workers                              | PT Sekarbumi<br>Alamlestari       | - | Field observation<br>and direct<br>interview | 25<br>Februari<br>2020 | ✓ |  |
| 11 | Tapung Hiir Subdistricit<br>Head   | Kampar District, Riau<br>Province | - | Interview                                    | 25<br>February<br>2020 | ✓ |  |
| 12 | Police station head<br>Tapung Hilir Sub<br>District  | Kampar District, Riau<br>Province | - | Interview                                    | 25<br>February<br>2020 | ✓ |  |
| 13 | Koto Aman Village  | Kampar District, Riau<br>Province | - | Interview                                    | 25<br>February<br>2020 | ✓ |  |
| 14 | Koto Garo Village  | Kampar District, Riau<br>Province | - | Interview                                    | 25<br>February<br>2020 | ✓ |  |

**Appendix 2. Assessment Program**

| DATE                              |                 | 10 – 15 March 2019   |                              |
|-----------------------------------|-----------------|--|------------------------------|
| PLANNED TIME                      | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED  | AUDITOR                      |
| <b>Monday, 24 February 2020</b>   |                 |  |                              |
| 06.30 – 08.30                     | 06.30 – 08.30   | <b>JAKARTA → Pekanbaru</b>   | <b>All Auditor</b>           |
| 08.30 – 11.00                     | 08.30 – 11.00   | <b>Pekanbaru → PT. Sekarbumi Alamlestari</b>   | <b>MAY/HRK</b>               |
| 08.30 – 10.30                     | 08.30 – 10.30   | <b>PEKANBARU → KAMPAR</b>  | <b>RJP</b>                   |
| 10.30 – 15.00                     | 10.30 – 15.00   | <b>Satkeholder consultationto goverment agencies of kampar regency</b>   |                              |
| 14.00 – 15.00                     | 14.00 – 15.00   | <b>Opening Meeting</b><br><ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>  | <b>MAY/HRK</b>               |
| 15.00 -16.00                      | 15.00 -16.00    | Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier<br><br>Document Review<br><ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> </ul>         | <b>HRK</b><br><br><b>MAY</b> |
| <b>Tueasday, 25 February 2020</b> |                 |  |                              |
| 08.00 – 12.00                     | 08.00 – 12.00   | <b>Stakeholders consultation to Sub district of Tapung Hilir and Police Station</b><br><br><b>Stakeholder consultation to affected communities surrounding the plantations and previous land owner</b>   | <b>HRK</b>                   |
| 08.00 – 12.00                     | 08.00 – 12.00   | <b>Field observation to Tapung Kanan POM :</b><br><ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> </ul> | <b>MAY</b><br><br><b>RJP</b> |
| 12.00 – 14.00                     | 12.00 – 14.00   | <b>Break</b>   |                              |

| DATE                               |                 | 10 – 15 March 2019   |   |
|------------------------------------|-----------------|--|---|
| PLANNED TIME                       | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED  | AUDITOR   |
| 14.30 – 16.30                      | 14.30 – 16.30   | <b>Documents Review</b> <ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>   | <ul style="list-style-type: none"> <li>MAY</li> <li>RJP</li> <li>HRK</li> </ul> |
| 16.30 – 17.00                      | 16.30 – 17.00   | Audit progress presentation  |   |
| <b>Wednesday, 26 February 2020</b> |                 |  |   |
| 08.00 – 12.00                      | 08.00 – 12.00   | <b>Field Observation to KEBUN TAPUNG KANAN 3</b><br>Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul> | All Auditor   |
| 12.00 – 14.00                      | 12.00 – 14.00   | <b>Break</b>   |   |
| 14.00 – 17.00                      | 14.00 – 17.00   | <ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>  | All Auditor   |
| 16.30 – 17.00                      | 16.30 – 17.00   | Audit progress presentation  |   |
| <b>Thursday, 27 February 2020</b>  |                 |  |   |
| 08.00 – 12.00                      | 08.00 – 12.00   | <b>Field Observation to KEBUN TAPUNG 1 dan 2</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>                            | All Auditor   |
| 12.00 – 14.00                      | 12.00 – 14.00   | <b>Break</b>   |   |
| 14.00 – 17.00                      | 14.00 – 17.00   | <ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>  | All Auditor   |
| 16.30 – 17.00                      | 16.30 – 17.00   | Audit progress presentation  |   |

| DATE                       |                 | 10 – 15 March 2019  |             |
|----------------------------|-----------------|---|-------------|
| PLANNED TIME               | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED   | AUDITOR     |
| Friday, 28 February 2020   |                 |   |             |
| 08.00 – 11.00              | 08.00 – 11.00   | <ul style="list-style-type: none"><li>Continue Field Observation to <b>Estate; Mill and Public Consultation</b> to Company surrounded village and community leader (if needed)</li><li>Completion of checklist and RSPO Document Review</li><li>-</li></ul> | All Auditor |
| 11.00 – 14.00              | 11.00 – 14.00   | Break   |             |
| 14.00 – 16.00              | 14.00 – 16.00   | Internal discussion by auditor team preparing for Closing Meeting   | All Auditor |
| 16.00 – 17.00              | 16.00 – 17.00   | <b>Closing Meeting:</b> <ul style="list-style-type: none"><li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/.</li><li>Comments, Responses and Questions</li></ul>                     |             |
| Saturday, 29 Februari 2020 |                 |   |             |
| 07.00 – 10.00              | 07.00 – 10.00   | PT Sekarbumi Alamlestari – Pekanbaru  | All Auditor |
| 11.00 – 00.00              | 11.00 – 00.00   | Pekanbaru - Jakarta   |             |