

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

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

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

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

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

Date of Certificate Issue : 11 November 2019 Date of License Issue : 11 November 2020

Date of Certificate Expiry : 10 November 2024 Date of License Expiry : 10 November 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	07 to 11 September 2020	Moh Arif Yusni, Haikal Ramadhan Kharismansyah, Yohannes Hardian, Johannes Pandiangan	Trismadi N	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	04 November 2020

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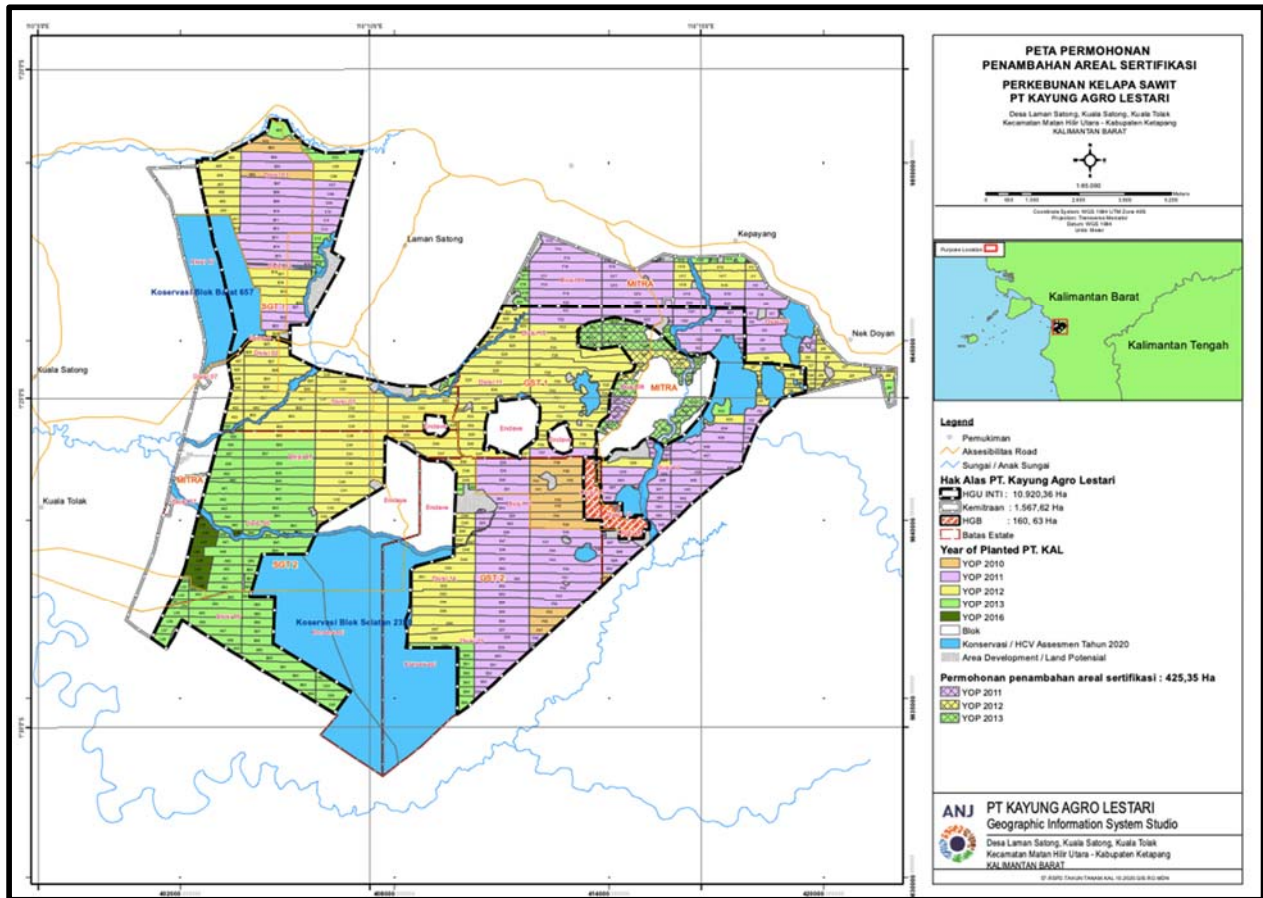
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Figure 2. Operational Map of PT Kayung Agro Lestari



Abbreviations Used

ABKT	:	<i>Area Bernilai Konservasi Tinggi</i> (High Conservation Value Area)
ALS	:	Assessor Licence Scheme
AMDAL	:	<i>Analisa Mengenai Dampak Lingkungan</i>
ANDAL	:	Environmental Impact Analysis Main Report / <i>Analisa Dampak Lingkungan</i>
ANJ	:	Austindo Nusantara Jaya
APU	:	<i>Air Permukaan Umum</i>
BKSDA	:	<i>Badan Konservasi Sumber Daya Alam</i>
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
BSL	:	Bina Satong Lestari
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous and Toxic Material)
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species
CID	:	Community Involment Development
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CSPO	:	Certified Sustainable Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CWT	:	Central Workshop and Traction
EFB	:	Empty Fruit Bunch
E - SPB	:	<i>Surat Pengantar Buah Elektronik</i> (Electronic FFB letter)
EWS	:	Early Warning System
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
GHG	:	Green House Gas
GM	:	General Manager
GMO	:	General Manager Office
GST	:	<i>Gunung Sejahtera Tumbuh</i>
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i>
HGU	:	<i>Hak Guna Usaha</i>
HIRAC	:	Hazard Identification, Risk Assessment and Control
HRD	:	Human Resource Development
IOM	:	Inter Office Memo
IPB	:	Institut Pertanian Bogor
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i>
IUP-P	:	<i>Izin Usaha Perkebunan – Pengolahan</i> (plantation business license for processing)
ISCC	:	<i>International Sustainability and Carbon Certification</i>
KAL	:	Kayung Agro Lestari
KER	:	Kernel Extraction Rendement
KHT	:	Karyawan Harian Tetap (Daily permanent worker)
LA	:	LA : Land Application
LD	:	Lethal Dose
LSM	:	<i>Lembaga Swadaya Masyarakat</i>
LDPHD	:	<i>Lembaga Desa Pengelola Hutan Desa</i>
MCB	:	Miniature Circuit Breaker

MCU	:	Medical Check-Up
MHU	:	Matan Hilir Utara
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
NPP	:	New Planting Procedure
OER	:	Oil Extraction Rendement
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety
PAP	:	<i>Pajak Air Permukaan</i>
PK	:	Palm Kernel
PK	:	Palm Kernel
PKS	:	<i>Pabrik Kelapa Sawit</i> (Palm Oil Mill)
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> (OHS Committee)
R & D	:	Research & Development
RI	:	Republik Indonesia
RKL-RPL	:	Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL)
RTE	:	Rare Threatened and Endangered
SCCS	:	Supply Chain Certification System
SGT	:	Sungai Gemilang Teduh
SIA	:	Social Impact Assessment
SKM	:	Sinar Karya Mandiri
SKT	:	<i>Surat Keterangan Tanah</i> (Land Certificate)
SOP	:	Standard Operational Procedure
SPO	:	Sustainability Palm Oil
TNGP	:	Taman Nasional Gunung Palung
TPS LB3	:	<i>Tempat Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun</i> (Hazardous Waste Storage)
UPTD	:	<i>Unit Pelaksana Teknis Daerah</i>
UMSK	:	<i>Upah Minimum Sektoral Perkebunan</i> (City Minimum Sectoral Wage)
WHO	:	World health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
YIARI	:	<i>Yayasan Inisiasi Alam Rehabilitasi Indonesia</i>

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification System for Principles and Criteria, 14 June 2017	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri.	
1.2.2	Contact person	Antoperis Tarigan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none">RSPO registered company: Sinarmas Land Plaza, Lantai 7 Jalan Pangeran Diponegoro No.18 Medan 20152, Sumatera Utara T : +62-61 453 7480 F : +62-61 453 8366Liaison Office: Menara BTPN Lantai 40 Jalan Dr. Ide Anak Agung Gde Agung Kav 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950 T: +62 21 2965 1777 F: +62 21 2965 1788	
1.2.4	Telephone	+62-61 453 7480	
1.2.5	Fax	+62-61 453 8366	
1.2.6	E-mail	antoperis.tarigan@anj-group.com	
1.2.7	Web page address	www.anj-group.com	
1.2.8	Management Representative who completed the application for certification	Jerileva Purba (General Manager)	
1.2.9	Registered as RSPO member	1-0032-07-000-00, 27 February 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none">KAL Mill, Sungai Gemilang Teduh 1, Sungai Gemilang Teduh 2, Gunung Sejahtera Tumbuh 1, Gunung Sejahtera Tumbuh 2 and Mitra Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Kayung Agro Lestari POM	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 26' 56"E 110° 13' 44"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Gunung Sejahtera Tumbuh (GST-1)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 25' 13"E 110° 12' 34"

	Gunung Sejahtera Tumbuh (GST-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 26' 25"	E 110° 13' 26"			
	Sungai Gemilang Teduh estate (SGT-1)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 24' 16"	E 110° 14' 13"			
	Sungai Gemilang Teduh estate (SGT-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 25' 39"	E 110° 09' 59"			
	Mitra LMS (624 members)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia.	S 01° 26' 25"	E 110° 13' 26"			
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		12,648.61 Ha				
	• Community		424.35 Ha				
1.5.2	Area Statement						
			Own Estate (Ha)	Smallholder (Ha)	Total (Ha)		
	- Total area		11,080.99	1,991.97	13,072.96		
	- Mature area		9,101.45	1,795.18	10,896.63		
	- Immature area		475.80	-	475.80		
	- Mill		14.30	-	14.30		
	- Infrastructure(warehouse, Emplacement)		146.33	-	146.33		
	- Occupation		360.03	71.13	431.16		
	- HCV		983.08	125.66	1108.74		
	*Road, Drain reported in planted area						
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		GST 1	GST 2	SGT 1	SGT 2	Mitra LMS	Total
	2010	7.55	395.76	108.37	0	0	511.68
	2011	1,092.59	1,323.73	818.53	0	962.84	4197.69
	2012	1,288.04	529.76	1,414.08	556.09	440.31	4157.11
	2013	17.78	3.63	113.16	1,432.38	392.03	2030.15
	Sub Total Mature	2,405.96	2,252.88	2,454.14	1,988.47	1,795.18	10,896.63
	2013	0	100.07	9.73	245.39	0	355.19
	2016	0	0	0	120.61	0	120.61
	Sub Total Immature	0	100.07	9.73	366.00	0	475.80
	TOTAL	2,405.96	2,352.95	2,463.87	2,354.47	1,795.18	11,372.43
1.6.2	New Planting area after January 2010		11,372.43			Ha	
1.6.3	Planting Cycle		1 st Cycle				

1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	KAL POM	45	224,257.61	47,641.52	21.24	6,758.82	3.01
<i>*Production data source from September 2019- August 2020</i>							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	GST 1	2,405.96	2,405.96	44,091.90	18.33	44,091.90	100
	GST 2	2,352.95	2,352.95	26,746.14	11.37	26,746.14	100
	SGT 1	3,806.98	2,463.87	44,318.84	17.99	44,318.84	100
	SGT 2	2,515.10	2,354.47	27,712.26	11.77	27,712.26	100
	Mitra LMS	1,991.97	1,795.18	34616.43	19.28	34,616.43	100
	TOTAL	13,072.96	11,372.43	177,485.57	15.60	177,485.57	100
<i>*Production data source from September 2019- August 2020</i>							
1.7.3	FFB description from other source						
	Name of sources/Organisation*	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	PT. SKM	Independent supplier)	-	-	15,145.60		
	CV. CAHAYA SEJATI	Independent supplier)	-	-	18,194.82		
	CV.ABADI LOG JAYA	Independent supplier)	-	-	8,384.10		
	CV. DEASY CAHAYA MANDIRI	Independent supplier)	-	-	1,904.88		
	Mitra LMS (SKT)	Associate smallholders	53	113.49	725.11		
	Mitra BSL	Associate smallholders	516	410.28	2,481.33		
	Mitra LAB	Associate smallholders	On process in government	298	854.18		
	Propose Kemitraan	Associate smallholders	-	5.83	128.10		
TOTAL					47,818.12		
<i>*Production data source from September 2019- August 2020</i>							
<i>*all FFB from other sources are non certified RSPO product</i>							
<i>** there are discrepancy between FFB received and FFB Process covering 1,046.08 MT its due to mill breakdown and under maintenance in August 2020 and its confirmed during interview with management unit</i>							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (December 2019 to August 2020) (MT)	
	FFB Processed			187,779		123,707.72	
	CPO Production			43,189		25,791.71	

	Palm Kernel (PK) Production	6,197	3,630.89					
	<i>*the unit of certification started claims of certified product in 01 December 2019</i>							
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (December 2019 to August 2020) (MT)						
	CSPO sold as RSPO certified product	7,700.00						
	CSPK sold as RSPO certified product	751.22						
	CSPO sold under other scheme	0						
	CSPK sold under other scheme	0						
	CSPO sold as conventional	17,174.00						
	CSPK sold as conventional	1,268.88						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	GST 1	2,405.96	2,405.96	46,750	19.43			
	GST 2	2,352.95	2,352.95	28,350	12.05			
	SGT 1	3,806.98	2,463.87	46,900	19.04			
	SGT 2	2,515.10	2,354.47	29,400	12.49			
	Mitra LMS	1,991.97	1,795.18	36,700	20.44			
	TOTAL	13,072.96	11,372.43	188,100	16.54			
	<i>*Projected FFB production for 12 months of certificate (11 November 2020 – 10 November 2021)</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel	Supply Chain Module		
				Out put (tonnes)	Extraction (%)		Out put (tonnes)	Extraction (%)
	KAL POM	45	188,100	41,400	22.00	6,500	3.50	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate (11 November 2020 – 10 November 2021)</i>							
1.9	Other Certifications							
	ISO 14001: 2015		Certificate registration No. 04 08 A 18002 (Date of certificate 4 January 2018 to 3 January 2021) by the Tuv Nord Indonesia.					
	OHSAS 18001:2007/ SMK3		Certificate registration No. 05 05 A 18002 (Date of certificate 4 January 2018 to 3 January 2021) by the Tuv Nord Indonesia.					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara	2014	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	Certified		
			Lembah Subur Tengah	2014				
			Lembah Subur Selatan	2014				

		Binasari Cooperative	2020		-
Jangkang (PT Sahabat Mewah Makmur)	2009	Jangkang	2009	Belitung Timur District, Bangka Belitung Province, Indonesia	Certified
		Balok	2009		
		Ladang Jaya	2009		
		Sari Bunga	2009		
		Air Ruak	2009		
		Mitra Lestari Cooperative	2019		Certified
		Mitra Anugerah Cooperative	2019		Certified
		Sambar Jaya Makmur Cooperative	2019		Certified
		Lindong Raya Cooperative	2020		ST-2 Audit (October 2020)
		Berhimpun Sejahtera Cooperative	2020		ST-2 Audit (October 2020)
		Tiong Sejahtera Cooperative	2021		-
		Gunung Nyerudong Cooperative	2021		-
		Bumdes Tebing Tinggi Cooperative	2021		-
Binanga (PT ANJ Agri)	2012	Estate Wilayah Timur	2012	Padang Lawas Utara District, Sumatera Utara Province, Indonesia	Certified
		Estate Wilayah Tengah	2012		
		Estate Wilayah Barat	2012		
KAL POM (PT.Kayung Agro Lestari)	2019	Sungai Gemilang Teduh 1 (SGT-1)	2019	Ketapang District, Kalimantan Barat Province, Indonesia	Certified
		Sungai Gemilang Teduh 2 (SGT-2)	2019		
		Gunung Sejahtera Tumbuh 2 (GST-2)	2019		
		Gunung Sejahtera Tumbuh 1 (GST-1)	2019		
		PT Galempa Sejahtera Bersama	2022	Empat Lawang Distict, Sumatera Selatan Province, Indonesia	NPP
PMP POM (PT PPM)	2020	PT Putera Manunggal Perkasa	2020	Sorong Selatan District, Papua Barat Province, Indonesia	NPP
		PT.Permata Putera Mandiri	2020	Sorong Selatan District, Papua Barat Province, Indonesia	NPP
		PT. Austindo Nusantara Jaya Tbk (Ex. PT PAM)	2024	Sorong Selatan District, Papua Barat Province, Indonesia	-

TBP is updated 30 April 2020 signed by Chief Executive Officer

Document of revision of certification time-bound statement of PT ANJA and its subsidiaries on March 2019, with justification i.e:

- RSPO certification of PT GSB, which was originally targeted to be obtained in 2018, has been changed to 2022 (previously 2020) because the land compensation process has not been completed so planting and factory

	<p>construction were also delayed. PT GSB's palm oil mill is planned to be built in mid-2020 (previously 2018) and is expected to start operating in by 2022. RSPO certification will take place after the mill is operational.</p> <ul style="list-style-type: none"> - PT Permata Putera Mandiri (PMM) and PT Putera Manunggal Perkasa (PMP), the land compensation process due to conflicts between clans has not been completed and is still ongoing so that the construction of plantations and mill is postpone. - PT ANJT is ex PT Pusaka Agro Makmur, on 2017 not registered as ANJA subsidiary has been reported on ACOP to be certified on 2024, PT PAM legally become PT ANJT on 2015, for further activities will be use entity as PT ANJT.
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	<p>Management has had 3 KUD which supply the FFB to the mill which are KUD Laman Mayang Sentosa, KUD Bina Satong dan KUD Lestari Abadi. All KUD is prepare to be certified in 2021 as mentioned in Time Bound Plan updated in April 2020</p>

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1	<p>1. Moh Arif Yusni (Lead Auditor). 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 Legality, Social, TBP and Partial certification</p> <p>2. Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experiences 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 he verify SCCS, Best Management Practices, OHS and Worker Welfare</p> <p>3. Yohanes Hardian. Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he assigned to verify, social aspect, and HCV</p> <p>4. Johannes Kapri Pandiangan (Trainee Auditor). Bachelor of Agriculture, Department of Agricultural Social-Economics, Faculty of Agriculture. Has 7 years of experience working as operational staff in one of the leading private oil palm plantation companies in Indonesia. The training that has been attended includes: Forest and land fire emergency response training by BKSDA Riau Province, IHT ISPO P&C Certification System, IHT Awareness ISO 17021 and 17065, IHT Awareness RSPO, ISO 14001: 2015 Lead Auditor Training, and ISO 9001:2015 Lead Auditor Training During this audit he verify Best Management Practices under supervised by Moh Arif Yusni and Haikal Ramadhan K</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1	<p>Number of auditors : 3 auditor and 1 Auditor trainee</p> <p>Number of days for ASA-1 at site : 5 days</p> <p>Number of working days for ASA-1 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kayung Agro Lestari to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>Previously during the initial assessment, the scope of certification is 12,648.61 Ha which divided 11,080.99 Ha own estates and 1,567.62 Ha fully managed smallholders (Mitra Laman Mayang Sentosa). On this assessment (ASA-1) there is an additional area covering 424.35 Ha in Mitra Laman Mayang Sentosa. Based on the explanation above the total scope of certification is 13,072.96 Ha.</p>

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

Public Stakeholder Notification was made on Mutu International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with 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

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.

During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities or previous land owners so that these activities are carried out by telephone.

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.

Some opportunities for improvement of the results ASA-1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1). Improvement of findings from main assesment findings were observed by auditors at this ASA-1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-1	<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>KAL POM</p> <ul style="list-style-type: none"> - Chemical Warehouse Observation of chemical warehouse facilities and OHS facilities - Workshop . observation and interviews of officers related to OHS and procedures - WWTP . observations regarding the condition of WWTP and the digital flowmeter - Water Treatment Plan. Observation of water management in PKS both for processing and domestic activities - Hydrant Simulation. Observation regarding the readiness of officers and infrastructure for fire emergency response - POME Land Application blok F48 Observation for POME management as nutrient cycle by land application, as well as environmental and OHS aspects. - Sortation and Grading. Observations and interviews regarding work procedures, OHS aspects, and aspects of employment - Sterilizer. Observations and interviews regarding work procedures, OHS, and aspects of employment - Boiler. Observations and interviews regarding work procedures, OHS, and aspects of employment - Engine Room. Observations and interviews regarding work procedures, OHS, and aspects of employment - Press Station. Observations and interviews regarding work procedures, OHS, and aspects of employment - Grading Station. Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE. - WTP. Observations and interviews related to water management, recording of water use, health checks,

PPE and waste management.

- **Hydrant simulation.** Observation related emergency preparedness
- **Weigh bridge.** Observation and interview related SCCS implementation and employment.
- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill

Gunung Sejahtera Tumbuh 1

- **Kepayang River blok H19/20.** Observations related to conservation area management
- **Boundary Pole 121 blok G20** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Boundary Pole 117 ,116,115 blok F20** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Satong Laman River blok E28** Observations related to conservation area management
- **Fire Watchtower blok E 28/29** observation of fire tower facilities and condition oil palm area
- **FFB Harvesting. Block H36/H37 Division XII.** Observations and interviews regarding harvesting procedures, wage systems, and OHS aspects
- **Circle and Path Spraying, Block G21 Division X.** Observation and interviews with spray workers regarding spraying activities, OHS and Manpower aspects and the the environment aspects.
- **Loose fruit picker. Block G21/G22 Division XII.** Observations and interviews regarding work procedures, wage aspects, and OHS aspects
- **Manuring. Block H23/H24. Division X.** Observations and interviews regarding manuring procedures, wage systems, and OHS aspects
- **Benficial Plants. Block G38/39 Division XII.** Obeservation regarding beneficial plants nursery.

Sungai Gemilang Teduh 2

- **Satong Kanan River blok A46** Observations related to conservation area management
- **Boundary Pole 33 blok A59** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Boundary Pole ,34, blok A58** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Boundary Pole 35, blok A57** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Boundary Pole 36 blok K56** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Housing central** Observation of housing facilities
- **Landfill blok G51** Observation regarding management of domestic waste
- **FFB Harvesting. Block B43 Division V and Block B57 Division VI.** Observations and interviews regarding harvesting procedures, wage systems, OHS aspects and Environtment.
- **Manuring. Block L51/L52 Division VI.** Observations and interviews regarding manuring procedures, wage systems, OHS aspects and Environtment.
- **Piezometer and Pole Subsidence, Block B43 Division V.** Observations related to water management in peatlands
- **Central Workshop Traction. Observations** and interviews regarding hazardous and toxic waste management, operator competence and heavy equipment management
- **Chemical Warehouse.** Observation and interviews regarding chemical management from storage to waste management
- **Rinse House.** Observations regarding sanitary facilities for pesticide applicators

Mitra Estate

- **FFB Harvesting. Block J26/J27 Division IX.** Observations and interviews regarding harvesting procedures, wage systems, and OHS aspects
- **Circle and Path Spraying, Block G17 Division X.** Observation and interviews with spray workers regarding spraying activities, OHS and Manpower aspects and the the environment aspects.
- **Manuring. Block L51/L52 Division VI.** Observations and interviews regarding manuring procedures, wage systems, OHS aspects and Environtment.

- **Boundaries Poles No Poles No 30,31 and 32** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency
- **Laman Rindu Area** : Observation enclave area in the surrounding of company operational
- **Occupation Area Block F13 Division 8**, Observation and interview related dispute potency

Stakeholder :

- Head of the Ketapang Regency Manpower Office
- Head of Manpower Division of Ketapang Regency
- Head of the Seed, Development and Protection Section of the Ketapang Regency Plantation Service.
- Head of Ketapang Regency National Land Office.
- Representatives of the West Kalimantan Province Manpower Supervisory Agency
- Natural Resource Conservation Office Ketapang district
- Section Head of the National Park Gunung Palung Sukadana area
- Secretary of the Lestari Abadi Bersama Cooperative, Kuala Tolak Village.
- Laman Satong community representatives including previous land owner
- Gender Committee
- Labour Union SBPP
- Local contractor for the transport of EFB (CV Manjau Agro Abadi).
- Environmental Agency of Ketapang Regency
- Head of Hamlet 4 Karya, Kuala Tolak
- Laman Mayang Sentosa cooperative
- Occupants in F13 Division
- Bina Satong Lestari Cooperative

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Kayung Agro Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on mutuagung website on 24 August 2020 • Public consultation meeting with government institution on 08 September 2020 • Public consultation meeting with communities including previous land owner on 18 -19 August 2020 • Public consultation meeting with internal stakeholders and contractor on 18 -19 August 2020 <p>Numbers of input from stakeholders were clarified by PT Kayung Agro Lestari.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-2) will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were one (1) Nonconformity againsts Major Compliance Indicator and seven (7) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that KAL POM – PT Kayung Agro Lestari, PT Austindo Nusantara Jaya Agri complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 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	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has a communication and information SOP that approved and signed by the External Affair Director, with document no. SOP-Leg-02 revision 01 and effective since April 1, 2013. Based on the SOP, it has been explained that communication and information provision are divided into 2:</p> <ol style="list-style-type: none"> 1. Internal communication and information provision 2. Communication and information sharing <p>The SOP describes the types of information that can be accessed / provided in general and information that is confidential in nature so that it requires approval from company management. The SOP also describes the person in charge of providing information both internally and externally, namely the Human Resources Officer or External Affair Officer. The documents that can be accessed by the public are documents with general categories and with the approval of management, such as:</p> <ul style="list-style-type: none"> • ANDAL, RKL-RPL • Employee data, accidents, social security, inventory, etc. • Permits such as IUP, location permit, TPS LB3 permit, LA permit, etc. • Policy • HCV documents • HGU documents • Procedure • Training reports, P2K3, work accidents, CSR • HIRAC • Minutes of meeting 	

- Etc.

The company already has environmental reporting documents for monthly and semester periods, for example the company has tested the quality of liquid waste and has been reported monthly to the Public Housing Service for Settlement Areas and the Environment of Ketapang Regency, the company shows proof of receipt on August 26, 2020 and the RKL / RPL Semester 1 of 2020 on September 1, 2020

1.1.2

The company has shown documents related to providing information to relevant stakeholders. This document is presented in Indonesian. The examples of these documents are as follows:

- Mandatory PT KAL Employment Report with proof of receipt of electronic reporting with reporting number 78813.20191204.0001 dated December 4, 2019 and obligation to report back on December 4, 2020.
- Report on B3 Waste for the first quarter of 2020 for the period of January - March 2020 PT KAL which was submitted on April 13, 2020. It was submitted to the Public Housing Service of the Ketapang Regency Residential and Environmental Areas and has been received by the agency with an official stamp.
- The report on the results of the analysis of liquid waste / POME for January 2020 was submitted to the Public Housing Service for Settlement Areas and the Environment of Ketapang Regency and was received by the agency with an official stamp on February 17, 2020

1.1.3

The company has displayed the records of requests for information and responses given which are presented in the communication and external information logbook. In the logbook, information regarding the date and number of the letter, sender, destination, subject matter, response, date of response, and information is provided in the logbook. Incoming letters and responses are presented on a monthly basis. The examples of incoming letters regarding requests for information and responses are as follows:

1. Incoming letter dated January 31, 2020 from the government of Matan Hilir Utara District with letter number 005/005 / Ekbangsos for the purpose of CID (Community Involvement Development) regarding the invitation to the Musrenbangdes, Matan Hilir Utara District with an invitation response was attended on February 4, 2020 with the status closed.
2. Incoming letter dated May 28, 2020 from the Mangrove Forest Tourism Awareness Group with letter number 011 / Pokdarwis / KS / 2020 the purpose of the letter to CID regarding a request for drone assistance to take pictures of the location of the Kuala Satong mangrove forest tourism area in Ketapang Regency. Responses were given on May 28, 2020, namely that they had been assisted by using PT KAL's GIS drone. Status has been closed.
3. Incoming letter dated 12 August 2020 from the government of Matan Hilir Utara District with letter number 003.1 / 496 / SET the purpose of the letter to external affair regarding the invitation to the 75th Anniversary of the Republic of Indonesia Independence Day activity ceremony in 2020 with the response of having attended the invitation on 17 August 2020. Status has been closed.

1.1.4

The company has a communication and information SOP approved and signed by the External Affair Director, with document no. SOP-Leg-02 revision 01 and effective since April 1, 2013. Based on the SOP, it has been explained that communication and information provision are divided into 2:

1. Internal communication and information provision
2. Communication and information sharing

The SOP describes the types of information that can be accessed / provided in general and information that is confidential in nature so that it requires approval from company management. The SOP also describes the person in charge of providing information both internally and externally, namely the Human Resources Officer or External Affair Officer. The documents that can be accessed by the public are documents with general categories and with the approval of management, such as:

- ANDAL, RKL-RPL
- Employee data, accidents, social security, inventory, etc.
- Permits such as IUP, location permit, TPS LB3 permit, LA permit, etc.
- Policy

- HCV documents
- HGU documents
- Procedure
- Training reports, P2K3, work accidents, CSR
- HIRAC
- Minutes of meeting
- Etc.

The SOP also explains the following:

- If there is a proposal / request for company participation information that is obtained from externally, then the external relation officer, within 3 days of receipt of the proposal, must have been followed up by submitting the information to the general manager and external relations manager in charge of each region.
- Within 3 months at the latest after submitting information from external parties to management and it has not received a response, the external relation will directly state that the proposal / request for participation in the company is rejected by the company.
- The external relation officer is responsible for communicating to external parties regarding acceptance and or rejection of the company's participation, both verbally and in writing, as well as updating the status in the communication log book and providing external information.

Based on the results of interviews with trade unions and gender committees, it is known that the company has carried out socialization related to SOPs for communication and information provision.

1.1.5

The company has shown the PT Kayung Agro Lestari Stakeholder Register document updated August 2020. Based on this document there are 94 stakeholders associated with PT Kayung Agro Lestari which includes government stakeholders (provincial, district, sub-district and village), the authorities (TNI / POLRI), the board elderly, partner cooperatives, village organizations, corporations, mass media and NGOs. The stakeholder register explains the name, agency / position, location, category up to the person's contact number.

Status : Comply

1.2

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

1.2.1

The company has policies related to code of ethics and business conduct as stated in the document "ANJ code of ethics and business conduct" January 1, 2014. The document states that the company upholds the values of integrity, respects fellow human beings and the environment as well as continuous improvement. It was also stated that the company builds trust and a good reputation for and for stakeholders based on the principles of transparency, accountability, objectivity and fairness, all of which are the embodiment of the company's code of business conduct.

The policy covers all operational activities of PT ANJ, including the prohibition of corruption, bribery and fraud in the use of funds and resources and compliance with fair business practices.

1.2.2

The company has a system to monitor compliance and implement policies and ethical business practices as a whole, namely the Whistle Blowing System (WBS). In the system, it is said "if you see, know or experience a violation of business ethics, please report it to us". This system guarantees that the information provider will be anonymous. Reporting of code of conduct violations can be made via email wbs@anj-grup.com or via number 08119993553.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The unit of certification can present the evidence to comply to the regulation as mentioned below:

OHS Aspect

1. Unit of certification can show documentation Periodic inspection of mill machinery for example for Boilers Serial number: 81010; Steam Vessel; and Pressure Vessels Serial Number: 14255 carried out by Sucofindo on August 28, 2020. The conclusion of the inspection stated that the results were acceptable and met the requirements for operation, while the use permit / tool certificate was still in process by the Department of Manpower and Transmigration of West Kalimantan Province
2. Having licensed operators as required by regulations, for example 5 lift operators, 4 steam aircraft operators, 3 welders and 3 electricians.

In addition, there is also information about the license extension process for 1 welder and 2 initial movers (generator / power plant) issued by PT Safindo Raya. However, due to the Covid-19 pandemic, all training activities have been postponed until an undetermined time limit / are waiting for direction from the authorized official.

Environment Aspect

The company also shows evidence of compliance with relevant laws and regulations related to environment aspect. The company has EIA study and was approved by the Governor of West Kalimantan through Governor Decree No. 123 / BLHD / 2010 dated March 1, 2010 concerning Environmental Feasibility of Plantation Activities (Area: \pm 18,754.9 Ha) and Palm Oil Processing Plant (Mill Capacity: 85 Tons of FFB / Hour) by PT Kayung Agro Lestari

The company has a Wastewater Utilization Permit for application to the ground as liquid fertilizer in accordance with the Decree of the Ketapang Regent No 399 / PERKIMLH-C / 2017 dated 25 July 2017. Concerning the Permit for Utilization of Wastewater for Application to the Land for PT Kayung Agro Lestari's Oil Palm Plantation An area of 326.09 hectares, located in Matan Hilir Utara District, Ketapang Regency. The license validity period is up to 5 years

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

In term of legal aspect, the CH has shown evidence towards legal aspect, The Certificate Holder has complied with regulations in the field of plantation and land legality, such as HGU (land use title) IUP P (plantation business permit for mill) as well as mandatory reports on annual land use to BPN.

2.1.2

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

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

Monitoring and evaluation results are listed in form of list regulations and act that was renewed in January 2020. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental. To ensure compliance with law or regulations, the company conducts an internal RSPO audit. Internal audits have been conducted continuously and are documented and reviewed in the management review activities, latest 21 – 28 April 2020 that carried out by the Sustainability compliance department.

2.2.2

Result of document verification it was known there are 323 boundaries poles in PT Kayung Agro Lestari, that divided 298 boundaries poles in Cultivation Right Title and 23 poles in Building Rights Title. The unit of certification can present the map of boundaries poles in the map No.: 066-14.07-2012 with scale 1: 35,000.

Boundaries pole maintenance and monitoring carried out twice a year in accordance with work instruction No. IK-SOP Leg 001-001 valid 1 Jan 2019 about demarcation, maintenance, and mitigation of boundaries Poles. the realization report for the period 2019 verified during ASA 1 Audit. Field observations were conducted to ensure that the poles are available on a place and maintained, the positions were checked using GPS, such as observation in SGT 2 Estate Poles No 33,34 and 36; GST 1 Estate Poles No 115, 116, 117, 120, and 121; and Mitra Estate Poles No 30,31 and 32 boundary trenches or clear control roads.

Status: Comply

2.2

All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.

2.2.2

Based on the document verification, it is known that the company has entered into a cooperation agreement for part of the work with third parties. The cooperation relationship has been regulated in a Work Agreement, for example SPK No. 2055PKB-30000-12-0820 with PT Jasa Mandiri Agro and SPK No 006 / SPKB / 3000061/14/0720 with CV Mentari Pagi Sejahtera. The work agreement letter has its own clause regarding the fulfillment of relevant legal obligations. Several aspects are still in progress, including the *BPJS* membership and documentation of the work relationship between contractors and workers

Compliance of legal obligations by the third party is monitored by the company with a contractor evaluation form. Based on the evaluation, it is known that most of the legal requirements such as the compliance of the minimum wage and OHS aspects have been met. Thus the company has the opportunity to continue to ensure the progress of fulfilling the relevant legal aspects for all contractors who still have a partnership with the company. **OFI**

2.2.3

Based on the document verification, it is known that the company has entered into a cooperation agreement for part of the work with third parties. The cooperation relationship has been regulated in a Work Agreement, for example SPK No. 2055PKB-30000-12-0820 with PT Jasa Mandiri Agro and SPK No 006 / SPKB / 3000061/14/0720 with CV Mentari Pagi Sejahtera. The work agreement letter has a specific clause regarding the prohibition of child employment. Whereas the clauses regarding forced labor and workers from human trafficking have not been written explicitly but there is a specific clause which states that the contractor is willing to comply with all ISPO and RSPO requirements.

Status: Comply

2.3

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

2.3.1

The unit of certification can present list of FFB supplier that accepted by mill that divided with direct and indirect supplier, as follows:

1. Direct Supplier
 - PT Sinar karya Mandiri
 - Mitra BSL
 - Mitra BSL
 - Propose Partnership
2. Indirect supplier / middle man
 - CV Cahaya Sejati
 - CV Abadi Log Jaya
 - CV Deas Cahaya Mandiri

Related to the traceability of the origin of FFB, the unit of certification can present the requirements of directly sourced

FFB as follows the Information on geo-location of FFB origins and Proof of the ownership status or the right/claim to the land by the grower. For example for PT SKM the mill can present maps of PT SKM including forest status and related the proof of land ownership can be shown the Decree from Ministry of Agraria and Land Spatial / Head of National Land Agency no 29/HGU/KEM-ATR/BPN/2015 regarding Granting of Land to Cultivate on behalf of PT Sinar Karya Mandiri for Land in Ketapang Regency, Province of Kalimantan Barat

2.3.2

Not Applicable on this assessment. As mentioned in Annex 4: Implementation Procedure For Indicator 2.3.2 for existing RSPO certified mills, the time requirement to fulfil this Criterion for all their smallholder suppliers is three years from 15 November 2018 or will be applicable on 2021.

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

3.1

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

3.1.1

The company has shown a long-term plan document that is valid for 5 years. The documents are listed in the 5-Year Financial Projection 2020 - 2024 PT Kayung Agro Lestari Statement of Operation Projection. The documents include the total planted area, production of fresh fruit bunches, Extraction Rate (CPO and PK) values, CPO production, PK production, estimated CPO and PK prices and estimated income.

3.1.2

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

3.1.3

The company has conducted a management review every year. One example is that the company has shown the Internal Audit Report 27 / GIA-REG / KAL / XI / 2019 Palm Oil Harvest Review and the implementation of PT Kayung Agro Lestari - Estate's Electronic Plantation Mobile Solution (EPMS) issued on 30 January 2020. Based on In the internal audit report, it is known that there are 12 observational findings and it has also been explained regarding feedback from customers, process performance and product suitability, status of prevention and improvement actions, follow-up actions resulting from management reviews, changes that can affect the management system, and recommendations for improvement.

Status: Comply	
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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

Employment and OHS

- Has compiled and disseminated health protocols for the prevention and handling of Covid-19 to all levels of employees
- Has registered employees in the workforce incentive program affected by the Covid-19 pandemic through *BPJS TK*

Environment Aspect

The company has carried out good HCV management and collaborated with BKSDA for the management of essential ecosystems, especially in the management of orangutan habitat. Based on the survey results, the orangutan population density in the wildlife corridor in the company's conservation area can be said to be abundant and well preserved. The company has shown cooperation with several NGOs such as YIARI and Tropenboss in HCV management activities.

Based on the results of interviews with BKSDA representatives in Ketapang District and Gunung Palung National Park, it is known that the company's efforts and commitments in conservation management are very good. The form of cooperation that has been carried out between the BKSDA and the company is for example the orangutan release. In addition, in early 2020

BKSDA released the Kelempiau gibbon in the company's conservation area

Best Management Practice

The company has made several innovations to several jobs. Innovations are carried out with the aim of increasing the efficiency and effectiveness of the work done. The examples are as follows:

- Loss fruit quotation tool
- Portable harvest bridge
- Vacuum pollen

3.2.2

As long as the RSPO template has not available, this indicator not applicable

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

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

Based on the results of field visits to harvest work in block H37 / H36 division 12 GST 1, workers can explain the harvest standards such as the criteria for harvested FFB, prohibited from harvesting unripe FFB and the use of PPE when carrying out harvest work. Apart from that, the results of interviews with several Mill workers showed that the workers already understood the work procedures they had, for example in the FFB sorting section, workers could explain the sorting process up to filling in the administration.

3.3.2

The company routinely conducts internal audits in the application of plantation and mill SOPs.

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

1. QA Estate once a year, factory once a year
2. QC Estate twice a month

For RSPO internal audit activities are carried out once a year, including the performance of the contractor. The latest RSPO internal audit was conducted on 21 - 28 April 2020. The mechanism to ensure compliance with RSPO standards for contractor workers is supervised by the operational department such as foreman, foreman I, assistant, assistant, manager and so on. Then, the safety officers section also supervises the implementation of OHS by the contractor. Then the sustainability section also supervises the Work Agreement. For example, additions related to insurance and OHS provisions.

3.3.3

The company has conducted a management review every year. One example is that the company has shown the Internal Audit Report 27 / GIA-REG / KAL / XI / 2019 Palm Oil Harvest Review and the implementation of PT Kayung Agro Lestari - Estate's Electronic Plantation Mobile Solution (EPMS) published on January 30, 2020. Based on internal reports In the audit, it is known that there are 12 observational findings and it has also been explained regarding feedback from customers, process performance and product suitability, status of prevention and improvement actions, follow-up actions resulting from management reviews, changes that can affect the management system, and recommendations for improvement.

One of the findings of the internal audit results is the overpayment of independent quotation fees to contractors. The company has also shown an official report on the return of the overpayment of the lump sum dated December 13, 2019 by CV. MAA. Deductions were made for the overpayment of consecutive quotes in GST 2 by cutting the news about job payments by 12 deductions.

The company also monitors and supervises contractors regarding the implementation of SOPs owned by the company.

Monitoring and supervision is carried out directly by foremen, field assistants, assistant heads, managers, security officers and so on. One example shown by the company is monitoring the use of PPE according to the type of work being carried out.

Status: Comply

3.4

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

3.4.1

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

The document was compiled in collaboration with PT Edutama Jasindo as an AMDAL Drafting Consultant, carried out in 2010 and was approved by the Governor of West Kalimantan through Governor Decree No. 123 / BLHD / 2010 dated March 1, 2010 concerning Environmental Feasibility of Plantation Activities (Area: \pm 18,754.9 Ha) and Palm Oil Processing Plant (Mill Capacity: 85 Tons of FFB / Hour) by PT Kayung Agro Lestari in the District of Matan Hilir Utara, Regency of Ketapang, West Kalimantan Province. Based on documents verification and field observation as well as interview with stakeholder it was known the documents has been cover all activities.

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

The company has conducted a Social Impact Assessment (SIA) in collaboration with the Faculty of Forestry of IPB in 2013. The time of conducting the field survey was conducted on October 19-26, 2013. Strategic issues obtained during the study are Tenure Issues, Environmental Issues, Socio-Economic Issues. base interview Head of Hamlet 4 Karya, Kuala Tolak and Laman Satong community there is no issue related to social impact , the external sosial impact has been identified in management plan SIA 2020.

3.4.2

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

The company has conducted a Social Impact Assessment (SIA) in collaboration with the Faculty of Forestry of IPB in 2013. The time of conducting the field survey was conducted on October 19-26, 2013. The study has involvement of the parties during assessment was carried out through the Focus Group Discussions (FGD) both with employees and surrounded communities and partnership farmers. Strategic issues obtained during the study are Tenure Issues, Environmental Issues, Socio-Economic Issues.

3.4.3

The Company shows the environmental management plan documents to prevent negative impacts and all that indicators listed in the Environmental Management Plan / Environmental Monitoring Plan Implementation Report. such as:

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

- Disruption of Flora and Fauna
- Public unrest
- Public health

The Environmental Management Plan / Environmental Monitoring Plan Implementation Report is routinely reported every semester to the Environment Department of Ketapang District, such as Environmental Management Plan / Environmental Monitoring Plan Implementation Report of Semester 2 -2019 PT KAL Environment Agency february 13, 2019.

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

1. Management plan for external issues compiled by the CID Dept at 2020 there are 4 issues
2. The internal management plan is prepared by the HR Dept. in the PT KAL 2020 SIA matrix evaluation document

The certification unit can show the SIA management plan for the period 2019 - 2020 which was prepared based on the results of consultations with nearby villages on March 21, 2019. The management plan generally describes community development and issues based on the results of public consultations. During the audit process, the auditor team observed that there were several activities or activities that directly or indirectly had a social impact on the company's operational units, for example mining activities in mining areas, possible interactions or conflicts between employees and wildlife and housing centralization. Related to this, companies are encouraged to develop an integrated social management plan between public consultation and field observation. (OFI)

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1 & 3.5.2

The certification unit already has Human Resources management which includes employee recruitment procedures, payroll systems, career path systems, and discussion of employee rights and obligations. These are described in the following documents:

Employee Recruitment Procedure and Career Path System

Regulated in the Guidelines for Employee Acceptance / Appointment & Transfer / Promotion (No.018 / HR & GA / CP / 05-2009. The guidelines include regulating the recruitment process flow, age requirements of prospective workers (Minimum 18 years and maximum 50 years) and the transfer process. and employee promotions. Examples of employee promotions can be shown, for example in accordance with promotional letter number 012 / HRO / SM-KAL / I / 2020 dated January 1, 2020. The worker received an increase in the previous rank of KHT / INS.A to KHT / INS.B.

In the 2020 period the company has not recruited permanent employees. The recruitment is for PKWT (Contract Worker). The Unit of certification can show proof of registration of *PKWT*, for example with number 560/12 / PKWT-TKT-B / III dated March 18, 2020 to the Ketapang Regency Manpower and Transmigration Office for 40 PKWT workers. Companies can also show examples of SPK for *PKWT*, for example *SPK* number 007 / PT KAL / HR & CM / PKWT / I / 2020 between HR & GA Managers and workers from 01 February 2020 - 30 April 2020 as spraying employees of the Division 15 GST-2. The basic wage is IDR 2,860,324 and an allowance of IDR 120,000. PKWT extension with number 078 / PT KAL / HR & CM / PKWT / I / 2020 is valid from 1 May 2020 - 30 July 2020 as a spraying employee in Division 15 GST 02 estate. with a base salary of Rp 2,860,324; - and allowances IDR 120,000.

Payroll System

The company applies a minimum wage based on the Decree of the Governor of West Kalimantan Number 1377 / DISNAKERTRANS / 2019 concerning the 2020 Minimum Wage for Ketapang Regency, which is Rp. 2,860,323.60, - enforced from January 1, 2020. There is a joint agreement between the plantation sector employers / employers' association and the Ketapang Regency plantation sector workers / labor union accompanied by a signature dated November 7, 2019. In article 1 it is agreed not to regulate the Ketapang District Minimum Wage (UMSK) in the Sub-Sector of Plantation and Processing Industry The 2020 and Article 2 are guided by the UMK of Ketapang Regency is IDR 2,860,323.60, so that the UMK and UMSK wages for the 2020 period are the same.

In addition, the company regulations for the period 2020 - 2022 also regulate the wage system from the wage component to overtime work arrangements

Regulations on Employee Rights and Obligations

The company shows the ratification of company regulations in accordance with the decision of the Head of the Ketapang Regency Manpower & Transmigration Office number 22 of 2020 valid from January 28, 2020 to January 28, 2022. Employee rights and obligations are contained in company regulations such as CHAPTER III Wage arrangements, wage increases, facilities, allowances, achievement & productivity awards, CHAPTER IV concerning Working Time and Overtime, CHAPTER V concerning Attendance and Absence List, CHAPTER VII concerning Leave and Overtime and others.

Based on the interviews with workers' representatives, for example in Block J26 Mitra Estate and Blok Blok B43 SGT-2 Estate, it was found that workers had an understanding of labor mechanisms such as pensions, termination of employment and promotions. The non-discrimination policy is contained in the policy on respect for human rights as described in 6.8.1. The procedure also states basic considerations for promotion include work performance, work morale, attendance, responsibility. Discipline, courtesy, honesty. The rights of every worker are basically the same. The difference between contract workers and permanent daily workers is only in the duration of time and the type of work that is allowed to be done on a contract basis

Status: Comply

3.6

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

3.6.1

The certification unit has carried out a risk assessment and control in the form of a HIRAC document. Furthermore, as part of the mitigation of OHS problems, the certification unit has prepared the Personal Protective Equipment Management Procedure (SOP-EHS-041) edition 1 which is valid since 01 July 2019. The procedure includes several things as follows:

- In company work areas that have the potential for delays in the supply of PPE, stock must be increased to avoid delays in replacing lost or damaged PPE (including safety helmets, safety boots, eye protection, ear protection, and gloves)
- PPE is stored in a dry room that is not damp (in an adequate place)
- Ensure that the PPE required is correct and sufficient in terms of procurement

Furthermore, related to the type of personal protective equipment used by the certification unit, it has been regulated in the 2020 Personal Protective Equipment Needs Matrix which explains the type of work and the type of PPE used, for example for the manuring activities the PPE used are boots, masks, and rubber gloves.

However, based on the field observation and interviews with workers, the following field facts were found:

- During the manuring activities (Urea) at SGT-2, the PPE used by the manuring team included boots, masks, and cloth gloves. Information obtained from management representatives using cloth gloves because the stock of rubber gloves is out.
- Based on the results of the visit to the central rinse house, there are 10 knapsacks, 10 face shields, 10 aprons, 10 rubber gloves which are stored in the rinse house. Based on the document verification, it was found that the equipment belonged to the GST spraying team, which on that day did not spray activities. From the foreman's activity book, it is known that the number of GST pesticide applicators is 15 people. Thus there is a difference of 5 PPE packages and work tools that are not stored in their proper place. The management explained that the difference of 5 knapsack was because at the time of the visit the knapsack was being repaired in a different place, while for the difference of other PPE items, no further information was given.
- The product label on the mask used by the spraying team informs that the mask is intended to protect against dust exposure and information has not been shown that the mask can provide protection against chemical exposure

During the audit process, the certification unit has been able to show improvement efforts, for example returning all the tools and PPE of the spraying team to the rinse house, but the justification is related to the unavailability of working tools and PPE in a place that should not be demonstrated. In this regard, the auditor team considers that mitigation efforts / procedures related to OHS problems / issues cannot be implemented consistently and thoroughly in all operating units in accordance with established procedures. This becomes **non-conformity No.2020.01**

OHS Program

Created by the OHS Committee secretary. For 2020 the planned activities include monthly meetings, safety training, inspection of K3 facilities and infrastructure, employee health checks, and inspection of Toxic and Hazardous Material and its waste storage places.

Hazard Identification and Risk Assessment

The certification unit has a HIRAC preparation procedure, which among other things explains the source of hazards for prevention and control efforts, as well as the level of danger. There is a Hazard Identification, Risk Assessment and Risk Control document such as :

- Document No.FRM-SOP-EHS 039-100 HIRA Mill, update on February 3, 2020.
- Document No.FRM-SOP-EHS 19-028 HIRA Estate, update on May 5, 2020.

This document contains information regarding the activities, hazards, potential hazards, potential risks / impacts, risk assessment, control hierarchy, score after control, risk status.

Periodic Health Checks

The last one was held in November 2019 and has included workers who are at high risk. The details of estate workers who have undergone the MCU include the following :

- SGT2 : 24 spraying worker and 48 manuring worker
- GST-1 : 37 spraying worker and 39 manuring worker
- Mitra Estate : 17 spraying worker and 44 manuring worker
- CWT : 4 worker
- Logistic : 3 worker

The MCU includes complete hematology, complete urine, liver function, kidney function, and general physical examination. Meanwhile, PKS conducted examinations for 31 people with audiometry and auto spirometry examinations.

Based on the MCU result, several abnormal conditions were found, such as 6 conductive deaf people and 2 sensorineural deaf people. Due to the abnormal condition, the company conducted a follow-up investigation on February 12. The results of the re-examination stated a suggestion for workers identified as sensorineural deafness to carry out further checks on ENT specialists at Ketapang District Hospital. Further examinations cannot be carried out because as of March 2020 until ASA-1 activities there are still special situations, namely the Covid-19 pandemic

Medical checkups for 2020 cannot be ascertained when this will be carried out in accordance with the direction of the relevant official, for example through an appeal for Postponement of Employee Periodic Health Examination Activities: In accordance with the Circular of the Minister of Manpower of the Republic of Indonesia Number M / 7 / AS.02.02 / V / 2020 dated 20 May 2020 concerning Business Continuity Plans in Facing the Corona Virus Disease (Covid-19) Pandemic and the Covid-19 Transmission Prevention Protocol in companies that state that they temporarily postpone workforce health checks until occupational safety and health aspects are met or until the Covid-19 pandemic ends and Decree of the Honorary Council of Medical Ethics Number: 016 / PB / K.MKEK / 04 2020 dated 11 April 2020 which states the reduction to temporarily eliminate activities that are not urgent / emergency

OHS Socialization and Training

Routine socialization regarding the implementation of OHS which is delivered during the employee's morning briefing at least once a month; Inspection of the completeness of PPE before working both for mill and estate employees carried out by each foreman; Warnings regarding OHS such as the obligation to use PPE, types of PPE, and hazard risk analysis installed in strategic areas

3.6.2

Monitoring the effectiveness of the OHS plan is contained in the OHS Committee report which is routinely sent by the certification unit to the authorized official every quarter. The discussion shown, for example, is contained in the OHS Committee first quarter 2020 report of PT Kayung Agro Lestari. The main points of discussion include evaluation of work accidents, OHS Risk Assessment and Use of PPE, Discipline in using PPE, Recapitulation of work accidents, with the

conclusion that management is committed to improving discipline in the application of OHS.

3.6.1 **Status: Nonconformity No 2020.01**

3.7

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

3.7.1 & 3.7.2

The unit of certification has a training plan for 2020 and documentation of the realization of that plan. For example shown by:

- GAP and GMP training: covering harvesting, spraying, fertilizing, IPM, processing, maintenance, pruning, peat management, etc.
- OHS socialization including training on the management of Toxic and Hazardous material including its waste
- Socialization of the application of the RSPO Principles and Criteria: internal and external including FFB contractors and suppliers
- Socialization of PT KAL policies

The realization shown is for example:

- Machine problem identification training for each mill operation on September 2, 2019.
- Traceability training on October 12, 2019
- BBC (Black Bunch Census) training was held to refresh Up-keep employees in order to understand the calculation of black fruit and writing correct data on April 24, 2019.
- Socialization of OHS and Environmental Policy in January and April 2020 was attended by 129 participants and 83 participants

In the recording of the training realization, it is known that the third party, FFB supplier and contractor has been involved, especially for the OHS aspect and the socialization of ANJ Group policies regarding RSPO aspects such as compliance with labor aspects, environmental aspects, to the age limit policy of workers.

Based on the interviews with employee representatives, for example in Block J26 Mitra Estate and KAL POM Sorting Station as well as with representatives of contractors, for example CV Manjau Agro Abadi, it is known that periodically socialization and training have been provided by the certification unit, especially regarding the application of RSPO, work standards and OHS.

3.7.3

Documents verifications the unit of certification can present the realization of SCC training that carry out 02 September 2020 with the participants are administration officer, weighbridge, laboratorial officers and security. The training topics is awareness of RSPO SCC, traceability and mass balance.

Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provided SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1; 3.8.2

KAL POM implemented SCCS with mass balance model due to received FFB from RSPO certified area and non certified area

3.8.3

KAL POM has determined the estimation for CPO and PK production produced by the certified mill. The tonnage estimation is attached on the document of budget projection for one year. The estimation and actual Certified FFB production on below table:

Product	Estimate Production 12 months (MT)	Actual Production 12 months (MT)	Estimate Production 12 months (MT)
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FFB	187,779	123,707.72	188,100
CSPO	43,189	25,791.71	41,400
CSPK	6,197	3,630.89	6,500

3.8.4

Based on documents verification it was known if the mill has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:

Member Information	
Member Name	PT Kayung Agro Lestari
Member ID	RSPO_PO1000006366
Member Country	INDONESIA
Member Category	Oil Mill
Core Product	Palm Oil

License Information	
License ID	CB93656
Issued By	PT Mutuagung Lestari
Issued On	11/13/2019
Start Date	11/11/19
End Date	11/10/20
License Status	Active

The entire requirements for appropriate supply chain have been met by the mill such as the estimate certified product already recorded in the RSPO IT platform and including finalized transactions records and stocks transactions record during the licence of period.

3.8.5

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

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

Mill manager responsible to ensure the documentation of all SCC implementation, made a production and sales calculation in the mass balance system.

Related to the material traceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Oct

2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnel involves and their responsibility:

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

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

In implementing the supply chain requirements, the certification unit has a SCCS procedure which is stated in the Mass Balance SOP document (SOP-SCD-06 dated 17 September 2018). In this procedure the references used still refer to the old requirements and standards (SCCS 2017). The results of interviews with management representatives obtained information that the revision process related to the procedure was being carried out and is currently in the review process prior to approval. In this regard, the unit of certification is encouraged to ensure that the procedure for renewal / revision has been completed.

Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provided SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.

3.8.6

Internal audit procedure are imposed in SOP Internal Audit of System management (No SOP-SCD-03) dated 01 October 2018. On the procedure described if internal audit minimum carries out at least one time a year. Due to this current pandemic situation there are Internal memorandum from COO ANJ Group NO 001/COO/SC/IM/IV/2020 dated 09 April 2020 that mentioned if internal audit System management can be conducted through remotely

Last internal audit carried out in 21 – 28 April 2020 by Sustainability compliance department. Based on internal audit there is one non conformity related record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. All internal audit has been follow up by unit of certification prior external audit carry out

3.8.7

- i. **The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.**

The mill has a record amount of FFB tonnage as follows:

Months	FFB Received (MT)		
	Total FFB		Total
	Certified	Non-Certified	
Dec-2019	12,835.09	3,987.12	16,822.22
January-2020	13,044.71	3,909.19	16,953.90
February -2020	10,299.68	3,071.01	13,370.69
March- 2020	11,103.19	4,978.98	16,082.17
April- 2020	14,956.58	5,462.43	20,419.01

May- 2020	11,922.92	4,456.83	16,379.75
June- 2020	12,586.30	4,211.39	16,797.70
July- 2020	14,611.96	4,101.65	18,713.61
August- 2020	22,347.30	5,394.26	27,741.56
TOTAL	123,707.72	39,572.87	163,280.58

Since the mill obtained certificate in 11 November, the unit of certificate determined the claimed product in December 2019 due to simplify mass balance calculations

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

Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment, that describes in the following table:

Product	Estimate Production 12 months (MT)	Actual Production (December 2019 to August 2020) (MT)	Estimate Production 12 months (MT)
FFB	187,779	123,707.72	188,100
CSPO	43,189	25,791.71	40,000
CSPK	6,197	3,630.89	6,100

Based on table above there is no over production of CSPO and CSPK.

iii. The mill shall have a mechanism in place for handling non-conforming oil palm products and/or documents

Mechanism for handling non-conforming oil palm products and/or documents described in the SOP handling of nonconformities, corrective action and preventive action (SOP-SDD-10 rev 01) which aims to determine the analysis system for the occurrence of management system inconsistencies that apply within the company and determine preventive actions and ensure that the actions taken are effective. During audit carry out it was known there is no non-conformity in the handling of the product either physically or documents regarding SCCS.

3.8.8

The CSPO and CSPK from the Mill were sold has met the requirements of certified product information. Supporting documents shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name and address of the seller.

Based on documents verifications, interview with management as well as verification through Palm Trace it was known during period December 2019 – August 2020 there are 7700 MT CSPO and 751.22 MT CSPK Sold under RSPO Certified, that described in the table below:

Transaction ID	Transaction Date	Buyer Reference Number	Product	Supply Chain Model	Volume	License ID	Transaction Type	Status
TR-951eb6c1-152d	18-08-2020	9100066309	CSPK	Mass Balance	500.92	CB93656 (Active)	Shipping	Confirmed
TR-e966b9bb-4ef8	30-07-2020	9100065098	CSPK	Mass Balance	250.3	CB93656 (Active)	Shipping	Confirmed
TR-dae86172-f947	24-07-2020		CSPO	Mass Balance	3,000	CB93656 (Active)	Shipping	Confirmed
TR-e775fe41-e678	25-06-2020		CSPO	Mass Balance	2,500	CB93656 (Active)	Shipping	Confirmed
TR-4147764a-7d60	08-06-2020		CSPO	Mass Balance	2,200	CB93656 (Active)	Shipping	Confirmed

*Volume in MT

The unit of certification can present the documents related the minimum information for RSPO certified products is made available and claim related products is no longer than 3 months, for example the documents of sales CSPO for transaction id TR-e775fe41-e678 dated 25 June 2020 with volume 2500 MT that consist of:

- Buyer Information: PT Synergy Oil Nusantara with RSPO Member RSPO_PO1000001593
- Shipping Instruction: No 029/KAL/COM/06-2020 with shipping period 10 – 15 June 2020
- Delivery Order on 12 May 2020 to PT Synergy Oil Nusantara with address in Jalan Raya Pelabuhan Kabil KM12.5, Nongsa Batam-29400, Indonesia
- CSPO receipt documents on 23 June 2020 with buyer PT Sinergy Oil Nusantara

3.8.9

KAL POM has imposed provisions that must be applied by contractors as contained in procedure of SCCS which has been socialized on 21 January 2020, these provisions include:

- CB has the right of access to the contractors to verify the implementation of RSPO SCCS.
- The contractors must be given socialization about SCCS at least once a year.

3.8.10, 38.11

Based on documents verifications interview with management obtained information if there are one (1) contractors that used for physical handling of RSPO certified oil palm product namely CV Abadiloc Jaya with address in Jlan MT Haryono No 122, Ketapang Kalimantan Barat. Based on review list of transporters verified on Initial Assesment with this ASA-1, there is no new contractor added. There are 1 outsourcer which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor

3.8.12

PT KAL have maintain accurate, complete and up-to-date for the FFB receives, process and CPO & PK production from its supply bases.

The record keeping saves in "Mass Balance Report" for example periods December 2019 – August 2020. Within this record, the certificate holders maintain the FFB's sources based on monthly bases.

Months	FFB Received (MT)		
	Total FFB		Total
	Certified	Non-Certified	
Dec-2019	12,835.09	3,987.12	16,822.22
January-2020	13,044.71	3,909.19	16,953.90
February -2020	10,299.68	3,071.01	13,370.69
March- 2020	11,103.19	4,978.98	16,082.17
April- 2020	14,956.58	5,462.43	20,419.01
May- 2020	11,922.92	4,456.83	16,379.75
June- 2020	12,586.30	4,211.39	16,797.70
July- 2020	14,611.96	4,101.65	18,713.61
August- 2020	22,347.30	5,394.26	27,741.56
TOTAL	123,707.72	39,572.87	163,280.58

Since the mill obtained certificate in 11 November, the unit of certificate determined the claimed product in December 2019 due simplify mass balance calculations

Furthermore, Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly and three-monthly basis, presented in the Table belows:

CPO production and Dispatch for PT KAL

Months	CPO Product (MT)			CPO Dispatch (MT)		
	Certified	Non-Certified	Total	RSPO	Other Scheme	Conventional
Dec-2019	2,505.84	829.82	3,335.66	-	-	

January-2020	2,665.41	805.74	3,471.14	-	-	
February -2020	2,340.30	692.69	3,032.98	-	-	
Period 1	7,511.55	2,328.24	9,839.79	-	-	6,174.00
March- 2020	2,399.29	1,063.07	3,462.36	-	-	-
April- 2020	3,311.73	1,222.98	4,534.71	-	-	-
May- 2020	2,615.48	953.93	3,569.40	2,200.00	-	
Period 2	8,326.50	3,239.98	11,566.48	2,200.00	-	7,000.00
June- 2020	2,638.38	904.52	3,542.90	2,500.00	-	-
July- 2020	2,956.27	832.28	3,788.55	3,000.00	-	-
August- 2020	4,359.02	1,071.44	5,430.46	-	-	
Period 3	9,953.67	2,808.24	12,761.91	5,500.00	-	4000.00
TOTAL	25,791.71	8,376.46	34,168.18	7,700.00	-	17,174.00

PK production and Dispatch for PT KAL

Months	PK Product (MT)			PK Dispatch (MT)		
	Certified	Non Certified	Total	RSPO	Other Scheme	Conventional
Dec-2019	391.49	126.47	517.96	-	-	-
January-2020	382.95	117.33	500.28	-	-	-
February -2020	336.20	99.46	435.65	-	-	-
Period 1	1,110.63	343.26	1,453.89	-	-	256.74
March- 2020	349.56	155.18	504.74	-	-	-
April- 2020	496.54	183.39	679.93	-	-	-
May- 2020	370.38	135.36	505.74	-	-	-
Period 2	1,216.47	473.93	1,690.40	-	-	1,012.14
June- 2020	351.77	121.38	473.16	-	-	-
July- 2020	381.34	107.40	488.74	250.3	-	-
August- 2020	570.67	140.31	710.98	500.92	-	-
Period 3	1,303.79	369.09	1,672.88	751.22	-	-
TOTAL	3,630.89	1,186.28	4,817.17	751.22	-	1,268.88

3.8.13; 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly, and yearly production, its confirmed based on interview with mill management as well as field observation.

3.8.15

The Mill only applying RSPO SCC Module of Mass Balance.

3.8.16

Based on SOP Mass Balance (ANJA Group) document no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018) stated that the retention time of the documents minimum 5 years. Based documents verifications the mill can presented documents since certificate issued for instance mass balance records, weighbridge tickets etc.

Based on documents verifications, interview with management as well as verification through Palm Trace it was known

during period December 2019 – August 2020 there are 7700 MT CSPO and 751.22 MT CSPK Sold under RSPO Certified, that described in the table below:

Transaction ID	Transaction Date	Buyer Reference Number	Product	Supply Chain Model	Volume	License ID	Transaction Type	Status
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TR-dae86172-f947	24-07-2020		CSPO	Mass Balance	3,000	CB93656 (Active)	Shipping	Confirmed
TR-e775fe41-e678	25-06-2020		CSPO	Mass Balance	2,500	CB93656 (Active)	Shipping	Confirmed
TR-4147764a-7d60	08-06-2020		CSPO	Mass Balance	2,200	CB93656 (Active)	Shipping	Confirmed

**Volume in MT*

The unit of certification can present the documents related the minimum information for RSPO certified products is made available and claim related products is no longer than 3 months, for example the documents of sales CSPO for transaction id TR-e775fe41-e678 dated 25 June 2020 with volume 2500 MT that consist of:

- Buyer Information: PT Synergy Oil Nusantara with RSPO Member RSPO_PO1000001593
- Shipping Instruction: No 029/KAL/COM/06-2020 with shipping period 10 – 15 June 2020
- Delivery Order on 12 May 2020 to PT Synergy Oil Nusantara with address in Jalan Raya Pelabuhan Kabil KM12.5, Nongsa Batam-29400, Indonesia
- CSPO receipt documents on 23 June 2020 with buyer PT Sinergy Oil Nusantara

For CSPO and CSPK sold as conventional or other scheme during this period has been removed from certified stock. The unit of certification can presented removing allocated product or credit allocation from palm trace, as follows

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-911af637-10fc	29-01-2020	CSPO	Mass Balance	Credit Allocation	10,000
ST-TR-70195283-a3bf	20-02-2020	CSPO	Mass Balance	Credit Allocation	10,000
ST-TR-7b78058f-f311	12-03-2020	CSPK	Mass Balance	Remove From Certified Stock	1,125
ST-TR-98e0014e-1eb5	20-05-2020	CSPO	Mass Balance	Allocation back to Physical	5,826
ST-TR-0491861c-b29a	30-06-2020	CSPO	Mass Balance	Credit Allocation	10,000

**Volume in MT*

3.8.17

The products are claims as mass balance. The Mill does not use RSPO trademark on product or off product and its will be verify during onsite assessment

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1, 4.1.2

The company shows the document of the Policy on Respect for Human Rights, human trade and forced labor of PT ANJ-Group in which it explains that PT ANJ-Group recognizes the human rights of employees throughout its operations and strives to create a safe and healthy work environment for all employees. This document was approved on August 4, 2016 by the president director. Based on the results of field visits to the security post and the results of interviews in the village, it was found that there was no intimidation by the company security officers.

Status: Comply

4.2

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

4.2.1

The company already has a mechanism for submitting complaints to both internal and external parties as outlined in several SOPs as follows:

- SOP for Handling Differences of Opinion with Communities and Land Ownership Disputes (Document No. SOP-EAD-01; Edition 01/00) dated 01 August 2013
- SOP for communication and information provision with document no. SOP-Leg-02 with the effective date of September 1, 2015
- Internal Memo No. 034 / GMO / KAL / IM / IX / 2016 dated 8 September 2016. Based on this mechanism, it is explained that complaints can be submitted to direct superiors or higher superiors or to the HRD department.
- Company regulations for the period 2020 – 2022

The procedure above has explained about the person in charge of receiving and resolving complaints (external and internal officers including HRD), response timeframe (between 14 - 28 days), confidentiality of the reporter and whistleblower, until further handling of complaints is possible to a tripartite level. (Mediation and settlement by government)

4.2.2; 4.2.3; 4.2.4

When ASA-1 was conducted, there were several complaints and grievance from both internal and external parties. complaints and grievance have been responded to by the company and their status is always updated. For example :

- **Wage Deduction if it does not reach the basis and the working incentive for holidays is not equal if it is compared to overtime**

There are minutes of meeting and a joint agreement with the SBPP on July 20, 2020, where at the point of the issue discussed, one of which is the wage deduction in one of the articles in the PT KAL Company Regulation 2020-2022. For matters or issues that have been negotiated which have become company policies (Internal Memo) as well as Company Regulations that have been approved by the Ketapang Regency Manpower Office, all employees must follow / implement them. In accordance with the statement of the management representative, the basis in question is the basis of working hours and the basis of work performance so that to get full wages employees must achieve both components. Meanwhile, the incentive working on Sundays is being proposed to be discussed and re-evaluated by management.

- **Demands for Farmers Produced by Bina Satong Lestari Cooperative Partners**

In accordance with the BSL Cooperative Letter No: 063 / KOP-BUN-BSL / XII-2019 dated December 9, 2019 regarding demands for production from BSL Cooperative partner plantations. The company has provided an answer via letter No. 05 / ANJAgri / ED / PK / II / 2020 dated February 24, 2020 regarding the answer to the demands for BSL cooperative plantation production. In the process on June 16, 2020 a joint meeting was held with the government and the regional secretary of Ketapang Regency. The results of the follow-up to the meeting on June 19, 2020, the BSL cooperative sent a letter back to PT KAL regarding negotiations for win - win solutions from the cooperative version.

On August 13, 2020 according to Letter No. 07 / ANJAgri / ED / PK / VIII / 2020 the company gave an answer

- Applications for cash disbursement of a portion of the difference between the production of main estate and cooperative plantations during 2015 - 2019 cannot be approved because in accordance with article 9 of the cooperative development cooperation agreement, the difference in production funds is prioritized to pay installment obligations to the Bank
- The TM bailout fund is given in the amount of IDR 100,000.00 (maximum ability of the company) because if it is given IDR 300,000, the debt burden will be even greater
- In addition, PT KAL will provide additional incentives, namely an Incentive for Fire Prevention Action of IDR 80,000,000.00. Incentive for fire fighting actions of IDR 200,000.00 and an award of IDR 300,000 for forest and land fires. Funds will be given to the BSL Cooperative and will be specified in a separate agreement

Based on the document verification and interviews with representatives of trade unions and representatives of the BSL Cooperative, it is known that the complaint resolution process has been agreed upon by both parties and some are still in process.

The procedure regarding the dispute and complaint process is described in 4.2.1. Understanding for the parties is conveyed through regular outreach. In addition, there are elements of stakeholder representation, for example, trade unions as an extension of the internal party. For external parties, it can be in the form of village officials or community leaders. Those who illiterate facilitated by the representative. In addition, based on the results of interviews with the

parties, it is known that they have understood the procedures for handling complaints and grievance.

Status: Comply

4.3

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

4.3.1

The company shows programs to improve the quality of life and the environment that are beneficial, both for Plantation Companies, the local community and the community in general in the community Involved development document for the 2020 period, including:

- Cultivating edamame in June - December 2020.
- Empowerment of Fire Care Farmer Groups in April, June, August, October and December 2020.
- Training and socialization of forest and land fire prevention in April, July, September and December 2020.
- Health, education, social, cultural, religious and infrastructure activities are located in Kuala Satong Village, Kepyang Elementary School, etc

The company shows the realization of the program implementation until August 2020, for example

- assistance for Manjau's Dayak Demong customary activities on February 8, 2020
- assistance for the activities of the Ketapang Diocese Catholic Youth organization and assistance for madrasah school facilities in Kuala Satong Village on March 24, 2020
- Community forest banyan tree management and organization training for environmental care (Kumpulan Desa Kuala Tolak) on 17-19 June 2020
- Financial Management Training, Tour Guide, First Aid and Economic Empowerment of the Village of Laman Satong Pokdawis, July 14-15, 2020
- Socialization of Forest and Land Fire Prevention and Management in Matan Hili Utara District on August 14, 2020

Status: Comply

4.4

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

4.4.1

Previously during the initial assessment, the scope of certification is 12,648.61 Ha which divided 11,080.99 Ha own estates and 1567.62 Ha fully managed smallholders (Mitra Laman Mayang Sentosa). On this assessment (ASA-1) there is an additional area covering 424.35 Ha in Mitra Laman Mayang Sentosa. Based on the explanation above the total scope of certification is 13,072.96 Ha.

The unit of certification can present the document of land legality as follows:

1. PT KAL:

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

2. Scheme Smallholders (Laman Mayang Sentosa Cooperative) – 1991.97 Ha:

Scheme smallholders of PT KAL (Laman mayang Sentosa Cooperative) has obtained land use title covering 1,567.97 Ha, consisting of 2 certificate as follows:

- Certificate No. 149 dated 03 March 2017 covering an area of 1561.62 Ha valid until 14 February 2052
- Certificate No. 150 dated 03 March 2017 covering an area of 6 Ha valid until 14 February 2052

For the rest of the area covering 424.35 Ha, land legality documents are land register certificates (SKT) from the Village head. For those areas total, there is 213 land register certificate. Land register certificate issued by the village head and it's known by subdistrict head, for example:

- Land Register Certificate area No 593.3/90/LS/PEM/2015 dated 28 May 2015 issued by village head Laman Satong and known by Subdistrict head Matan Hilir Utara, for area covering 2 Ha
- Land Register Certificate area No 593.3/90/LS/PEM/2015 dated 28 May 2015 issued by village head Laman Satong and known by Subdistrict head Matan Hilir Utara, for area covering 2 Ha

4.4.2; 4.4.3; 4.4.4; 4.4.5; 4.4.6

There were no customary rights, and traditional rights within the company's HGU, the entire land use title area was originally converted from the forest area to become the land allocated for other purpose in 2009.

There was an area of community cultivation in the area proposed by the HGU at the time, the land acquisition process had been carried out by the company and completed in 2015. At the beginning of the plantation development, the Company had been socializing to the surrounding community related to the plan to development of oil palm plantations, for example the socialization in Matan Hilir Utara and Sukadana, 19 September 2006. Based on interview with representatives of Village community leaders, cooperative and previous land owners obtained information if that the entire operational area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head, Subdistrict head and etc.

The compensation process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

The company has a procedure for land compensation as outlined in the Land Acquisition and Growth Procedure No. 021 / HR & GA / CP / Land Acquisition / 06-09, 1 June 2009. The procedure shows that in the process of compensating for land, it must go through the approval of the relevant land owner and involve relevant parties according to the type of land ownership. The company has well documented the process of implementing land loss compensation, for example Letter of Agreement 3 of the Village Head in 2012.

Status: Comply

4.5

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

4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

There is no change / new development in the area of PT Kayung Agro Lestari until this assessment.

There were no customary rights, and traditional rights within the company's HGU, the entire land use title area was originally converted from the forest area to become the land allocated for other purpose in 2009.

The compensation process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the

head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.6

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

4.6.1; 4.6.2; 4.6.3; 4.6.4

The company has a procedure for land compensation as outlined in the Land Acquisition and Growth Procedure No. 021 / HR & GA / CP / Land Acquisition / 06-09, 1 June 2009. The procedure shows that in the process of compensating for land, it must go through the approval of the relevant land owner and involve relevant parties according to the type of land ownership. The company has well documented the process of implementing land loss compensation, for example Letter of Agreement 3 of the Village Head in 2012.

The compensation process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.7

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.

4.7.1; 4.7.2; 4.7.3

There is no change / new development in the area of PT Kayung Agro Lestari until this assessment.

There were no customary rights, and traditional rights within the company's HGU, the entire land use title area was originally converted from the forest area to become the land allocated for other purpose in 2009.

There was an area of community cultivation in the area proposed by the HGU at the time, the land acquisition process had been carried out by the company and completed in 2015. At the beginning of the plantation development, the Company had been socializing to the surrounding community related to the plan to development of oil palm plantations, for example the socialization in Matan Hilir Utara and Sukadana, 19 September 2006. Based on interview with representatives of Village community leaders, cooperative and previous land owners obtained information if that the entire operational area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head, Subdistrict head and etc.

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

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

Based on verification on the compensation documents, shows that the landowner has been represented through an institution or representative of their choice, the recipient of the compensation and the one who signed the agreement and statement was the land owner himself witnessed by Sub Village Head, Village Head, and Sub District Head. This is

consistent with the results of interviews with community representatives / ex-landowners during public consultations

Status: Comply

4.8

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

4.8.1; 4.8.2; 4.8.3

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

The results of interviews with representatives including previous land owner obtained information if that the entire operational area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.

Although PT KAL has gained land rights legally but there are still many people using and cultivating in permit Area. The company has had the Area Statement map who described various land use in permit Area, included occupation area width. That's area managed by community are palm oil, rubber or horticulture. In other information, there is no significant land conflict in PT. KAL. Based on interview is with occupants in F13 Division 8 obtained information that they had managed the area before PT KAL was established. Occupants explained that so far there have been no problems and both parties respect each other. The results of the interview also obtained information that they were not willing to be compensated because the area belonged to them and as a source of income for their families. The results of the field visit also revealed that the company had made a ditch as the boundary of the company's operations with the area controlled by the community

In conflict resolution SOP has been explained that any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved by legal means (court or police). The company does not use mercenaries in maintaining peace and order, and based on interviews with the villages mentioned there has been no act of confrontation and intimidation by the company.

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 and 5.1.6

Based on the cooperation agreement for the development of scheme smallholders that made between PT. KAL with cooperative, the determination of the purchase price of FFB from the scheme smallholders follows the determination of the price of FFB by the Provincial Government of West Kalimantan. The determination is carried out twice a month by the Palm Oil FFB Purchase Determination Team in West Kalimantan Province.

The price of FFB can be accessed directly by the public through the website <https://disbun.kalbarprov.go.id/> or through circulars letter that sent by Plantations agency of Kalimantan Timur Province all smallholders and partner companies. All cooperative members can also access price information posted on the cooperative office notice board or ask the assistant partner directly. For independent smallholder and third-party supplier following the company's internal pricing mechanism that stated in article 5 in work agreements.

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. This is consistent with the results of public consultations with representatives of village communities.

The results of public consultations with village officials and administrators of village cooperatives revealed that the payment of FFB for smallholders' scheme was in accordance with the FFB prices set by the Plantation Agency of Kalimantan Barat pricing team. The payment process has been carried out transparently and there has never been a grievance related to the payment. An example of payment verified by the auditor is invoice and proof of payment in July 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 demonstrate 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 018 / KAL / COM / PK / I / 2020 transporting of CPO and PK , payment for December was paid on 12 August 2020 for period of August 2020

Based on the review of work agreements, interviews with Head of Cooperatives as well as local contractors, it is known that the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts have been made fairly, transparently and legally.

5.1.7

The results of observations and interviews with the weigh bridge operators obtained information that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in 14 January 2010 with valid until 29 January 2021

5.1.8

On July 1, 2020, the company carried out socialization and education activities for Independent Oil Palm Smallholders which were attended by 35 participants. In these activities the company socializes aspects of land legality for cultivation and socialization Increases productivity of oil palm cultivation, including the use and handling of pesticides.

5.1.9

The company already has a mechanism for submitting complaints as outlined in the SOP for Handling Differences of Opinion with Communities and Land Ownership Disputes (Document No. SOP-EAD-01; Edition 01/00) dated 01 August 2013 which regulates the complaint mechanism. The company has an SOP for communication and information provision with document no. SOP-Leg-02 with the effective date of September 1, 2015. Based on the SOP, it has been explained that communication and information provision are divided into 2:

1. Internal communication and information provision
2. Communication and provision of external information

The External Relations Officer is responsible for communicating and responding to issues from external parties, both verbally and in writing. Based on the results of the review of the complaint document, it is known that there are no external complaints.

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, 5.2.4

The company has carried out socialization and fostering activities for Sustainable Oil Palm Cultivation such as

- on August 28, 2019 in the Laman Satong Village. In this activity the company socializes aspects of land legality for cultivation and socialization of increased productivity of oil palm cultivation, including the use and handling of pesticides. This activity was attended by 30 participants
- On July 1, 2020, the company carried out socialization and education activities for Independent Oil Palm Smallholders which were attended by 35 participants. In these activities the company socializes aspects of land legality for cultivation and socialization Increases productivity of oil palm cultivation, including the use and handling of pesticides.
- In addition, the company has conducted Financial Management Training, Tour Guide, First Aid and Economic Empowerment of the Village of Laman Satong Pokdawis on 14-15 July 2020.

5.2.3

The company has carried out traceability activities starting from socialization activities with independent FFB supplier farmers on January 21, 2020. Based on the data from the list of FFB farmers who are suppliers of FFB to PT Kayung Agro Lestari, it is found out that the community plantation area is in areas designated for agriculture and plantations with legality in the form of a Certificate Land (SKT) from the Village

5.2.5

The company has reported the progress of the plasma smallholder program in the Plantation Business Development Report which is reported quarterly to the Department of Animal Husbandry, Agriculture, Plantation, Ketapang Regency.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS
6.1

Any form of discrimination is prohibited.

6.1.1

The certification unit has a policy of respecting Human Rights which was established by the director on August 4, 2016. The policies include stating that the certification unit opens equal opportunities for prospective workers, does not discriminate against workers or prospective workers, respects the uniqueness and wealth of talents and views. from employees.

Based on the list of employees provided by the company, it is known that the composition of workers is from various ethnicities, religions and racial. Furthermore, the results of interviews with workers' representatives obtained information that every year the company conducts an employee performance appraisal as a basis for class promotion. The company also involves residents from surrounding villages to be able to work for the company according to their competencies and qualifications.

Thus it can be concluded that the company has implemented a policy of equal opportunities and treatment to get job opportunities.

6.1.2

There are no migrant workers who work in the operational area of the certification unit. Workers do come from various tribes and regions but are still within the same territory of the country. In addition, based on the results of interviews with contract workers, for example in blocks G21 and G22, at the time of the loose fruit picker, it was found that there was never a fee paid for employee recruitment and the work agreement was direct between the worker and the employer. Workers' rights such as wages, health insurance and employment insurance have also been provided by the company

6.1.3
Employee Recruitment Procedure and Career Path System

Regulated in the Guidelines for Employee Acceptance / Appointment & Transfer / Promotion (No.018 / HR & GA / CP / 05-2009. The guidelines include regulating the recruitment process flow, age requirements of prospective workers (Minimum 18 years and maximum 50 years) and the transfer process. and employee promotions. Examples of employee promotions can be shown, for example in accordance with promotional letter number 012 / HRO / SM-KAL / I / 2020 dated January 1, 2020. The worker received an increase in the previous rank of KHT / INS.A to KHT / INS.B .

In the 2020 period the company has not recruited permanent employees. The recruitment is for PKWT (Contract Worker). The Unit of certification can show proof of registration of *PKWT*, for example with number 560/12 / PKWT-TKT-B / III dated March 18, 2020 to the Ketapang Regency Manpower and Transmigration Office for 40 PKWT workers. Companies can also show examples of SPK for *PKWT*, for example *SPK* number 007 / PT KAL / HR & CM / PKWT / I / 2020 between HR & GA Managers and workers from 01 February 2020 - 30 April 2020 as spraying employees of the Division 15 GST-2. The basic wage is IDR 2,860,324 and an allowance of IDR 120,000. PKWT extension with number 078 / PT KAL / HR & CM / PKWT / I / 2020 is valid from 1 May 2020 - 30 July 2020 as a spraying employee in Division 15 GST 02 estate. with a base salary of Rp 2,860,324; - and allowances IDR 120,000.

6.1.4

Pregnancy testing conducted by the certification unit is not discriminatory but is a form of protection for the reproductive rights of women workers, for example in terms of taking a menstrual and maternal leave. Pregnancy tests are carried out once a month by means of urine testing. In addition, menstrual monitoring is always carried out. If pregnant women are found, they will be transferred to light jobs such as looking after daycare and general cleaning. Pregnant and breastfeeding mothers are not allowed to do work that is in direct contact with pesticides and fertilizers

6.1.5

To raise awareness, identify and address issues of concern, and provide opportunities and improvements for women, the certification unit has established a gender committee. The composition of the committee's management is divided into chairman, secretary, extension department, and complaints section. The gender committee itself in 2020 has compiled a work program whose main focus is handling and assistance if cases of sexual harassment and violence are found. Apart from that, routine activities include posyandu once a month as well as clean emplacement activities once a week. Meanwhile, other programs include routine meetings, education on reproductive health and data collection for pregnant, childbirth and breastfeeding mothers

There are examples of documentation of gender committee activities, for example shown by the socialization of gender equality and prevention mechanisms and complaints of sexual harassment and violence which were held on 30 June 2020 and 15 July 2020 at Divisi 13 GST-2 and Divisi 11 GST-1. Based on the results of interviews with representatives of women workers, for example in block G21 division X GST-1, Block L51 Division VI SGT-2 and block G17 Division X, it was found that female workers had known about the existence and function of the gender committee. The workers also said that so far there had never been any cases of sexual harassment or violence.

6.1.6

Based on payroll, it is known that wage payments are equal for the same coverage of work regardless of gender. For example, it can be seen from the proof of payment of employee salaries for the August period as follows:

- Employee Code KA / KA23 / 0214/66 (Male) Basic salary IDR 2,860,324.00 and allowance of IDR 309,767.00
- Employee Code KA / KA23 / 0514/102 (Female) Basic salary of IDR 2,860,324.00 and an allowance of IDR 309,767.00

Based on the interviews with representatives of labour unions and workers, for example in block L51 Division VI Mitra Estate and block G21 division X GST-1, it is known that so far there are differences in wages caused by differences in tenure and class, including the results of employee performance assessments not based on gender.

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; 6.2.2; 6.2.3

The work requirements and other labor regulations can be seen from the following documents:

- PT KAL company regulations for the period 2020 – 2022
- Specified Time Work Agreement
- Guidelines for Employee Admission / Appointment & Transfer / Promotion (No.018 / HR & GA / CP / 05-2009)

A more detailed explanation of the three points above can be seen in 3.5.1

Wage Documentation

The company applies a minimum wage based on the Decree of the Governor of West Kalimantan Number 1377 / DISNAKERTRANS / 2019 concerning the 2020 Minimum Wage for Ketapang Regency, which is IDR. 2,860,323.60, - entered into force on January 1, 2020 and legalized by the Governor of West Kalimantan. There is news of a joint agreement between the plantation sector entrepreneur / entrepreneur association and the Ketapang Regency plantation sector worker / labor union accompanied by a signature dated November 7, 2019. In article 1 it is mutually agreed not to regulate the Ketapang District Minimum Wage (UMSK) in the Plantation and Industry Sub-Sector CPO processing in

2020 and Article 2 refers to the *UMSK* of Ketapang Regency, the plantation sub-sector and the oil palm processing industry of IDR. 2,860,323.60, -.

There is an internal memorandum number 003 / ANJA / HRSS / IM / I / 2020 dated 17 January 2020 by the HR Director regarding the implementation of the 2020 minimum wage for permanent daily employees (*KHT*) of PT ANJ Agri & Group Region 1 & 2. This calculation is used for permanent daily employees with a service period of less than 1 year according to the UMK Ketapang Regency of IDR. 2,860,324, -.

Whereas for permanent daily employees with a working period of more than or equal to 1 year, the *KHT* region 1 & 2 wage scale applies as follows:

Year of Service	Monthly Allowance
≥ 1 year to 5 years	IDR 5,000
> 5 years to 10 years	IDR 7,00
> 10 years to 15 years	IDR 10,000
> 15 years to 20 years	IDR 12,500
> 20 years	IDR 15,000

accordance with these provisions, for example shown by the payment of workers' wages with Employee Code KA / KA31 / 0315/39 (helper boiler) for the period of August 2020 as follows:

- Basic salary: IDR 3,051,819.00
- Overtime: IDR. 5,988,976
- Natura allowance: IDR 354,375.00

It has been shown the details of the employee's daytime overtime including the calculation of overtime on short days and Sundays. The paid overtime pay is in accordance with company regulations and does not conflict with wage regulations in Indonesia. The results of interviews with workers also obtained information that the person concerned had understood the calculation of overtime. Based on the interviews with workers representatives, for example in block J 26 division IX Mitra Estate and block L51 division VI SGT-2, it was found that workers had received appropriate wages.

Deductions available for workers who do not complete both the time and yield bases. This has been explained in the company regulations agreed by the worker representatives. The results of interviews with trade unions also revealed that they understood this clause. However, it is being discussed again regarding the fulfillment of these two bases as described in 4.2.2 - 4.2.4

6.2.4

The certification unit has provided facilities and infrastructure for employee welfare including housing, houses of worship, sports facilities, clean water facilities, clinics, electricity, and daycare. The certification unit itself uses the Central Housing Complex (CHC) system so that the facilities and infrastructure mentioned earlier are centered in one location. Based on the results of field visits to the CHC area, it was found that the facilities and infrastructure were in good condition. No complaints were submitted by either the ward chief or the residents of the CHC.

6.2.5

Based on the interviews with worker representatives, for example in blocks H37 and H25 GST-1 as well as residents of PT KAL housing, it is known that access to adequate food can be said to be very affordable. The company provides an employee cooperative that provides workers with daily needs including foodstuffs. In addition, in each nearby village there is also a market day every two weeks.

6.2.6

The standard of wage eligibility referred to by the unit of certification is the *UMK*. A detailed explanation of *UMK* is provided in indicator 6.2.1. The DLW Benchmark for Indonesia has not yet been determined, however, the company has simulated the Prevailing Wage calculation. The components included in the calculation of a living wage include the following:

- Housing: IDR 2,050,962.02
- Electricity : IDR 294,000.00

- Water : IDR 185,500.00
- Transport : IDR 60,733.00
- Minimum Wage : IDR 2,860,323.60

The total prevailing wage was IDR 5,451,518.62

6.2.7

The certification unit has identified the main types of work in its activities such as harvesting, upkeep, and activities in the mill. From the results of interviews and verification of the employee list document, it was found that the workers who carried out the work were permanent employees. Especially for the harvesting in GST-1, there is the use of contract worker (*PKWT*). An explanation from the management representative of the use of contract harvester only during certain seasons (peak crop), while in normal conditions there is no use of contract harvester.

Based on the verification of the trend of FFB production are known that in the period April to July 2020, especially in GST-1, there was a significant increase in production. The work agreement with *PKWT* harvester workers has only started since April 2020 and is valid for 3 months then extended back to October 2020. Based on the description above, it can be concluded that the company has used permanent employees for all major types of work. The exception that arises is for *PKWT* harvester at the peak crop.

Based on the results of interviews with the foreman and temporary harvesters in block G21, Division XII GST-1, it was found that harvesters only worked for a certain time and were not full in one year.

Status: Comply

6.3

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

6.3.1; 6.31; 6.3.3

The company has a policy of freedom of association for employees as outlined in GM Internal Memo addressed to All Employees No. 11 November 2014 dated 11 November 2014 states that PT KAL is committed to complying with all applicable legal provisions for the implementation of harmonious industrial relations. The implementation of this policy is by forming a labour union. The labour union that is currently still active is the Patriot Pancasila Labor Union. In accordance with the letter dated August 24, 2020 to the Ketapang Regency Manpower and Transmigration Office, the organization requested to be registered for a new management composition due to the old management reshuffle. The letter was received by the relevant agencies on August 24, 2020 and until the ASA-1 assessment was carried out there was no reply letter regarding the application.

Based on the interviews with workers, for example at the sorting and grading station, spraying activities in block G21 GST-1 and harvesting activities in block B43 division V SGT-2, it was found that workers were aware of the existence of a labor union and its activities. The record of the meeting minutes between the union and the company, including on July 20, 2020, with a discussion of the wage deduction and the value of incentive on holidays.

labour union representatives also said that so far the company has never interfered in the election activities and the formation of union officials. The company only acts as a facilitator to support activities and a partner if there are things the union wants to discuss. In addition, based on the organizational structure of the workers' union, it is known that there are no managers who come from the staff level. All union officials are at the foreman's level down, who represent the group of worker

Status: Comply

6.4

Children are not employed or exploited.

6.4.1; 6.4.2; 6.4.3; 6.4.4

The unit of certification has a Human Rights Protection policy issued by the General Manager on April 8, 2016. One of the policy points includes the prohibition of employing minors. There has not been an explicit written policy on child

protection. However, the realization of child protection has actually been implemented, such as provision of adequate housing, provision of health facilities, provision of sports facilities, provision of child care centers to the establishment of a gender committee, one of which includes child protection. Thus the unit of certification has the opportunity to formally design and establish child protection policies. OFI

The certification unit has a policy regarding the age limit of workers, which is at least 18 years old so that no young workers are employed. According to the employee list, the youngest employee was 19 when he started working. In addition, based on the results of field visits and interviews with both Mill and estate employees, for example block G21, block J26, block L51, and the CWT area, it is known that every worker has understood the prohibition of child labor.

Regular outreach to stakeholders regarding the prohibition of child labor is also routinely delivered, for example at the Farmer's Day activity on July 1, 2020. This activity was attended by a total of 35 people from representatives of FFB suppliers, local governments, to contractors.

Status: Comply

6.5

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

6.5.1; 6.5.2; 6.5.3

The company has guidelines for implementing the settlement of sexual harassment cases in Internal Memo No.019 / GMO / KAL / IM / III / 2015 from GM on March 1, 2015 with contents such as:

- Provide protection to all employees and staff who are victims of sexual harassment
- Forming a committee for handling sexual harassment issues made in a self-determination letter and a procedure in the settlement process is set out as described in this attachment.
- Give attention and facilitate to convey directly to the committee on sexual problems if there are employees who experience this
- Counseling women affected by violence

Policies to protect reproductive rights are contained in the Internal Memo of General Manager No. 096 / GM / KAL / IM dated 10 November 2014 concerning Protection of the Reproductive Rights of Female Employees. The memo explains that the company guarantees the protection of female employees' reproductive rights with mechanisms and procedures that are in accordance with the law, relevant ministerial regulations and company regulations.

The implementation of these policies includes the establishment of a gender committee and arrangements for maternal and menstrual leave. Based on the interviews with representatives of the gender committee and representatives of female workers, for example in Block G17 Mitra Estate, block L51 SGT-2, and Block H23 GST-1, it is known that the company has implemented the policy well.

Based on the field visit to the CHC show that to accommodate the needs of young mothers in breastfeeding, breastfeeding corners have been provided in the office area and child care area. In addition, 1 hour of special time is given for workers who are breastfeeding to be able to provide breast milk to their children, namely from 10:00 to 11:00

6.5.4

The company already has a mechanism for submitting complaints to both internal and external parties as outlined in several SOPs as follows:

- SOP for Handling Differences of Opinion with Communities and Land Ownership Disputes (Document No. SOP-EAD-01; Edition 01/00) dated 01 August 2013
- SOP for communication and information provision with document no. SOP-Leg-02 with the effective date of September 1, 2015
- Internal Memo No. 034 / GMO / KAL / IM / IX / 2016 dated 8 September 2016. Based on this mechanism, it is explained that complaints can be submitted to direct superiors or higher superiors or to the HRD department.
- Company regulations for the period 2020 – 2022

The procedure above has explained about the person in charge of receiving and resolving complaints (external and internal officers including HRD), response timeframe (between 14 - 28 days), confidentiality of the reporter and whistleblower, until further handling of complaints is possible to a tripartite level. (Mediation and settlement by

government)

Based on the results of interviews and document studies, it is known that during the past year there have been no complaints regarding cases of sexual harassment and violence, domestic violence, or restraints in reproductive rights. Complaints regarding other matters have been described in indicator 4.2.2

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1; 6.6.2

There are no migrant workers who work in the company's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in company regulations, collective labor agreements, and in work agreements

Employment procedures for contract worker (*PKWT*) are listed in the work agreement attached to each worker. The company has also recorded *PKWT* personnel with related agencies, for example shown by proof of registration number 560/12 / PKWT-TKT-B / III dated March 18, 2020, to the Ketapang Regency Manpower and Transmigration Office for 40 workers. As stated by the management representative, the use of *PKWT* personnel is only for work that is seasonal in nature, such as harvesting during the peak crop and completion of mature/immature upkeep whose rotation is not achieved.

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

OHS Organization

In accordance with the Decree of the Head of the Technical Implementing Unit (*UPT*) No. 74 of 2018 dated 19 December 2018 concerning P2K3 ratification at PT Kayung Agro Lestari with a validity period starting from the date it was signed on 19 December 2018 to 19 December 2020. The Chair of P2K3 is JP and the P2K3 Secretary is DT (initial). There is evidence that the *P2K3* secretary is an OHS expert, based on the Decree on the Appointment of a General OHS Expert No. KEP.P.8610 / NAKER-BINWASK3 / XII / 2017 dated 29 December 2017 initial DT for PT KAL company with a validity period of 3 years.

Periodic Meetings

For example, it was shown by the recording of the P2K3 meeting on May 4, 2020, attended by 20 people, discussing several things as follows making boundary pole monitoring activities in HIRA, boiler operator initial EA has not conducted audiometric check up, and estate simulations for emergency response. And then meeting on March 13, 2020 with a discussion of the prevention of Covid-19

6.7.2

Emergency Response and Work Accident Procedures

- Emergency Response Team SOP Document No SOP-EHS-026 effective April 10, 2018, among others, states about the provision of adequate / trained human resources and the availability of countermeasures. Form an emergency response team and carry out emergency simulations at least once a year including first aid training and fire fighting training
- SOP for the Handling of Work Accident Victims No.Document SOP-EHS-030 edition 02 Revision 01, effective April 14, 2018, among other things, that all victims of work accidents receive proper handling and be carried out as soon as possible.

Work Accident Records

The unit of certification shows the Recapitulation of Work Accidents in the first semester of 2020, where there were 43 cases of work accidents. Of the 43 cases, 2 cases were referred to advanced health facilities while the other cases were handled by the company clinic

There are examples of work accident investigations conducted by the company for employees who have experienced work accidents and reported immediately to *BPJS Ketenagakerjaan*, for example work accidents for worker initial SRFY

on April 16, 2020, in block F39 / F40, he fell from the top of the tractor. There is an accident investigation report made by the EHS Coordinator addressed to the General Manager. Then the *KK* 1 report format and the accident investigation were reported to the Ketapang Branch *BPJS* via email on April 17, 2020.

First aid officers and facilities

Based on the field visits for agronomy activities at GST-1, SGT-2 and Mitra Estate, it was found out that one first aid officer was provided in each division who was in charge of carrying out first aid in accidents. Evidence can be shown that field first aid workers have received training. During field visits at GST-1 and SGT-2, the officers in charge could easily be found, but during field visits to the Mitra Estate the First aid officers in charge were difficult to contact and found because they were in an area that had no signal. Thus the unit of certification has the opportunity to evaluate and reassure each person in charge / first aid officer (especially those on duty in the field) be ready when needed / face an emergency. **OFI**

6.7.3

All workers have been provided with PPE free of charge. Based on the results of interviews and field visits to mill and estate operations, the following facts are found:

- Mill process station: Workers have used complete PPE such as safety shoes, earplugs, masks, and helmets
- GST-1 and SGT-2 spraying activities: Pesticide applicators use complete PPE including boots, goggles, masks, aprons and rubber gloves
- Mitra Estate harvesting activities: Harvesters wear boots and helmets

However, based on the field visits and interviews with harvesters, the spraying team, and the GST-1 manuring team, it was found that the majority of workers did not know the mechanism for replacing damaged PPE (especially shoes) but the replacement period had not yet arrived. During the field visit, information was also obtained that 3 workers and 1 foreman were using shoes that were procured themselves because the shoes provided by the company had been damaged but the replacement period had not yet arrived.

In the IOM regarding the replacement of PPE issued in 2016, it has actually clearly stated that the PPE allowance for boots is 1x in 1 year, but if it is damaged before that period because it is used for work and evidence of damaged shoes can be shown, it will be replaced for free. The company has also shown documentation of the IOM socialization to employees

Thus the company has the opportunity to evaluate the effectiveness of communication and socialization to each employee, especially regarding the PPE replacement procedure. **OFI**

6.7.4

The policy on involving employees in the social health and employment security program is contained in company regulations. The implementation of the policy is proof of payment of the guarantee membership, for example, it is shown by:

- Proof of *BPJS Kesehatan* payment for the period July 2020 for 1,798 employees and 2,803 dependents through the Bank with *transaction ticket no* 20081099228621773841
- Proof of payment of *BPJS Ketenagakerjaan* for the July 2020 period for 73 PKWT people through Bank Mandiri with transaction ticket No. 20081099228810916009
- Proof of payment of *BPJS Ketenagakerjaan* for 1,840 employees through Bank Mandiri with transaction ticket No. 20081099228511773768

The company has been able to provide justification regarding the difference in the number of employees in the payroll and the number of employees in the billing statement. For example, for *BPJS Kesehatan* 10 people have stopped and have not been reported, 42 others have been registered but are not deducted on the payroll, and 14 other people are not deducted at *BPJS Kesehatan* but cut off on the payroll. Meanwhile, the difference in *BPJS TK* was caused because 1 person was still in the registration process.

Based on the interviews with workers in chemical warehouses, boiler stations, and block J26 Mitra Estate, it was found that workers had received health insurance and work accident insurance. Workers have also received

membership cards for both programs

6.7.5

The work accident statistics for the 2019 period are as follows

- Man hours: 7,597,79
- Injury rate: 0.39
- Loss time injury severity rate: 0
- Fatality: 0

6.7.2 **Status: OFI**

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

7.1

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

7.1.1

The company has an IPM plan which is included in the SOP. Procedures related to the observation and control of plant pests are available in the SOP-AGR-20 Integrated and Pest Control edition 01 revision 01 dated April 1, 2016. This procedure describes the objectives, early observation systems, and control procedures.

The company also showed the SOP for control of rats and owls, document number SOP-AGR-21 as one of the controls using natural predators. Rat control also uses the Rat Bait method, namely the use of rat poison to control rat pests if the census results show an attack rate of > 5%.

The company has shown documents related to pest observation as part of the EWS for each estate, namely PT KAL's Pest and Disease Monitoring for the June 2020 Period. Based on these documents it is known that there was an attack of rats in Division 10 (percent attack 6.24%), division 11 (percent attack 5.40%), and division 12 (percent attack 5.77%), while for other pests such as termites, caterpillars and horn beetles there are no attacks. Based on the results of the census, control was carried out using rat poison with a total use of poison as much as 395.10 kg.

7.1.2

Based on the results of document studies and field observations in GST-1 block G 39, it is known that along the roadside Butter Cup Flower (*Turnera subulata*) has been planted and there is also a beneficial plant nursery (*Turnera subulata*) in the block. Based on the applicable regulations in Indonesia, it is known that these plants are not classified as invasive species.

7.1.3

Based on the results of interviews with company management, it is known that the company has never controlled pests by using fire. This is confirmed by the results of field visits. During field visits to several blocks, no burn marks were found due to pest control using fire.

Status: Comply

7.2

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

7.2.1

The company has shown a list of pesticides used by the company. In this document, it has been explained about the targets of the pesticides used. The list of pesticides used by the company is as follows:

No.	Name	Active Ingredients	Target	LD50 (mg/Kg)		Class
				Acute Oral	Acute Dermal	
1	Ally 20 WG	Metil metsulfuron 20 %	Broadleaf weed : Ageratum conyzoides, Borreria alata, Clidemia hirta	> 5000	> 2000	III

2	Amiphosate 480SL	Glyphoste Isopropilamine 480 g/l	Broadleaf weed : Ageratum conyzoides, Borreia alata, Clidemia hirta, Narrow leaved weed : Ottochloa nodosa	> 5000	> 5000	III
3	Basta 150 SL	Amonium glifosinat	Broadleaf weed : Ageratum conyzoides, Narrow leaved weed : Axonophus compresus	1730	593	II
4	Besqueen	Asefat 80 %	Bagworm : Metisa plana			III
5	Boral 480 SC	Sulfentrazon 480 g/l	Broadleaf weed : Ageratum conyzoides, Synedrella nodiflora, Narrow leaved weed : Eleusine indica, nut grass	2084	> 2000	III
6	Dipel WG	Bacilus thuringiensis	Nettle Caterpillar	> 5050	>2020	III
7	Ditahane M-45	mankoze 80 %	Leaf spot	> 5000	> 5000	III
8	Garlon 670 EC	Triklopir Butoksi etil ester 670 g/l	Broadleaf weed : Chromolaena odorata	2574	> 5000	II
9	Kixor 70 WG	Saflufenacil 70 %	Broadleaf weed : Ageratum conyzoides, Synedrella nodiflora, Asyatasia gangetica	> 2000	> 2000	III
10	Marshal 5 GR	Karbosulfan 5 %	Oryctes	905	> 2001	III
11	Matador 25 EC	Lamda sihalotrin 25 g/l	Nettle Caterpillar	64 - 110	> 1800	III
12	Pentaup - Z 480 SL	Glyphostae Isopropilamine 48 %	Asystasia gangetica, Borreria alata, Mikania micrantha, Ischaemum timorense, Ottochloa nodosa, Paspalum conjugatum	> 5000	> 5000	III
13	Racumin Wax Block 0,0375 BB	Coumatetralyl 0.0375 %	Rattus tiomanicus, Rattus argentiventer	> 5000	> 5000	III
14	Regent 50 SC	Fipronil 50 g/l	Termite	1498	> 2000	II
15	Score 250 EC	Difenokonazol 250 g/l	Leaf spot	3129	> 5000	IV

Based on the results of field visits in block LG17 Division X Mitra Estate on circle and path spraying work, it is known that workers have understood the types of pesticides used, target weeds, and where to spray.

7.2.2

The company has shown a list of pesticides used by the company and documents on the use of pesticides for the period January - August 2020 for each estate. The document describes the month, division area, FFB production, amount of pesticide use, weight of active ingredients, use of pesticides per hectare, total use of active ingredients per hectare, and amount of active ingredient per tonne of FFB produced. An example is the use of the pesticide Amiphosate 480SL with the active ingredient Glyphoste Isopropilamine 480 g / l during the January - August 2020 period at Mitra Estate at 363.30 liters. With the active ingredient used is 174,384 grams, the use of pesticides is 0.14 liters per hectare. The use of active ingredients per hectare is 67.11 gr per hectare and the use of active ingredients per ton of FFB produced is 7.12 gr / ton of FFB.

7.2.3

The company has shown documents on the use of pesticides during 2019 and the period from January to August 2020 for each estate. Based on these documents, it is known that the amount of pesticide use by the company and the decrease in the use of several types of pesticides. An example is the use of the pesticide Amiphosate 480SL with the active ingredient Glyphosate Isopropilamine 480 g / l during the January - August 2020 period at Mitra Estate at 363.30 liters. With the active ingredient used is 174,384 grams, the use of pesticides is 0.14 liters per hectare. The use of active ingredients per hectare is 67.11 gr per hectare and the use of active ingredients per tonne of FFB produced is 7.12 gr / ton of FFB. The use of the pesticide Amiphosate 480 SL for the period January - August 2019 is 1236.5 liters. With the active ingredient used is 593,520 grams, the use of pesticides is 0.47 liters per hectare. The use of active ingredients per hectare is 228.40 gr per hectare and the use of active ingredients per ton of FFB produced is 22.09 gr / ton of FFB.

7.2.4

Based on the results of a document review of pesticide use, interviews with company management and results of field visits. It is known that the company does not use pesticides preventively to prevent pests and diseases. Pest control is only carried out based on census results. If it is known that the census results have passed the threshold, then control is carried out.

7.2.5

The company has shown documents related to the list of pesticides used by the company. From these documents it is known that there are 15 types of pesticides used by the company. The document explains the trade name, active ingredient, pesticide registration number, distribution permit period, LD50, and pesticide class. Based on the results of field visits to chemical storage warehouses, no pesticides were found in WHO class 1A / 1B pesticides. One example is Pentaup - Z 480SL with the active ingredient Isopropyl amine glyphosate with pesticide class which is a class III pesticide.

7.2.6

The company has a training plan for 2020 and documentation of the realization of that plan. For example shown by:

- GAP and GMP training: covering harvesting, spraying, fertilizing, IPM, processing, maintenance, pruning training, peat management training, etc.
- OHS socialization including training on the management of hazardous and toxic waste materials and hazardous and toxic materials.

The realization shown is for example:

- Socialization of OHS and Environmental Policy in January and April 2020 attended by 129 participants and 83 participants

Based on the results of interviews with spray workers in block G17 Division X Estate Partners during field observations of spray workers, the workers explained that the company had provided training related to spraying. The workers said that during the training, they were told about the types of pesticides, how to spray them, first aid in case of work accidents, no spraying near water bodies and the importance of wearing appropriate PPE.

7.2.7

The company has standard operating procedures related to pesticide storage which are stated in the SOP Document No FRM-SOP-EHS-004 edition 02 revision 01 which is in effect since 10 April 2018. The SOP explains the following:

1. Purpose
There should be safety guidelines for the placement and storage of hazardous chemicals and storage of fertilizers.
2. Scope
This procedure applies to the storage of chemicals (pesticides / herbicides) and fertilizers at PT Kayung Agro Lestari
3. Procedure
Chemicals (pesticides / herbicides) and fertilizers are widely used in controlling plant pests and providing plant fertility. Chemicals and fertilizers stored in warehouses also have the potential to cause accidents, so safety procedures need to be made in their storage. In the procedure it is also explained that chemicals and fertilizers

must be placed neatly and safely on pallets or racks that have been predetermined based on their respective groups, and put labels according to the chemicals and fertilizers in the group.

Based on the results of field visits to chemical and fertilizer storage, it is known that chemical storage is placed on the available shelves and stored according to its type and has been equipped with the MSDS.

7.2.8

Based on the results of visits to the Temporary Storage for Hazardous Waste in CWT, it was found that the company had carried out the storage of used pesticides in the Temporary Storage for Hazardous Waste with a permit.

7.2.9

Based on the results of the pesticide use document review and interviews with company management, it was found that the company did not control pests by spraying pesticides through the air.

7.2.10

The certification unit has routinely carried out special health checks for pesticide operators. The last inspection was carried out in November 2019. Based on the summary of the results of the examination, it is known that all pesticide applicators have been included in the program, for example 24 SGT-2 pesticide applicators, 37 GST-1 pesticide applicators, and 17 Estate Partners pesticide applicators. The tests carried out include complete hematology, complete urine, liver function, kidney function, and general physical examination

From the results of the examination, it was found that there were abnormal conditions, namely mild, moderate, to severe restrictions. Employees who experience these abnormal conditions have received follow-up checks, for example workers with the initials Shrd and End who have been re-examined on March 3 and 4, 2020. The results of the examination stated that they were healthy for work. Meanwhile, the results of the inspection for workers with the initials INH and TRY stated that they could not work again with pesticides. The results of the field verification show that the workers with the initials INH and TRY are currently working as loose fruit picker

7.2.11

The unit of certification clearly states that pregnant and breastfeeding women are prohibited from working with pesticides. To ensure this, the company periodically through the clinic conducts menstrual monitoring and conducts pregnancy monitoring. Based on the results of interviews with the GST-1 spraying team, it is known that so far, socialization regarding the prohibition of pregnant and breastfeeding women from working with pesticides has been routinely delivered. The worker said that if a member of the spraying team is pregnant and breastfeeding, they will be transferred to light work that is not related to pesticides.

At the time the ASA-1 assessment was carried out there were 2 out of 15 members of the spray team who were transferred to other jobs because they were pregnant. Regarding workers with medical disabilities has been described in 7.2.10

Status: Comply

7.3

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

7.3.1

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

Based on the results of the visit to the Temporary Hazardous Waste Storage Warehouse, it was found that the company had stored LB3 according to the procedure. There are MSDS, oil traps, spill kits, preparation of hazardous waste according to types & characteristics, symbols of hazardous waste and monitoring logbook of entry and exit of hazardous waste.

The company has documented hazardous waste management activities in the hazardous waste report for the first quarter of 2020, which states that the company has submitted hazardous waste on March 7, 2020 which was transported by PT Bank Sampah Indonesia. The company has shown an official report on the delivery of hazardous

waste in the form of hazardous waste.

7.3.2

The company has a SOP regarding the management of Hazardous Waste No. Document SOP-EHS-009 edition 02 revision 01 on April 10, 2018. The procedure aims to handle hazardous waste in the form of used oil, used batteries and packaging waste in accordance with applicable regulations. The procedure explains that hazardous waste must be collected in a special place in each estate (the shelf life is stipulated in the Internal Memo Regarding LB3 Delivery Mechanism No.: 30 / GMO / KAL / IM / X / 2019) and then sent to the Hazardous Waste Temporary Storage at Central Workshop.

The company shows evidence of implementing the Hazardous Waste Management training on May 30, 2020, Warehouse Officers and Mill Officers. Followed by 15 employees. From the results of interviews with Hazardous Waste Storage personnel in the hazardous waste storage warehouse, workers were able to explain and demonstrate hazardous waste management, starting from receiving, storing, labeling to shipping accordance with waste management plan.

7.3.3

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

Based on the results of visits to central housing, it is known that domestic waste is managed by providing garbage bins in each house and transporting it every day to the waste disposal site in block G 50.

Status: Comply

7.4

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

7.4.1

The company shows the SOP for soil fertility management number SOP-AGR-11 regarding the SOP for Oil Palm Fertilizer and Fertilizer which explains :

- Types and dosages of fertilizers
- Time of application
- Preparation before application
- Implementation of the application
- Administration
- EFB
- Decanter solid
- Supervision of fertilization
- Soil analysis and leaf analysis
- Types of fertilizers and nutrient functions
- Environmental and safety aspects

The company has shown the 2020 fertilization plan and realization documents for each estate. The examples are as follows:

- The plan for urea fertilizer semester 1st Division IV SGT 02 amounting to 71,787 kg and has been fully realized (100%).
- The plan for Urea fertilization for semester 1 GST 1 is 232,977 and has been fully realized (100%)
- Mitra Estate urea fertilizer plan for semester 1 is 215,043 kg and has been fully realized (100%).

The company has also shown the utilization of factory waste, one of which is the EFB in Mitra Estate application of 1,363,920 Kg in semester 1.

7.4.2
Soil Sampling

The company conducted a soil analysis conducted by PT Nusa Pusaka Kencana Analytical & Quality Control Laboratory on July 1, 2019. The soil analysis was stated in the Soil Analytical Report document. The realization of the evaluation of soil fertility status in KAL is that observations are made to determine pH, organic C content, total N (in%), total P and available P content, K content, Mg content, Na content, Ca content and cation exchange capacity values. (KTK).

Leaves Sampling and Visual Analysis

The company has shown evidence of implementation in accordance with the SOP, including the results of the 2019 leaf analysis report. The indicators carried out were the observations, including levels of N, P, K, Mg, Ca, B, Cu and Zn and supporting data in the form of visual observation. The examples are as follows:

- Taking leaf samples in Block B03 with the results of the N content of 2.88%, P of 0.169%, K of 1.12%, Mg of 0.25%, Ca of 0.66% and Cl of 0.85%.
- Taking leaf samples in Block D062 with the results of the N content of 2.79%, P of 0.19%, K of 1.18%, Mg of 0.43%, Ca of 0.43% and Cl of 0, 50%.

7.4.3

The company has a strategy related to waste management in the SOP-EHS-008 Revision 01 Waste Management Plan Procedure dated April 10, 2018, this SOP has the aim of making efforts to reduce, reuse and control based on applicable regulations and the latest environmentally friendly implementation.

- Identification of waste sources in each process or activity that produces waste such as B3 waste, solid / liquid waste, clinical waste, household waste and emissions from motorized vehicles
- Utilization of waste such as Empty Fruit Bunches, Shells and POME
- Waste that cannot be reused must be monitored and made a temporary storage place for hazardous and toxic waste and collaborate with a third party for its management and destruction
- Measurement and monitoring such as emissions from boilers will be tested by a certified institution and reported in the RKL / RPL report. Waste management monitoring must be carried out regularly
- There is a waste management flow, such as solid waste such as empty bunches which will be applied to the Estate as nutrients and shell and fiber as boiler fuel. For liquid waste, it will be applied to the Land Application.
- The resulting household waste will be composted for organic waste and inorganic waste will be disposed of to landfills

One example of waste utilization is the use of 145,937 M3 POME which is channeled to the Land Application. In addition, the company has also shown documents on the utilization of Empty Fruit Bunch) of 1,363.920 MT in semester 1.

7.4.4

The company has shown documents related to the planned and realization of fertilization for each estate. The examples are as follows:

- The Rock phosphate division 8 Mitra Estate fertilizer program in 2020 is 329,507 kg and has been realized as much as 251,682 kg with a percentage of 76.38%.
- The Urea fertilization program at GST 1 Estate in 2020 is 532,085 kg and has been realized as much as 391,108 kg with a percentage of 73.50%.
- The Urea fertilization program at SGT 2 Estate in 2020 is 330,189 kg and has been realized as much as 166,634 kg with a percentage of 50.47%.

In addition, the company also shows the use of fertilizer per tonne of FFB produced. An example is the use of urea of 109.83 kg of urea per tonne of FFB produced

Status: Comply

7.5
Practices minimise and control erosion and degradation of soils.
7.5.1

The company has shown a map of the soil types contained in PT Kayung Agro Lestari PT KAL (GIS / EST / ANJ-HO / PETA-446 / PTKAL / 13 FEN 2014) with a scale of 1: 40000. Based on the map, it is known that the types of soil found in PT KAL are:

- Shallow peat (<3 meters): 4,557 ha

- Deep peat (> 3 meters): 5,806.56 ha
- Sand: 2,670.5 ha
- Minerals: 4,964.07 ha

In addition, the company has also shown a map of PT KAL's land cover class with a scale of 1: 100,000. based on this map, it is known that PT KAL's slope class is as follows:

- 0 - 8 (flat - wavy): 10,834.86 ha
- 8.1 - 15 (wavy to hilly): 883.72 ha
- 15.1 - 25 (hilly): 236, 25 Ha
- 25.1 - 30 (hilly to steep): 149.49 ha
- > 40 (very steep): 77.28 ha

7.5.2

Based on the results of the review of the area statement documents, interviews with the company and the results of field visits, it was found that the company was not in the context of replanting oil palm. The oldest plants are those with a planting year of 2010 and the youngest being a planting year of 2013, so the company has no plans to replant.

7.5.3

Based on the results of the study of the area statement documents, interviews with the company and the results of field visits, it was found that the company was not in the context of new oil palm planting. The oldest plants were plants with a planting year of 2010 and the youngest being a planting year of 2013.

Status: Comply

7.6

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

7.6.1, 7.6.2, 7.6.3

Based on the results of the review of the area statement documents, interviews with the company and the results of field visits, it was found that the company had not planted any new oil palm plantations in the context of developing new plantations. The oldest plants were plants with a planting year of 2010 and the youngest being a planting year of 2013.

Status: Comply

7.7

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

7.7.1

Based on the results of document review, interviews with company management and field visits, it was found that the company did not carry out any new planting activities either in existing plantation areas or new developments.

7.7.2

The company has reported its peat inventory to the RSPO secretariat (ghg@rspo.org) on 15 November 2019 by Diana.Ratna@anj-group.com. And received a reply from the RSPO secretariat on November 27, 2019 with the content of the email "My humble apologies for not reverting soon as we are verifying bulk of submissions at the moment. We acknowledge receiving this submission and noted that ANJ Group will update us should there be more accurate data available as well as the submission for uncertified area can be anticipated by 31st March 2020".

7.7.3

The company has monitored subsidence in the peat area. Monitoring is carried out once every 6 months. The examples of monitoring carried out are as follows:

1. Block F024 Division 10 GST 1 installation in April 2017. The total subsidence until the last measurement in April 2020 was 3.34 cm (3 years period).
2. Block C35 division 4 SGT 2 installation in December 2016. The total subsidence as of the last measurement in April 2020 is 5.69 cm (span of 3.5 years).
3. Block B58 Division 6 SGT 2 installation in December 2016. The total subsidence as of the last measurement of April 2020 is 4.74 cm (span of 3.5 years).

Based on the results of the field visit to the sub-resident stake in block B43, Division 5, SGT 2, it was found that the reduction in sub-residents was 7 cm.

7.7.4

The company manages water as set forth in the Water Management countermeasures program and realization. The examples contained in SGT 2 are as follows:

1. There are 10 water pond construction plans and 8 units have been realized to date.
2. The plan for drilling 15 wells has been realized and 15 units have been realized
3. Plans for making 19 interconnection units and have been fully realized.
4. Plans for making reservoir but currently have not been realized.
5. The plan for making 35 stop bunds has been fully realized.

Based on the results of field visits in block B43, division V SGT 2, it is known that in the collection trench there is a stop bund which functions as a regulator of the water level in the trench, besides that based on observations on the piezometer it was found that the groundwater level in the planting area was 46 cm above the ground . During the visit to the block it was also discovered that the company maintains ferns as a cover crop.

7.7.5

Based on the results of the review of the area statement documents, interviews with the company and the results of field visits, it is known that the company is not in the context of replanting oil palm within the next 5 years. The oldest plants are those with a planting year of 2010 and the youngest being a planting year of 2013, so the company has no plans to replant.

7.7.6

The company has managed peatlands by monitoring the water level using a water level stick installed in the collection drain. In addition, the company also monitors the groundwater level in the planting area using monitoring wells. During the field visit at block B43 Division 5 SGT 2 in the monitoring well (piezometer) No. 16, the groundwater level in the planting area was found to be 46 cm and the installation of a stop bund in the collection drain which functions to adjust the water level in the drain.

7.7.7

The company has an SOP related to land fire control which is stated in the SOP-EHS-005 which is in effect since April 10, 2020. In the soup, the steps for handling fire control and prevention of land fires are explained. The company has monitored HCV areas or peat areas bordering oil palm plantations by installing HCV area signs, maintaining water level elevations outside the plantation area at all times and installing signs of fire-prone areas.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

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

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

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

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

- To avoid pollution to the river border, oil palm maintenance are done manually (does not use chemicals) and organic fertilizer is not permitted.
- Dissemination to employees and the community around the area about the benefits and functions of the river border
- River water quality analysis twice a year
- Signboard maintenance and new signboard installment.

Based on the results of visits to central housing, it was found that the company utilized a surface water source in the form of a reservoir and it was pumped in each house and had provided a water storage reservoir in each employee's house.

7.8.2

The surface water quality monitoring program has been stated in the PT Kayung Agro Lestari RKL-RPL document which is carried out every 6 months. From the results of water quality tests that have been carried out, it is known that there are pH test results that are below the quality standard such as the Satong River, Satong Kanan River, Upper Kepayang River and Central Kepayang River. This is because the three rivers intersect with the peat area, so the pH tends to be more acidic.

The company has carried out indirect socialization through the installation and maintenance of the signboard, this is evidenced by showing a recap of the signboard installation and maintenance activities, for example maintaining the Satong Laman river border signboard in March 2020

Based on the results of interviews with HCV staff, it was found that in 2019 the company had planted *Jungkang*, *Simpur*, *Medang*, *Jambu Monyet*, and those that survive in the riverbank area are *simpur* plants and the company is trying to develop plant types for land rehabilitation and is still in the stage further trials. Based on the results of visits to Kepayang River block H19 / 20 and Satong Laman River block E28, it is known that the company has determined the width of the river boundary according to its SOP, and there is a sign board in the river border area.

7.8.3

The results of testing the quality of liquid waste from July to August with a BOD level of 129.40 mg / l - 344.63 mg / l, thus the quality of the search waste is in accordance with the quality standards of the Minister of Environment Decree No. 29 of 2003.

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 August 2020 average of water use for processing still below the determined budget (1.29 m³/ton FFB while budget is 1.5). 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 optimized.

7.9.1

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

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

In addition, realization of renewable energy have been monitored every day and documented on monthly report for fiber and shell usage. During January – August 2020, renewable energy usage were 0,79 ton /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

GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission from Mill and its supply base are listed as follows :

Summary emission

Production	ton/year
FFB processed	233,609.78
CPO produced	50996.077
PK produced	7303.115

Product	tCO ₂ e / tProduct
CPO	10.52
PK	10.52
PKO	0.00
PKE	0.00

Description	Unit	Value
Oil palm planted on mineral soil	Ha	4712.17
Oil palm planted area on peat	Ha	6241.74
Total oil palm planted area	Ha	10953.91
Conservation area (Forested)	Ha	3733.30
Conservation area (Non-Forested)	Ha	25.00
FFB Production per hectare	t/ha	21.33
OER	%	21.83
KER	%	3.13

Mill emission and credit

Description	tCO ₂	tCO ₂ e/t FFB
Emission Sources		
POME	26288.53	0.11
Fuel Consumption	101.05	0.00
Grid Electricity Utilization	0.00	0.00
Credits		
Export of Excess Electricity to Housing & Grid	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	26389.58	0.11

	Own			Group			3rd Party			
Description	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	Total
Emission Source										
Land Conversion	147994.64	15.44	0.96	0.00	0.00	0.00	27150.48	0.34	0.00	175145.11
CO ₂ Emissions from Fertiliser	5579.85	0.58	0.04	0.00	0.00	0.00	826.66	0.01	0.00	6406.51
N ₂ O Emissions from Peat	46724.02	4.88	0.30	0.00	0.00	0.00	0.00	0.00	0.00	46724.02
N ₂ O Emissions from Fertiliser	6163.95	0.64	0.04	0.00	0.00	0.00	955.40	0.01	0.00	7119.36
Fuel Consumption	490.07	0.05	0.00	0.00	0.00	0.00	23.19	0.00	0.00	513.26
Peat Oxidation	340797.85	35.56	2.22	0.00	0.00	0.00	0.00	0.00	0.00	340797.85
Sinks										
Crop Sequestration	-89714.23	-9.36	-0.58	0.00	0.00	0.00	-12833.35	-0.16	0.00	102547.58
Sequestration in Conservation Area	-33065.74	-3.45	-0.21	0.00	0.00	0.00	-1168.62	-0.01	0.00	-34234.36
Total	424970.42	44.35	2.76	0.00	0.00	0.00	162107.13	0.19	0.00	587077.55

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

7.10.2

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

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

7.10.3

Mitigation measurements and plan to reduce waste, pollution, and emission including from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage.

Status: Comply

7.11

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

7.11.1

Company conducts land clearing or rejuvenation without burning in accordance with SOP AGR 01 concerning Land Clearing with Zero Burning. Based on field observations, there were scars of land fires in the border area with the

company at blok boundary pole 34, blok A58. The company has shown chronological evidence on September 11, 2019, of records of fires arising from outside the company area to the extinction process. From field observation, the company suffered losses due to thousands of dead palm trees. This incident has been included in the land fire monitoring report for semester 2 of 2019 and has been reported to related agencies.

7.11.2

The company has fire prevention and control procedures that are described in the SOP for Land Fire Control (Document No.SOP-EHS-005 edition 02 / revision 01, effective date 10 April 2018). This procedure is intended as a safety guide in fire control. The company already has fire fighting personnel who are part of the emergency response structure. The company also has 32 people who have Fire Class D licenses from relevant agencies.

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

7.11.3

The company has a Fire Care Farmer Group Empowerment program in cooperation with the surrounding village community. The company has shown the realization of activities in the program, among others

- Regular meetings of fire care farmer groups and socialization of forest and land fires in Kuala Satong Village on August 10, 2020
- Monitoring of fire fighting equipment. Farmers' Group Care for Fire and Socialization of Forest and Land Fires in Kuala Satong Village on August 12, 2020

Dissemination of Prevention and Management of Forest and Land Fires in the Former Downstream North sub-district on August 14 2020

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, 7.12.8

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

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

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

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

Based on the results of visits to the riverbank of the yard of the satong block E28 and the right of the Satong River block A46, the company has planted Simpup trees and based on the HCV report in August, it is known that the Simpup species has a 70% survival rate. Based on the results of interviews with conservation staff, it was found that the company was seeding forest plantations for planting in the Riverbank area.

7.12.3

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

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

7.12.4

In the 2020 management plan, one of the programs is a meeting with related stakeholders, for example BKSDA, NGO and Gunung Palung National Park for a developed management plan of HCV. The company shows the 2020 management plan such as Meetings with stakeholders, Capacity Building for HCV staff, HCV protection, forest rehabilitation, socialization, support programs with stakeholders, development and maintenance of HCV area infrastructure and has included a timetable and targets for the implementation. In August 2020, the following activities have been realized:

- Patrol with the Village Forest Management Village Institution (LDPHD) Laman Satong in several ABKT
- Phenology: There are 19 flowering trees and 8 fruit trees
- Control of cover crop in Kasai Hill
- Addition of 923 new seedlings in 2330 ha HCV (Bukit Kiras)
- Socialization to mill contractor employees and employees of division 6 SGT 2
- Installation of 8 orangutan protection banners as an effort to mitigate orangutan-human conflict
- Repair of bridges and jungle tracks in HCV 657 ha (tanjung Sekuting)
- Training on the characteristics of orangutan nests to 6 conservation employees

Based on the results of interviews with representatives of the BKSDA Ketapang Regency, the company's efforts and commitment in conservation management are very good. Regular coordination meetings are held frequently. In addition, based on interviews with the Head of the Gunung Palung National Park in the Sukadana area, it was found that the company had very good coordination and cooperative relations. A review of the realization of the program has been submitted to the report that is compiled every month and the results of the review become feedback on the preparation of the program for the following year.

7.12.5

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

At present, the area of 2,330.88 Ha has been designated as a KKE area, which has been agreed by various parties. Can be shown the Decree of the Governor of West Kalimantan No. 718 / DISHUT / 2017 regarding the determination of the Essential Ecosystem Area (KKE) in Kayong Utara Regency and Ketapang Regency, West Kalimantan Province. The Decree was set on November 17, 2017. The 1: 100000 scale map was attached, issued by the Governor of West Kalimantan. The decree was jointly signed by the Forestry Service, PT KAL's Sustainability Director, and the Sustainability Trade Initiative. The company can show the minutes of agreement with the management of Laman Randu sacred grave area on 12 April 2016 in the core zone area of 100 Ha.

The company has collaborated with neighboring villages in implementing conservation management, for example in

August 2020 a joint patrol was carried out with the Village Forest Management Village Organization (LDPHD) Laman Satong Village in several HCV Areas. The company has also conducted training for the Laman Satong Village Beringin Tourism Awareness Group in collaboration between the Laman Satong village government, the Gunung Palung National Park Office, Tropenbost (NGO), and the Asri foundation which was held on July 14-15 including Financial Management Training, Tour Guides, and first aid kit.

7.12.6

The company shows a Capacity Building for HCV staff program and socialization program and an example of its realization is Training on the characteristics of orangutan nests to 6 conservation employees. The company has demonstrated the realization of the HCV 2020 socialization program as follows

- Socialization of the Prohibition of Hunting for Animals was held on January 15, 2020 at the Community House of Manjau Hamlet, Laman Satong Village, followed by 10 villagers
- HCV socialization to staff and employees on February 19, 2020 at Division 8, Partner Estate attended by 27 employees

In addition, the company has installed signs of protected wildlife in housing and HCV areas. Based on the results of visits to the riverbank of the yard of Satong block E28 and the Satong River right of block A46, the company has installed a HCV signboard and a hunting ban in the area. Based on the results of interviews with spray employees at the Mitra Estate, it was found that the employees were aware of the HCV area and were prohibited from hunting and spraying on the riverbanks.

7.12.7

The company has arranged monitoring activities every month, based on observations made in August 2020, it was known the types of fauna found, namely

- Mammals: Orang Utan Kalimantan, Kelempiau, Kelasi, Berang berang, Monyet Ekor panjang dan Beruk
- Birds: Elang Ular Bido, Raja Udang Meninting, Elang tikus , Tiong Emas, Kangkareng Hitam, Rangkong Badak dan Rangkong Gading
- Reptiles: monitor lizards, turtles, pythons and cobras

The results of Wildlife monitoring in the previous year for the 2019 period found the types of flora: kempas, meranti, pouch semar, jungkang, nyatoh, gerunggang, belangir, kandis acid, jelutung, etc. Fauna was found: mammals (orangutan, kelempiau, kelasi, pelanduk, beaver, long-tailed monkey and monkey), 4 species of birds and 4 species of reptiles. And the types found in 2020 are relatively the same, so it can be concluded that there is no disturbance to the wildlife around the company.

The management plan has been effectively implemented in view of the company's efforts to have a special division for conservation and having 6 special employees to protect the conservation area.

The evaluation results show that the conservation area is well preserved and the company is committed to protecting the conservation area by forming a PT KAL conservation team and the company has involved the community in patrolling the conservation area and in the future the company will develop an ecotourism concept with the surrounding village communities.

A review of the plans and programs has been conveyed in the report and the results of the review serve as feedback for the preparation of the program for the following year.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

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

3.3 Summary of RSPO Partial Certification.

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

ANJA Time Bound Plan (TBP) is explaining in table section 1. ANJA has run five (5) mills and eight (8) management unit Estates in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement : The company are already doing internal audits.</p> <p>Auditor verification: Internal Audit for uncertified management unit</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama has been conducted Internal Audit on 23 – 27 September 2019 • Internal Audit for PT Putera Manunggal Perkasa has been conducted on 06 – 20 July 2020 • PT Permata Putera Mandiri, has been conducted on 06 – 20 July 2020. • PT Austindo Nusantara Jaya Tbk has been conducted on 29 June to 10 July 2019.
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RaCP Procedure will be observed again on the next visit audit.</p>

		<p>Email from RSPO Secretariat on 21 October 2019 about RaCP Progress for PT Austindo Nusantara Jaya Agri – ANJ Siais POM, stated “after the internal review of the case and the request from ANJA SIAS, the Secretariat agrees to allow the extension for 12 months to close the NC. This means that the compensation plan should be approved by the next surveillance audit”</p> <p>Public Announcement Re-Audit PT Kayung Agro Lestari – Kasai POM (email from RSPO on 13 September 2019) via email) stated “Please note this unit are in the midst of their LUCA review process”</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>company statement: NPP has been applied</p> <p>Auditor Verification :</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014 • PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014 • PT Permata Putra Mandiri, NPP date of notification on September 29, 2014 • PT Austindo Nusantara Jaya Tbk, NPP preparation on process – HCV Assessment review by HCV RN
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015),</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>Company statement: There is no labour disputes</p> <p>Auditor verification : The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013.</p> <p>A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP.</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p>
2.1.6	Legal non-compliance, if any, is being addressed	<p>Company statement:</p>

<p>through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).</p>	<p>All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification :</p> <p>PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> • Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) • Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 • Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 • HGU on process • Environment Permit No. 211, 2013, dated 06 May 2013 • SEIA No. 210, 2013, dated 1 May 2013 <p>PT Putera Manunggal Perkasa</p> <ul style="list-style-type: none"> • Location Permit No. 522/30/II/2011, dated 09 Februaryl 2011. Total area ± 22,195.28 Ha • Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area ± 22,195.28 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 • Environment Permit No. 660.1/58/II/2012 TAHUN 2012, dated 16 Feb 2012, for 22.195 Ha, Mill Capacity 60 TPH • Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. • Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> • Location Permit No. 83/2010, dated 30 April 2010. Total area ± 40,000 Ha • Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area ± 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 • Environment permit No. 525/76/BSS/IV/2011, dated 25 April 2011. • Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant.
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		<ul style="list-style-type: none"> • Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha <p>PT Austindo Nusantara Jaya, Tbk.</p> <ul style="list-style-type: none"> • Location Permit No. 12/2011, dated 6 oct 2012. Total area \pm 40,000 Ha • Extention of Location Permit No. 74 Tahun 2014, dated 2 sept 2014. Total area \pm 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number No. 131.09/118/B.MBT/2011, Tgl. 12 Oktober 2011 • Plantation Business Permit, According to West Papua Governor Decree No. 525/101/5/2013 Tahun 2013 for 40,000 Ha and 2 x 60 Ton FFB/Hours plant. • Environment Permit PKS 60 X 2 TPH, No. 660/147/7/2013 TAHUN 2013, dated 18 Juli 2013 • SK HGU (Inti), Number. 03/HGU/KEM-ATR/BPN/2015 dated 02 April 2015, 30.515,75 Ha
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3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

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

- Submitting all hazardous waste to temporary hazardous waste storage which already have a Permit.

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

Verification on October 27, 2019

Point 1

The company showed evidence of improvements in the form of:

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

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

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

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

Verification on October 28, 2019

The company showed evidence of improvements in the form of:

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

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

Point 2

Verification on October 27, 2019

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

- Records of socialization of hazardous waste storage to the responsible personnel (along with internal memos relating to the removal of hazardous waste from the general manager).
- Monitoring of hazardous waste shipments from unlicensed temporary hazardous waste storage to licensed temporary hazardous waste storage.
- Documentation of transfer of hazardous waste from temporary hazardous waste storage has not been

licensed.

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

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

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

Verification on October 29th, 2019

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

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

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

Verified by

:

Briyogi Shadiwa

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1

NCR No.	: 2020.01	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 11 September 2020	Time Limit	: 10 December 2020
NC Grade	: Major (Critical)	Date of Closing	: 14 October 2020
Standard Ref. & Requirement	3.6.1 All operational activities are assessed at risk to identify health and safety problems. Mitigation plans and procedures are documented and implemented		
Evidence observed (filled by auditor): The certification unit has carried out a risk assessment and control in the form of a HIRAC document. Furthermore, as part of the mitigation of OHS problems, the certification unit has prepared the Personal Protective Equipment Management Procedure (SOP-EHS-041) edition 1 which is valid since 01 July 2019. The procedure includes several things as follows: <ul style="list-style-type: none">- In company work areas that have the potential for delays in the supply of PPE, stock must be increased to avoid delays in replacing lost or damaged PPE (including safety helmets, safety boots, eye protection, ear protection, and gloves)- PPE is stored in a dry room that is not damp (in an adequate place)- Ensure that the PPE required is correct and sufficient in terms of procurement Furthermore, related to the type of personal protective equipment used by the certification unit, it has been regulated in the 2020 Personal Protective Equipment Needs Matrix which explains the type of work and the type of PPE used, for example for the manuring activities the PPE used are boots, masks, and rubber gloves. However, based on the field observation and interviews with workers, the following field facts were found: <ul style="list-style-type: none">- During the manuring activities (Urea) at SGT-2, the PPE used by the mnauring team included boots, masks, and cloth gloves. Information obtained from management representatives using cloth gloves because the stock of rubber gloves is out.- Based on the results of the visit to the central rinse house, there are 10 knapsacks, 10 face shields, 10 aprons, 10 rubber gloves which are stored in the rinse house. Based on the document verification, it was found that the equipment belonged to the GST spraying team, which on that day did not spray activities. From the foreman's activity book, it is known that the number of GST pesticide applicators is 15 people. Thus there is a difference of 5 PPE packages and work tools that are not stored in their proper place. The management explained that the difference of 5 knapsack was because at the time of the visit the knapsack was being repaired in a different place, while for the difference of other PPE items, no further information was given.- The product label on the mask used by the spraying team informs that the mask is intended to protect against dust exposure and information has not been shown that the mask can provide protection against chemical exposure During the audit process, the certification unit has been able to show improvement efforts, for example returning all the tools and PPE of the spraying team to the rinse house, but the justification is related to the unavailability of working tools and PPE in a place that should not be demonstrated. In this regard, the auditor team considers that mitigation efforts / procedures related to OHS problems / issues cannot be implemented consistently and thoroughly in all operating units in accordance with established procedures.			
Non-Conformance Description (filled by auditor): The unit of certification is not yet fully consistent in implementing the prescribed OHS mitigation procedures			
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none">1. Field officers do not fully understand the implementation of OHSmitigation procedures2. Lack of rubber glove stock available3. Lack of monitoring of storage of work tools and PPE of the TUS team4. Lack of coordination and understanding of the logistics team regarding the suitability of PPE with the matrix			

Correction (filled by organization audited):

1. Provide PPE rubber gloves to workers (Attachment 1)
2. Conducting PPE socialization to workers (Attachment 2)
3. Conducting outreach to workers and supervision regarding storage of Work Tools and TUS PPE (Attachment 3)
4. Order chemical masks (Attachment 4)
5. Distributing chemical masks to workers (Attachment 5)
6. Socialization to Logistics for the provision of PPE according to the PPE matrix (Attachment 6)

Corrective Action (filled by organization audited):

1. Making an internal memo for PPE stock supplies at least 25% of routine needs (Attachment 7)
2. Creating internal memo storage. Work tools and protective equipment for TUS work (Appendix 8)
3. Internal memo for PPE provision according to the PPE matrix (Attachment 7)
4. Monitor the storage of work tools and work protection for TUS (Spraying Team) every day

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 06 October 2020

Unit of certification has provided proof of improvement in the form of:

1. Handover of PPE for rubber gloves on 29 September 2020 for 11 SGT manuring worker
2. Socialization of PPE usage according to the matrix in Division F / 06 Block A54 on September 29, 2020
3. OHS socialization and distribution of chemical masks for the GST spray team
4. Documentation of mask stock stored in the warehouse
5. Internal Socialization of PPE Procurement Memo to employees and warehouse heads on October 2, 2020 attended by 8 logistics and office employees
6. Internal Memo No. 17 / GMO / KAL / IM / IX / 2020 dated September 18, 2020 concerning the mechanism for the provision of PPE among them stated that a minimum stock of 25% must be available in the warehouse from the need for routine distribution and that PPE must be adjusted to the type of work that refers to the PPE matrix

Auditor conclusion :

Evidence of improvement that has been sent is acceptable but additional information is still needed in the root cause analysis and corrective action sections. Non-conformities are declared not comply

Verification on 14 October 2020

The certification unit has provided additional evidence of improvement in the form of adjustments to root cause analysis and monitoring of storage of work tools and PPE of the TUS (Spraying team) as an effort to ensure work tools and PPE are stored in their proper place

Auditor conclusion :

Based on the root cause analysis, corrections, and corrective actions of non-conformities have been declared comp

Verified by : **Haikal Ramadhan K**

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.2	<p>Based on the document verification, it is known that the company has entered into a cooperation agreement for part of the work with third parties. The cooperation relationship has been regulated in a Work Agreement, for example SPK No. 2055PKB-30000-12-0820 with PT Jasa Mandiri Agro and SPK No 006 / SPKB / 3000061/14/0720 with CV Mentari Pagi Sejahtera. The work agreement letter has its own clause regarding the fulfillment of relevant legal obligations. Several aspects are still in progress, including the <i>BPJS</i> membership and documentation of the work relationship between contractors and workers</p> <p>Compliance of legal obligations by the third party is monitored by the company with a contractor evaluation form. Based on the evaluation, it is known that most of the legal requirements such as the compliance of the minimum wage and OHS aspects have been met. Thus the company has the opportunity to continue to ensure the progress of fulfilling the relevant legal aspects for all contractors who still have a partnership with the company.</p>
2	3.4.2	<p>The certification unit can show the SIA management plan for the period 2019 - 2020 which was prepared based on the results of consultations with nearby villages on March 21, 2019. The management plan generally describes community development and issues based on the results of public consultations. During the audit process, the auditor team observed that there were several activities or activities that directly or indirectly had a social impact on the company's operational units, for example mining activities in mining areas, possible interactions or conflicts between employees and wildlife and housing centralization. Related to this, companies are encouraged to develop an integrated social management plan between public consultation and field observation.</p>
3	3.8.3	<p>In implementing the supply chain requirements, the certification unit has a SCCS procedure which is stated in the Mass Balance SOP document (SOP-SCD-06 dated 17 September 2018). In this procedure the references used still refer to the old requirements and standards (SCCS 2017). The results of interviews with management representatives obtained information that the revision process related to the procedure was being carried out and is currently in the review process prior to approval.</p> <p>In this regard, the unit of certification is encouraged to ensure that the procedure for renewal / revision has been completed.</p>
4	6.4.1	<p>The unit of certification has a Human Rights Protection policy issued by the General Manager on April 8, 2016. One of the policy points includes the prohibition of employing minors. There has not been an explicit written policy on child protection. However, the realization of child protection has actually been implemented, such as provision of adequate housing, provision of health facilities, provision of sports facilities, provision of child care centers to the establishment of a gender committee, one of which includes child protection. Thus the unit of certification has the opportunity to formally design and establish child protection policies</p>
5	6.7.2	<p>Based on the field visits for agronomy activities at GST-1, SGT-2 and Mitra Estate, it was found out that one first aid officer was provided in each division who was in charge of carrying out first aid in accidents. Evidence can be shown that field first aid workers have received training. During field visits at GST-1 and SGT-2, the officers in charge could easily be found, but during field visits to the Mitra Estate the First aid officers in charge were difficult to contact and found because they were in an area that had no signal. Thus the unit of certification has the opportunity</p>

		to evaluate and reassure each person in charge / first aid officer (especially those on duty in the field) be ready when needed / face an emergency.
6	6.7.3	<p>All workers have been provided with PPE free of charge. Based on the results of interviews and field visits to mill and estate operations, the following facts are found:</p> <ul style="list-style-type: none"> - Mill process station: Workers have used complete PPE such as safety shoes, earplugs, masks, and helmets - GST-1 and SGT-2 spraying activities: Pesticide applicators use complete PPE including boots, goggles, masks, aprons and rubber gloves - Mitra Estate harvesting activities: Harvesters wear boots and helmets <p>However, based on the field visits and interviews with harvesters, the spraying team, and the GST-1 manuring team, it was found that the majority of workers did not know the mechanism for replacing damaged PPE (especially shoes) but the replacement period had not yet arrived. During the field visit, information was also obtained that 3 workers and 1 foreman were using shoes that were procured themselves because the shoes provided by the company had been damaged but the replacement period had not yet arrived.</p> <p>In the IOM regarding the replacement of PPE issued in 2016, it has actually clearly stated that the PPE allowance for boots is 1x in 1 year, but if it is damaged before that period because it is used for work and evidence of damaged shoes can be shown, it will be replaced for free. The company has also shown documentation of the IOM socialization to employees</p> <p>Thus the company has the opportunity to evaluate the effectiveness of communication and socialization to each employee, especially regarding the PPE replacement procedure.</p>

3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	Good management of HCV areas and management collaboration with third parties
2	-	Commitment to the implementation of palm oil sustainability standards
3	-	Sustainable innovation in palm oil management, such as the development of owls etc
4	-	The use of barcode systems in the process of marking trees in conservation areas for the purpose of educating students.

3.5 Summary of Arising Issues from Public and Auditor Verification


Public Issues (Institution/ NGO/Community)	Auditor Verification
Head of the Ketapang Regency Manpower Office The certification unit has carried out mandatory reports in accordance with the timeline such as <i>P2K3</i> reports, WLTk, and work accident reports. The composition of employees is permanent employees and contract employees with a wage reference is <i>UMK</i> Ketapang. During the past year there have been no issues regarding employment and every request for information has been responded to well	In general, no negative issues were raised so they did not require further clarification
Head of Manpower Division of Ketapang Regency There have been industrial relations disputes but these have been resolved on a bipartite basis. The office has provided information on the Covid 19 Task Force Decree to PT KAL but this must be reminded again so that it can be disseminated to PT KAL employees.	In general, no negative issues were raised so they did not require further clarification. There is a socialization on the prevention of covid and new normal of PT KAL on July 1-24 2020, located in Divisions I - IX to all employees of PT KAL.
Head of the Seed, Development and Protection Section of the Ketapang Regency Plantation Service. Based on the results of the interview, it was found that the company always reports on a quarterly plantation business progress and reports on land fire management every semester. Based on the results of the interview, it was also known that there was no addition or change in plantation business permits, location permits and land use rights for companies and class II for estate. The company also has plasma as a form of partnership with farmers. In addition, it was also explained that the company had adequate fire fighting facilities and infrastructure and was always checked annually by the plantation office. In terms of requests for information, the company always responds whenever there is a request for information from the Ketapang Regency Plantation Office.	So that cooperation and communication with the Plantation Service is maintained
Head of Ketapang Regency National Land Office. Based on the results of the interview, it is known that during the 2020 period there were no additional new use rights, and there were no reports regarding land disputes and conflicts with communities or outside parties. It was also explained that the company had also reported a report on land use / right to cultivate for the period 2019. Based on the results of the interview, it was also known that communication and cooperation between the National Land Agency office and the company were well established	There are no issues that need further verification.
Representatives of the West Kalimantan Province Manpower Supervisory Agency. There is an employment issue, namely employees who have been laid off but severance pay has not been paid. Besides that, the <i>SIO</i> (Operator License) that is owned is also incomplete.	At the time of the previous year audit, there was a lack of <i>SIO</i> / license incompatibility: 3 operators of starter propulsion aircraft (generator & turbine) (a.n. Nurpinus Sanjaya, Murjani & Ngatimin) for training in July 2019 3 lift and transport aircraft operators (a.n.

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>Solkan, Rudianto, Supriyadi) will train in July 2019; welder (a.n. Nurhadiono) will train in September 2019 and OHS electrician (a.n. Supriyadi) will train in August 2019. The results of document review and interviews with EHS staff found that the training could not be realized, due to a lack of participant quota. Then the management unit re-registered for training in March and April 2020. However, this training also could not be realized due to the Covid-19 pandemic. The company is considering making the training happen and if there is still a lack of quota, participants can confirm it with other <i>PJK3</i></p> <p>There are examples of proof of employee severance pay, for example:</p> <ul style="list-style-type: none"> Employee with initial S on July 29, 2020 through Bank Mandiri, amounting to IDR 46,171,966, -. Employee with initial A dated 29 July 2020 through Bank Mandiri, amounting to IDR 56,065,959, -.
<p>Natural Resource Conservation Office Ketapang district</p> <p>The company's efforts and commitment in conservation management are very good. As far as <i>BKSDA</i> knows, the only company that has a conservation team and is included in the company's organizational structure is PT KAL. Regular meetings for coordination are often held, but because of the Covid-19 pandemic since March 2020, face-to-face meetings have not yet been held.</p> <p>The form of cooperation that has been carried out between the <i>BKSDA</i> and the company is for example the release of orangutans. In addition, in early 2020 <i>BKSDA</i> released the Kelempiau gibbon in the company's conservation area</p>	<p>Overall, the information conveyed by stakeholders regarding conservation management in the company's area is positive. There are no negative issues requiring further clarification</p>
<p>Section Head of the National Park Gunung Palung Sukadana area</p> <p>Excellent coordination and cooperative relations. There are no issues regarding conflict with animals. Even the density of the orangutan population in the wildlife corridor in the company's conservation area can be said to be abundant and well preserved</p>	<p>Overall, the information conveyed by stakeholders regarding conservation management in the company's territory is positive. There are no negative issues requiring further clarification</p>
<p>Secretary of the Lestari Abadi Bersama Cooperative, Kuala Tolak Village.</p> <p>Based on the results of the interview, it was found that the Lestari Abadi Bersama cooperative did not yet have an MoU with the company due to constraints on land area and boundary areas, so that currently the agreement is carried out orally. From the results of the interview, it was also known that the total area of the plasma was \pm 298 ha and had \pm 1200 members and already had a Freehold Certificate.</p> <p>For FFB price fixing, it is explained that the price follows the stipulation from the West Kalimantan Provincial Plantation Office.</p>	<p>The company has shown the results of the meeting between the company and the plasma cooperative which was held on 10-11 August 2020. In the meeting, the discussion of the MoU on the plasma cooperative with the company was discussed. In addition, it has also discussed matters such as discussion of plasma area and submission of proposals for independent partnership lands in accordance with letter number 110 /</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>From the explanation of the cooperative secretary, it is known that so far there have been no problems related to paying the plasma cooperatives. The cooperative made a request for additional land because the cooperative wanted to apply for plasma management independently.</p> <p>The cooperative also suggests training for plasma farmers, especially for environmental management, land fire management and so on.</p>	<p>KPOBUN.LAB / 2020, disbursement of Bailout Funds for Mature Plant (2013 planting year) for the 2017-2020 period as well as bailout funds for main savings from the number of members listed in the regent's decree. Discussion on prospective members who were not verified in the management of the CPCL Kuala Tolak. CID program, forest and land fire mitigation program plans.</p>
<p>Laman Satong community representatives including previous land owner</p> <p>The company's relationship with the community is very good. The social responsibility provided includes assistance in community activities such as support in customary activities, road infrastructure improvements, and absorption of village communities as company workers</p> <p>The process for land compensation is carried out on the basis of an agreement between the two parties without coercion or intimidation</p>	<p>In general, the information conveyed by stakeholders regarding social relations is very good. The company's existence has a positive impact on the surrounding community through social responsibility programs. There are no issues of conflict or land dispute between the community and the company</p>
<p>Gender Committee</p> <p>The focus of the gender committee's activities is prevention of sexual harassment and violence, empowerment and women's health. Routine activities include posyandu and socialization about sexual harassment and how to report if cases are found. During the past year, no complaints have been received regarding incidents of sexual harassment and violence.</p> <p>The company has facilitated the needs of female workers in fulfilling reproductive rights, such as giving maternal and menstrual leave, special time for female workers who want to breastfeed their children, namely at 11.00 and 15.00.</p>	<p>In general, there were no negative issues raised by the gender committee representatives. The company has supported and facilitated the activities of the gender committee.</p>
<p>Labour Union SBPP</p> <p>Currently the active Labour union is the Patriot Pancasila Labor Union. The number of members of the labor union as of August 2020 is around 100 people. The company has supported organizational activities for employees without ever intervening, let alone intimidation</p> <p>For example, some discussions are being carried out between workers and employers</p> <ul style="list-style-type: none"> - Discussion of premi for drivers and warehouse officers, especially for jobs on Sundays - Proportion of HK for the upkeep team that did not reach baseline 	<p>The issues raised by the union have been discussed in the meeting of the Bipartite Institution and the meeting between the union and the employer. The results of the last meeting in July 2020 concluded that the premium issue will be evaluated by the entrepreneur and will be included in the revision of company regulations. Meanwhile, the problem of the wage deduction that does not reach the base is because the employee does not reach the target working time or work result target. Meanwhile, other team members can achieve both targets. So that the proportion does not violate the provisions because it has been regulated and agreed upon in company regulations</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Local contractor for the transport of EFB (CV Manjau Agro Abadi). Based on the results of the interview, it was found that the work agreement was already owned by the local contractor. The cooperation agreement is valid for 1 month and can be extended. there are no constraints on payment. And so far the cooperation has been going well	There are no issues that need to be further verified.
Kayong Agro Sejahtera Employee Cooperative. Employee cooperatives are engaged in convenience stores selling basic needs of employees such as groceries and so on. The Employee Cooperative has 700 employees. The activity of the annual member meeting for the period December 2019 has not been implemented due to a circular from the Office of Cooperatives, Small and Medium Enterprises, Trade and Industry of Ketapang Regency regarding the postponement of the annual member meeting due to the conditions of the spread of the Covid-19 Virus.	There are no issues that need to be further verified.
Environmental Agency of Ketapang Regency The company has sent mandatory reports such as liquid waste and hazardous waste every 3 months. Permits for Hazardous Waste Storage and Land Applications are still valid. So far, there have never been any environmental pollution issues from the local village community. Every request for information has been responded to by the company, such as requests for conservation data in the PT KAL area.	There are no issues that need to be further verified.
Head of Hamlet 4 Karya, Kuala Tolak There were reports of river pollution from residents, then the Kadus checked into the Satong river. After a return visit to the company, it was discovered that there were normalization activities of the Satong River by the Contractor and regarding the Community Plantation. In this regard, it has been resolved by deliberation.	This has been verified by the auditor team with environmental agency that there is no environmental pollution issue.
Laman Mayang Sentosa cooperative the area is fully managed by the company, planting year 2011. The FFB price fixing refers to the government. Profit sharing is paid every three months. Plasma realization reports including costs and tonnage are submitted monthly. the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts have been made fairly, transparently and legally.	There are no issues that need to be further verified.
Occupants in F13 Division 8 Based on interview is with occupants in F13 Division 8 obtained information that they had managed the area before PT KAL was established. Occupants explained that so far there have been no problems and both parties respect each other. The results of the interview also obtained information	In conflict resolution SOP has been explained that any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved by legal means (court or police). The company does not use mercenaries in

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>that they were not willing to be compensated because the area belonged to them and as a source of income for their families. The results of the field visit also revealed that the company had made a ditch as the boundary of the company's operations with the area controlled by the community</p>	<p>maintaining peace and order</p>
<p>Bina Satong Lestari Cooperative there was dissatisfaction with the cooperative .due to the issue of profit sharing and unproductive land. these problems have been resolved by mediation from the local government</p> <p>The cooperative raises the issue to the government because it is appropriate for the government to mediate as the licensor.</p>	<p>There are no issues that need to be further verified. The issue has been verify in criteria 4.2</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <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-between; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kayung Agro Lestari General Manager</p>  <p><u>Jerileva Purba</u></p> <p>Wednesday, 14 October 2020</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh Arif Yusni</u></p> <p>Wednesday, 14 October 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	Head of the Ketapang Regency Manpower Office	Ketapang Regency		Interview by Phone	08 September 2020	✓	
2	Head of Manpower Division of Ketapang Regency	Ketapang Regency		Interview by Phone	08 September 2020	✓	
3	Head of the Seed, Development and Protection Section of the Ketapang Regency Plantation Service.	Ketapang Regency		Interview by Phone	08 September 2020	✓	
4	Head of Ketapang Regency National Land Office.	Ketapang Regency		Interview by Phone	08 September 2020	✓	
5	Representatives of the West Kalimantan Province Manpower Supervisory Agency	Ketapang Regency		Interview by Phone	08 September 2020	✓	
6	Natural Resource Conservation Office Ketapang district	Ketapang Regency		Interview by Phone	08 September 2020	✓	
7	Section Head of the National Park Gunung Palung Sukadana area	Ketapang Regency		Interview by Phone	08 September 2020	✓	
8	Secretary of the Lestari Abadi Bersama Cooperative, Kuala Tolak Village.	Ketapang Regency		Interview by Phone	08 September 2020	✓	
9	Laman Satong community representatives including previous land owner	Ketapang Regency		Interview by Phone	08 September 2020	✓	
10	Gender Committee	Ketapang Regency		Direct Interview	09 September 2020	✓	
11	Labour Union SBPP	Ketapang Regency		Direct Interview	09 September 2020	✓	
12	Local contractor for the transport of EFB (CV Manjau Agro Abadi).	Ketapang Regency		Interview by Phone	08 September 2020	✓	
13	Environmental Agency of Ketapang Regency	Ketapang Regency		Interview by Phone	08 September 2020	✓	
14	Head of Hamlet 4	Ketapang Regency		Interview by	08	✓	

	Karya, Kuala Tolak			Phone	September 2020		
15	Laman Mayang Sentosa cooperative	Ketapang Regency		Interview by Phone	08 September 2020	✓	
16	Occupants in F13 Division	Ketapang Regency		Interview by Phone	08 September 2020	✓	
17	Bina Satong Lestari Cooperative	Ketapang Regency			09 September 2020	✓	
18	KAL POM - Sterilizer Station: 1 Operator - Press Station : 1 Operator - Kernel Station : 1 Operator - Engine Room : 1 Operator - Weighbridge: 1 operator - 2 warehouse officer - 1 hazardous waste warehouse officer - 1 WTP operator - 1 ETP operators. - 1 mechanic workshop	PT Kayung Agro Lestari	-	Direct Interview	08 September 2020	✓	
19	GST 1 - 3 harvester and 1 foreman - 3 spraying workers and 1 foreman - 2 loss fruit picker workers 3 manuring workers and 1 Foreman	PT Kayung Agro Lestari	-	Direct Interview	08 September 2020	✓	
20	SGT 2 - 4 harvester - 3 manuring workers and 1 foreman	PT Kayung Agro Lestari	-	Direct Interview	09 September 2020	✓	
21	Mitra Estate - 4 spraying workers and 1 foreman	PT Kayung Agro Lestari	-	Direct Interview	10 September 2020	✓	

	<ul style="list-style-type: none"> - 2 harvester and 1 foreman - 3 manuring workers and 1 foreman 						
22	Housing and Central workshop and Traxion <ul style="list-style-type: none"> - Warehouse : 1 worker - Temporary Hazardous Waste : 1 worker - Chemical & Fertilizer Warehouse : 1 Worker - Emergency Response Team : 1 worker - Workshop : 1 worker - Health Post : 1 worker - Labor Union : 1 worker - Housing residents 6 people 	PT Kayung Agro Lestari	-	Direct Interview	09 September 2020	✓	
23	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire via email	07 September 2020		✓
24	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	07 September 2020		✓
25	AMAN	Jakarta	rumahaman@cbn.net.id	Questionnaire via email	07 September 2020		✓

Appendix 2. Assessment Program

DATE /	07 - 11 September 2020	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 07 September 2020		
06.00 – 10.00	JAKARTA → Pontianak → Ketapang	All Auditor
10.00 – 14.00	Ketapang → PT Kayung Agro Lestari	All Auditor
14.30 – 15.00	Opening meeting <ul style="list-style-type: none">- Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)- Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	
15.00 - 17.00	<ul style="list-style-type: none">• Verification of Basic Information Mill and Estate• Confirmation of Time Bound Plan• Review of Partial Certification	
Tuesday, 08 September 2020		
08.00 – 09.30	Field Observation to GUNUNG SEJAHTERA TUMBUH 1, Aspect to be verified : <ul style="list-style-type: none">- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)- Observation of Workers Facilities (Housing, School, Worship Place). Stakeholder consultation to affected communities surrounding the plantations and previous land owner	All Auditor
09.30 – 12.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier Field observation to KAL POM: <ul style="list-style-type: none">• Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)• Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation,• Observation of WWTP, WTP, LA, EBA	All Auditor
Wednesday, 09 September 2020		
08.00 – 11.00	Field Observation to SUNGAI GEMILANG TEDUH 2, Aspect to be verified : <ul style="list-style-type: none">- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Implementation of Legal Aspect (Land Ownership, Legal Boundaries);- Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)	All Auditor

DATE /	07 - 11 September 2020	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Observation of Workers Facilities (Housing, School, Worship Place). 	
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	All Auditor
14.00 – 16.15	<ul style="list-style-type: none"> • Document review and completing audit checklist. 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> • Presentation of Daily Progress. 	
Thursday, 10 September 2020		
08.00 – 12.00	Field Observation to MITRA ESTATE Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Observation of Workers Facilities (Housing, School, Worship Place). - 	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	All Auditor
14.00 – 16.15	<ul style="list-style-type: none"> • Document review and completing audit checklist. 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> • Presentation of Daily Progress. 	
Friday, 11 September 2020		
08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	
09.00 – 10.00	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions • Comments, Responses and Questions 	All Auditor
10.00 – 14.00	PT KAYUNG AGRO LESTARI – KETAPANG	All Auditor
15.00 –	KETAPANG → PONTIANAK → JAKARTA	