

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

**[ ✓ ] Surveillance**

Name of Management : **Stabat POM – PT. Langkat Nusantara Kepong, subsidiary of Kuala Lumpur Kepong Bhd**

Plantation Name : **Gohor Lama Estate, Tanjung Beringin Estate, Basilam Estate & Maryke Estate**

Location : **Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia**

Certificate Code : **MUTU-RSPO/095**

Date of Certificate Issue : 04 August 2017      Date of License Issue : 11 November 2020

Date of Certificate Expiry : 03 August 2022      Date of License Expiry : 03 August 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-3</b>	<b>7 – 11, 16 September 2020</b>	Rizliani Aprianita Hasibuan (Lead Auditor), Asystasya Aishah Silalahi, Briyogi Shadiwa, Rahmat Abdiansyah	Ardiansyah	Octo H. P. N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-3</b>	<b>15 October 2020</b>

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Figure 1. Location Map of PT Langkat Nusantara Kepong



Figure 2. Operational Map of Tanjung Beringin Estate

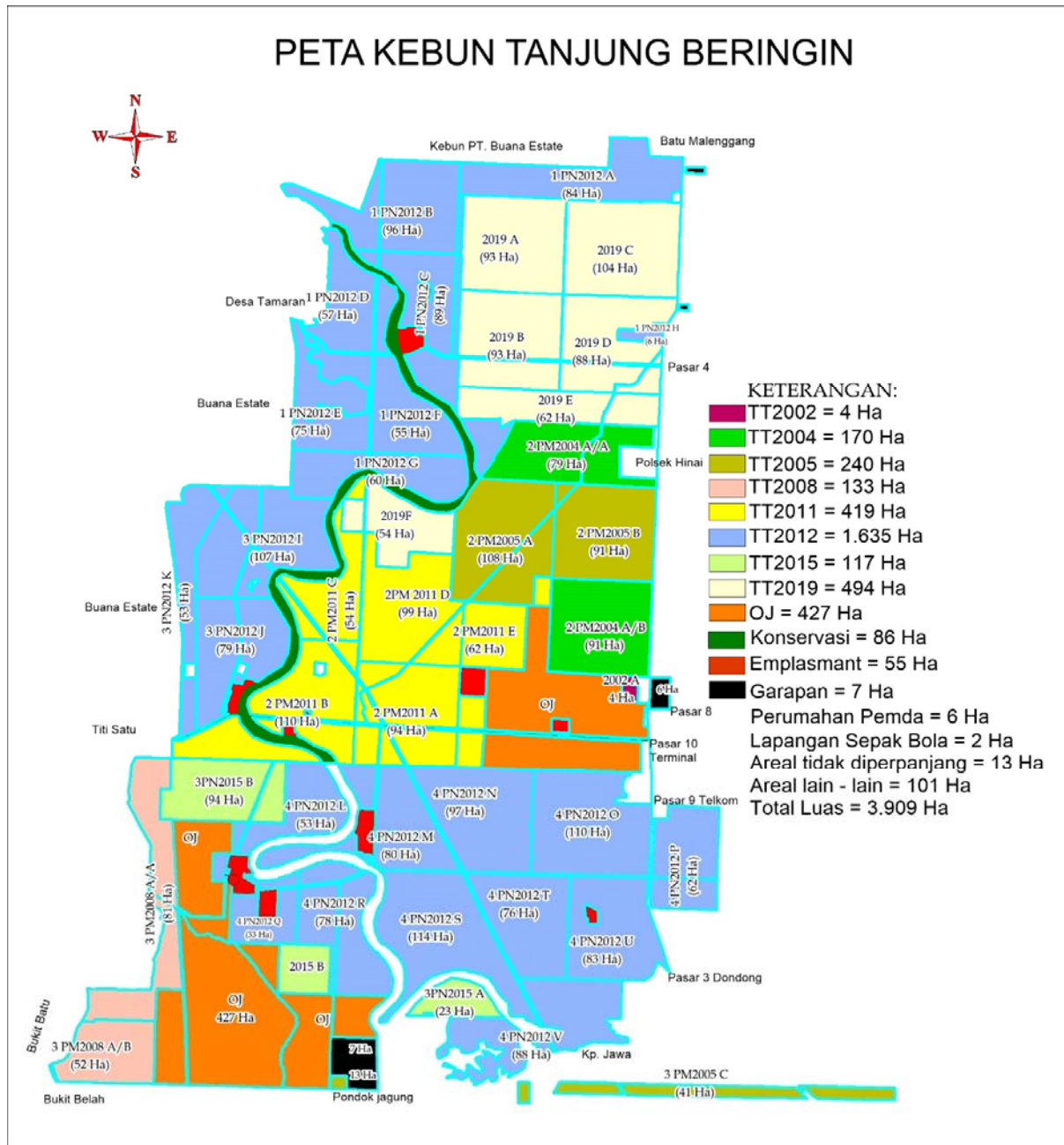


Figure 3. Operational Map of Marike Estate

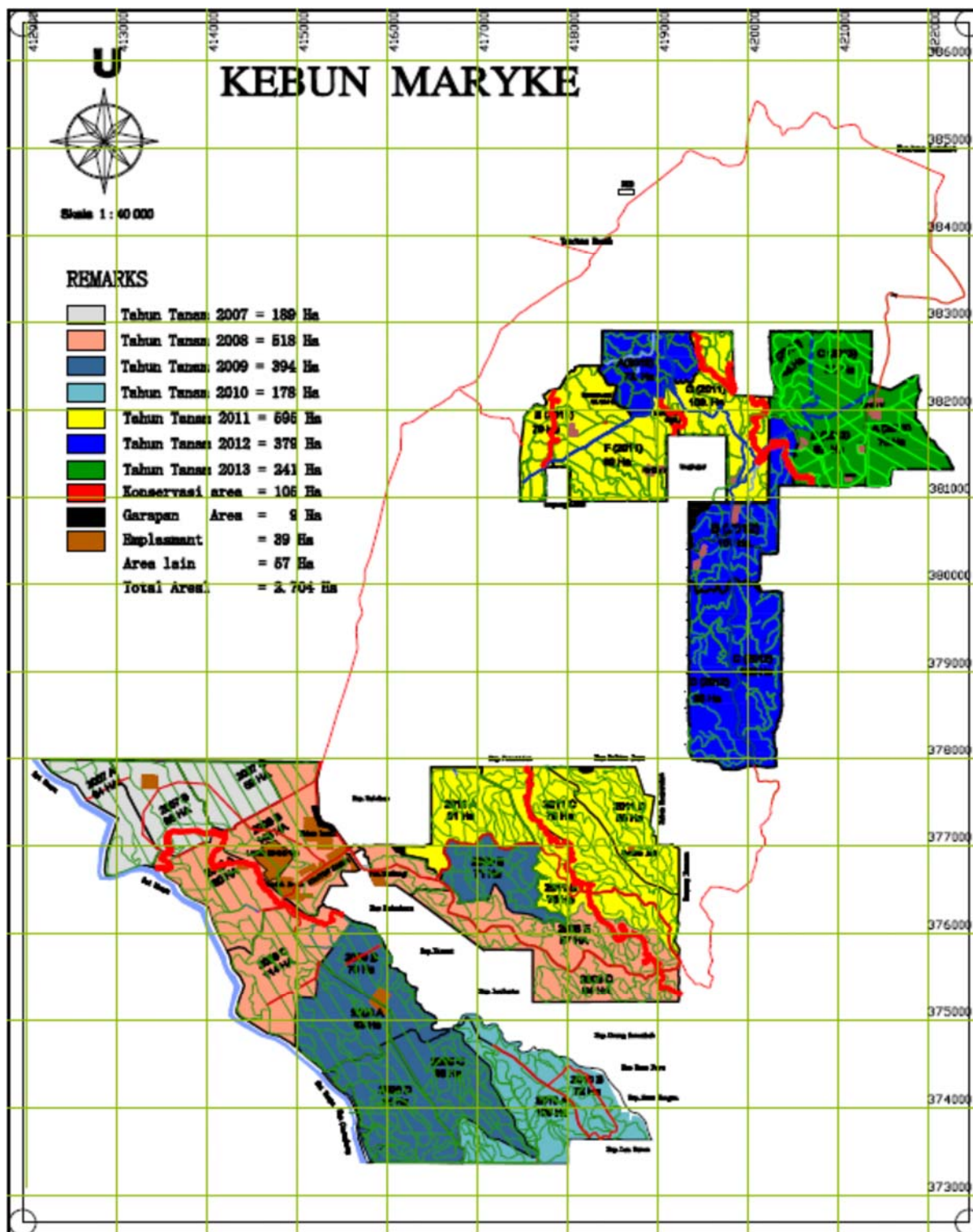


Figure 4. Operational Map of Basilam Estate

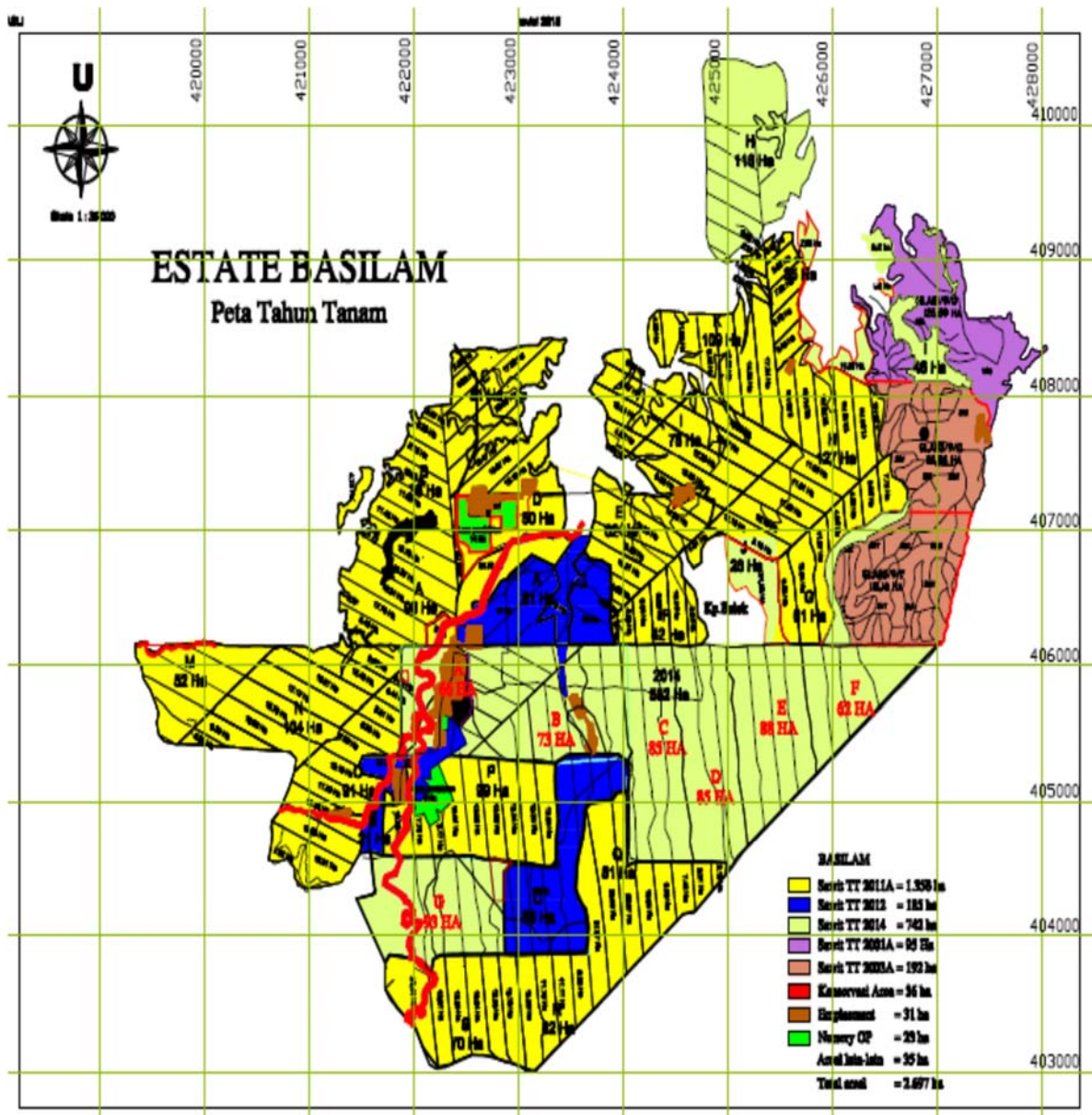
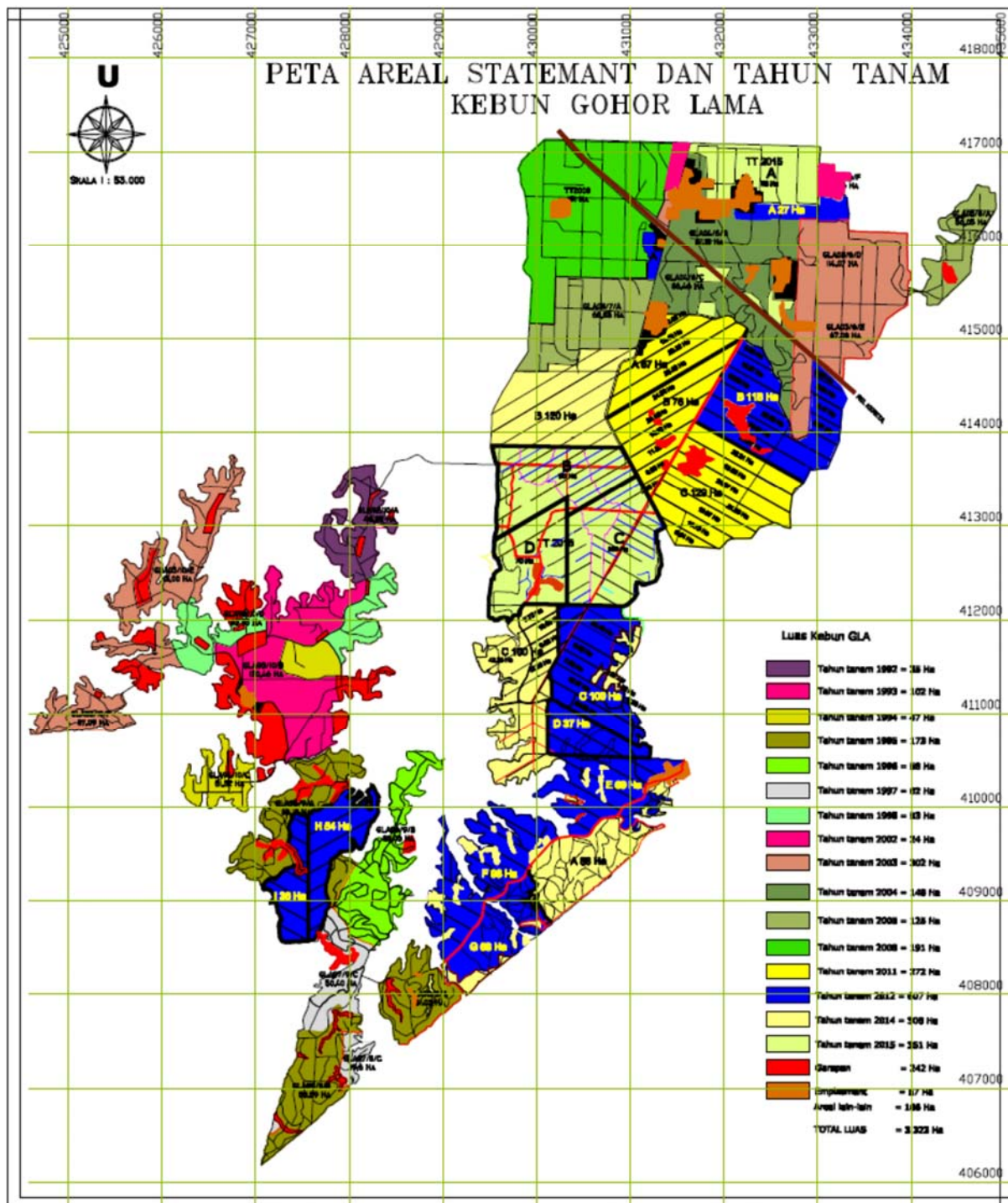


Figure 5. Operational Map of Gohor Lama Estate



**Abbreviations Used**

ALS	:	Assessor Licence Scheme
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)
CB	:	Certification Body
CLA	:	Collective Labor Agreement
Covid	:	Corona Virus Disease
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Coorporate Social Responsibility
CV	:	Commanditaire Vennootschap
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
ENT	:	Ear, Nose and Throat
FFB	:	Fruit Fresh Bunch
GHG	:	Green House Gases
GPS	:	Global Positioning System
HCV	:	High Conservation Value
OER	:	Oil Extraction Rate
KER	:	Kernel Extraction Rate
SOP	:	System Operational Procedure
HGU	:	Hak Guna Usaha (Land Use Rights)
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISCC	:	International Sustainable & Carbon Certification
ISPO	:	Indonesian Sustainable Palm Oil
KLK	:	Kuala Lumpur Kepong
LNK	:	Langkat Nusantara Kepong
LTA	:	Lost Time Accident
MB	:	Mass Balance
MCL	:	Mandau Central Laboratory
MCU	:	Medical Check Up
MSDS	:	Material Safety Data Sheet
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OSS	:	Online Single Submission
POM	:	Palm Oil Mill
POSYANDU	:	<i>Pos Pelayanan Kesehatan Terpadu</i> (Integrated Healthcare Center)
PIC	:	Personel In Charge
PK	:	Palm Kernel
PLN	:	<i>Pembangkit Listrik Negara</i> (National Electric Agency)
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Health and Safety Committee)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RKL/RPL	:	<i>Rencana Kelola Lingkungan / Rencana Pemantauan Lingkungan</i> (environment management and monitoring plan)

RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
SSOP	:	Sustainability Standard Operational Procedure
TPS	:	<i>Tempat Penyimpanan Sementara</i> (temporary storage area)
UKL/UPL	:	<i>Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan</i> (environment management and monitoring)
WTP	:	Water Treatment Plant
WWTP	:	Waste-water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Langkat Nusantara Kepong - Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Stephen Tiong Mee Ing	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000  Liasion Office: Komplek Kantor Direksi PTPN II Jl. Medan – Tanjung Korawa KM 17.5 Medan, Sumatera Utara 20362	
1.2.4	Telephone	061 – 7720 0717 / 794 0229	
1.2.5	Fax	061 – 794 7412	
1.2.6	E-mail	mi.tiong@klk.com.my	
1.2.7	Web page address	<a href="http://www.klk.co.id">www.klk.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Stephen Tiong Mee Ing	
1.2.9	Registered as RSPO member	18 October 2004 Registration Number 1-0014-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	In the ASA-3 audit, there was a reduction in the scope of supply based, previously 8 estates became only 4 estates supply to Stabat POM, and other estates became supply to Tanjung Keliling POM.  So that scope on ASA-3, One (1) palm oil mill (Stabat POM) supplied by four (4) estates (Maryke Estate, Tanjung Beringin Estate, Gohor Lama Estate, and Basilam 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
	Stabat POM	Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	Latitude N 03° 45' 40.55"  Longitude E 98° 23' 33.19"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate

			Latitude	Longitude		
	Maryke	Maryke Village, Kutambaru Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 24' 29.46"	E 98° 14' 16.33"		
	Tanjung Beringin	Tanjung Beringin Village, Hinai Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 47' 28.74"	E 98° 23' 17.74"		
	Gohor Lama	Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 46' 2.97"	E 98° 23' 7.76"		
	Basilam	Basilam Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 40' 15.49"	E 98° 18' 1.95"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		12,633 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
	• Total area		12,633 Ha			
	• Mature area		9,542 Ha			
	• Immature area		1,760 Ha			
	• HCV		235 Ha			
	• Emplacement		229 Ha			
	• Road, Ditch, & Boundaries		362 Ha			
	• Mill		13 Ha			
	• Football Field		2 Ha			
	• Nursery		14 Ha			
	• Replanting Area		427 Ha			
	• Occupation		14 Ha			
	• Other (Area occupied by Government Agency, Electric Line, State Oil Company Area		35 Ha			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Maryke	Tanjung Beringin	Gohor Lama	Basilam	Total
	2001	-	-	-	101	101
	2002	-	4	-	-	4
	2003	-	-	-	179	179
	2004	-	170	-	-	170
	2005	-	240	76	-	316
	2007	188	-	-	-	188
	2008	523	133	186	-	842

	<b>2009</b>	415	-	-	-	415	
	<b>2010</b>	160	-	-	-	160	
	<b>2011</b>	598	419	272	1,360	2,649	
	<b>2012</b>	362	1,635	599	187	2,783	
	<b>2013</b>	215	-	-	-	215	
	<b>2014</b>	-	-	309	745	1,054	
	<b>2015</b>	-	117	349	-	466	
	<b>Mature</b>	<b>2,461</b>	<b>2,718</b>	<b>1,791</b>	<b>2,572</b>	<b>9,542</b>	
	<b>2017</b>	-	-	541	-	541	
	<b>2018</b>	-	-	259	-	259	
	<b>2019</b>	-	494	466	-	960	
	<b>Immature</b>	-	<b>494</b>	<b>1,266</b>	-	<b>1,760</b>	
	<b>TOTAL</b>	<b>2,461</b>	<b>3,212</b>	<b>3,057</b>	<b>2,572</b>	<b>11,302</b>	
	1.6.2	New Planting area after January 2010		Ha			
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Stabat	70	206,905.75	49,203.51	23.8	7,080.34	3.4
<i>*Production data source from 12 months before assessment (September 2019 to August 2020)</i>							
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Maryke	2,704	2,461	59,057.47	24.00	13,055.94	22.1
	Tanjung Beringin	3,909	3,212	37,402.00	12.23	37,279.04	99.7
	Gohor Lama	3,323	3,057	41,183.81	12.82	41,055.04	99.7
	Basilam	2,697	2,572	68,600.27	26.67	68,256.86	99.5
	<b>TOTAL</b>	<b>12,633</b>	<b>11,302</b>	<b>206,243.55</b>	<b>18.25</b>	<b>159,646.88</b>	<b>77.4</b>
<i>*Production data source from 12 months before assessment (September 2019 to August 2020)</i>							
<i>*Tanjung Beringin production from 13 March – August 2020 (certified on 13 March 2020)</i>							
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non- certified)</b>	<b>Type of Organisation</b>		<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	
	Padang Brahrang (Certified)	PT Langkat Nusantara Kepong		-	1,800	6,051.90	
	Bekiun (Certified)	PT Langkat Nusantara Kepong		-	1,588	4,535.15	

	Tanjung Keliling (Certified)	PT Langkat Nusantara Kepong	-	1,779	2,013.63	
	Bukit Lawang (Certified)	PT Langkat Nusantara Kepong	-	1,280	3,440.41	
	Tanjung Beringin (Non-Certified)	PT Langkat Nusantara Kepong	-	2,718	31,217.78	
	TOTAL				47,258.87	
	*Source Production Data on 12 months before assessment (September 2019 to February 2020)					
	**Tanjung Beringin production from September 2019 – 12 March 2020 (certified on 13 March 2020)					
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 (MT)	
MB			IP	MB	IP	
	FFB Processed		155,136	149,590	117,574.53	89,331.22
	CPO Production		37,200	36,008	22,101.38	21,103.98
	Palm Kernel (PK) Production		6,300	5,309	3,387.33	2,905.30
1.8.2	Product selling					
	Type of selling product		Actual selling product for last year (MT)			
	Identity Preserved					
	• CSPO sold as RSPO certified product		13,000.02			
	• CSPK sold as RSPO certified product		2,850.00			
	• CSPO sold under other scheme		7,445.45			
	• CSPK sold under other scheme		0			
	• CSPO sold as conventional		0			
	• CSPK sold as conventional		0			
	Mass Balance					
	• CSPO sold as RSPO certified product		4,500.00			
	• CSPK sold as RSPO certified product		2,175.00			
	• CSPO sold under other scheme		17,500.00			
	• CSPK sold under other scheme		0			
	• CSPO sold as conventional		0			
	• CSPK sold as conventional		884.57			
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)	
	Maryke	2,704	2,461	62,100	25.23	
	Tanjung Beringin	3,909	3,212	40,100	13.11	
	Gohor Lama	3,323	3,057	45,200	14.07	
	Basilam	2,697	2,572	69,200	26.90	
	TOTAL	12,633	11,302	216,600	19.16	
	*Projected FFB production for 12 months of certificate					
1.8.4	Estimate of Certified Palm Product Claim					
	Name of Mill	Capacity	FFB	CPO	Palm Kernel	Supply Chain

		(tonnes/ hour)	Processed (tonnes/year)	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Module
	Stabat	70	190,300	45,700	24	7,600	4	IP
			26,300	6,300		1,100		MB
*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	MANAGEMENT UNIT		LOCATION		Coverage Area (Ha)	Time Bound	Status	
	P O M	Estate (Supply Base)						
	INDONESIA							
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur		7,971	2019	Certified	
		Hutan Hijau Mas	Berau, Kalimantan Timur		7,288	2019	Certified	
	Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur		14,086	2017	Certified	
		Anugerah Surya Mandiri	Berau, Kalimantan Timur		2682	2021	-	
	-	Kebun PT Putra Bongan Jaya	Kutai Barat, Kalimantan Timur		16,062	2022	-	
	MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah		9,056	2019	Certified	
		Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah		6,399	2021	-	
	KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah		13,127	2019	Certified	
	Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka		14,065	2015	Certified	
		Kebun Bumi Makmur Sejahtera Jaya	Belitung, Bangka		364	2021	-	
	Parit Sembada POM	Parit Sembada	Belitung, Bangka		3,990	2016	Certified	
		Alam Karya Sejahtera	Belitung, Bangka		6,012	2019	Certified	
	Mandau POM	Mandau	Bengkalis, Riau		14,799	2012	Certified	
	Nilo POM 2	Kebun Nilo Timur	Pelalawan, Riau		6,681	2014	Certified	
		Ladang Mutiara (SWP)	Pelalawan, Riau		1,363	2019	Certified	
	Nilo POM 1	Kebun Nilo Barat	Pelalawan, Riau		6,179	2014	Certified	
	Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau		6,200	2013	Certified	

Stabat POM (LNK)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2020	Certified
	Padang Brahrang	Langkat, Sumatera Utara	2,827	2014	Certified
	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified
	Maryke	Langkat, Sumatera Utara	2,024	2014	Certified
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified
<b>PENINSULAR MALAYSIA</b>					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, Johor	2,977	2011	Certified
	Sq Penggeli	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, Johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemong, Pahang	1,578	2012	Certified
	Tuan	Telemong, Pahang	1,353	2012	Certified
	Kemasul	Mengkarak, Pahang	459	2020	-
Tanjung Malim POM	Changkat Asa	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014

	Kuala Gris	Kuala Krai, Kelantan	2,429	2020	-
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
SABAH, MALAYSIA					
Mill I	-	Tawau, Sabah	-	2020	-
Pinang POM	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong	Tawau, Sabah	2,864	2009	Certified 2009
	Pangeran	Tawau, Sabah	2,855	2009	Certified 2009
	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
Pinang	Pang Burong	Tawau, Sabah	2,548	2009	Certified 2009
	Sri Kunak	Tawau, Sabah	2,770	2009	Certified 2009
	Tundong	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlet	Tawau, Sabah	1,834	2009	Certified 2009
Lungmanis	Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
	Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
LIBERIA					
No Palm Oil Mill	Butaw Estate	Liberia	8,011	2022	-
Plan Bay Mill	Plam Bay Estate	Liberia	13,007	2022	-
<p>*KLK Time Bond Plan has been updated on 29 July 2020 and develop by sustainability team</p> <p>Kuala Gris Estate and Kemasul Estate are included as the estate's NPP for conversion of rubber to oil palm has been approved by RSPO Secretariat on 8/7/2019</p> <p>Tanjung Keliling POM is a new mill. It was commissioned in September 2019</p> <p>PT Menteng Jaya Sawit Perdana area has been reduced to 2,384 ha. This is mainly due to removal of Hutan Tanaman Rakyat area from its concession.</p> <p>PT Bumi Makmur Sejahtera Jaya – 364 ha, became a subsidiary of KLK in 2018.</p> <p>KLK revised time bound plan has been consented by RSPO Secretariat on 28th July 2020. The justification for the revision is as follow:</p> <ol style="list-style-type: none"><li>1. PT Bumi Makmur Sejahtera Jaya (Indonesia): 2021 due to HGU</li><li>2. PT Anugrah Surya Mandiri (Indonesia): 2021 due to development is still pending</li><li>3. PT Menteng Jaya Sawit Perdana (Indonesia): 2021 due to HGU</li><li>4. PT Putra Bongan Jaya: 2022, due to 4,460 Ha of the concession has yet obtain HGU and palm oil mill has yet to be constructed. The acquisition was completed in September 2018</li><li>5. Palm Bay Palm Oil Mill, Palm Bay Estate, Butaw Estate (Liberia): 2020, due to equatorial palm Ltd have been</li></ol>					

	<p>confronted with many challenges since embarkation on the RSPO certification journey, they are as follow:</p> <ul style="list-style-type: none"> <li>- Social issues: local workforce and stakeholders are poorly educated with capabilities to comprehend international requirements. There requirements are either disregarded or ignored, and not understood. Training and implementation have become a huge task both for the estate and palm oil mill.</li> <li>- Lack of infrastructure and services: there are limited technology or services providers in Liberia that are crucial for operations and compliance e.g.: schedule waste contractors/ local certification body and little support on maintenance of public infrastructure for e.g. road condition are extremely poor during the wet months. Many of the above have to imported and brought into the estate from far.</li> <li>- Covid-19: This pandemic has impacted the estate and POM operations. Many work delays have been recorded since the first quarter this year. We foresee this could continue under the new norm.</li> <li>- The POM has not been able to operate in full capacity since its inception, and it is now only running 4 days a week. The remaining units i.e. kernel crushing plant and biogas plant which are supposed to be constructed and operate together with the POM are still pending. The project has been halted due to the issues highlighted in point b and point c.</li> </ul>
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	There is no associated smallholder in this certification scope.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-3</b>	<p><b>1. Rizliani Aprianita Hasibuan (Lead Auditor).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering legal, social aspect, health and safety aspect, worker welfare, waste management aspect etc. During the assessment she assigned to verify Worker Welfare, Social and Third parties.</p> <p><b>2. Asystasya Aishah Silalahi (Auditor).</b> Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified legal, land dispute, and SCCS aspect</p> <p><b>3. Briyogi Shadiwa (Auditor).</b> Indonesian citizens. Diploma 3 of Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified the Best Management Practice and OHS.</p> <p><b>4. Rahmat Abdiansyah (Trainee).</b> Indonesian citizen, Bachelor of Forestry from the Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this audit it was conducted as a Trainee under supervised by Lead Auditor to verify environmental and GHG aspect.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	<p>Number of auditors : 3 auditors and 1 trainee</p> <p>Number of days for <b>ASA-3</b> at site : 5 days</p> <p>Number of working days for <b>ASA-3</b> at site : 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langkat Nusantara Kepong – Stabat POM to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-3</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-4</b>).</p> <p>Improvement of findings from <i>main assesment</i> findings were observed by auditors at this <b>ASA-3</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-3</b></p>

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-3</b>	<p><b>Stabat POM</b></p> <ul style="list-style-type: none"> <li>• <b>Loading Ramp.</b> Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified.</li> <li>• <b>Sterilizer Station.</b> Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.</li> <li>• <b>Press Station.</b> Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.</li> <li>• <b>Boiler room.</b> Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.</li> <li>• <b>Engine Room.</b> Observation and interviews with engine room operator regarding employment aspect, OHS aspect and working procedures specified.</li> <li>• <b>Workshop.</b> Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities</li> <li>• <b>WTP.</b> Observation and interview related management of process and domestic water.</li> <li>• <b>Chemical material warehouse.</b> Observation and interview towards technical, pesticides stored, environment, manpower and safety aspects.</li> <li>• <b>Spare part storage.</b> Observations and interviews related to safe work practices and workers welfare.</li> <li>• <b>Oil Warehouse.</b> Observation Hazardouse waste management, MSDS, Symbols and the others.</li> <li>• <b>WWTP.</b> Field observations related to Ban to entry to WWTP, run off, testing of effluent.</li> <li>• <b>Hazardous and Toxic waste storage.</b> Field observations and interview related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</li> </ul> <p><b>Tanjung Beringin Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Circle Spraying, Block 12U Division 4.</b> Observation and interview related to work technic (based on company Procedure), PPE and labor.</li> <li>• <b>Harvesting, Block 15A Division 3.</b> Observation and interview related to work technic (based on company Procedure), PPE and labor.</li> <li>• <b>Manuring, Block 12V Division 4.</b> Observation and interview related to work technic (based on company Procedure), PPE and labor.</li> <li>• <b>Spot Spraying, Block 20C Division 3.</b> Observation and interview related to work technic (based on company Procedure), PPE and labor.</li> <li>• <b>Replanting, Block 20C Division 3.</b> Observation related to best management practice on replanting area</li> <li>• <b>Boundary poles No. 43 and 49.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Conservation area Block D2012, Division 1.</b> Observation of existing and maintenance of conservation area.</li> <li>• <b>Fertilizer storage.</b> Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.</li> <li>• <b>Chemical storage.</b> Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.</li> <li>• <b>Premix area.</b> Observation about premix area condition and waste management and interview with premix officer about work procedure and OHS implementation.</li> <li>• <b>Temporary hazardous waste storage.</b> Observation about kind of hazardous waste in storage and implementation of OHS.</li> <li>• <b>Rinse house.</b> Observation about rinse house condition, PPE of spraying worker storage, and waste management.</li> </ul>

- **Solar and fuel storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Clinic.** Interview with paramedic about infectious waste management, clinic service, frequently work accident, worker welfare.

#### Gohor Lama Estate

- **Spraying activity, Block 14 D Division 2.** Observations and Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.
- **Fertilizing activity, Block D Division 2.** Observations and Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.
- **Harvesting activity, Block H Division 4.** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, use of PPE, employment and complaint mechanism.
- **HGU Poles No. LXXVI, XXV, LX, LIX.** Observation of and demarcation aspect and maintenance of HGU pole, and land dispute potency.
- **Landfill, Block 2011 A, Division 1.** Observation regarding management of domestic waste.
- **Daycare.** Interview with worker about worker welfare aspect.
- **Housing complex of Division 1.** Observation and interview workers facility, employment and domestic waste management.
- **Chemical storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Spare part storage.** Observations and interviews related to safe work practices and workers welfare.
- **Oil Warehouse.** Observation Hazardouse waste management, MSDS, Symbols and the others.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.

#### Maryke Estate

- **HCV Sungai Titi Kayu Raja, Block 12A/11F Division 3.** Observation the implementation of management in HCV of riparian area.
- **HCV Lembah Tribun, Block 12A/11F Division 3.** Observation the implementation of HCV management
- **HGU Poles No. XL, XXXIX, XXXVIII.** Observation of and demarcation aspect and maintenance of HGU pole, and land dispute potency.
- **Harvesting activity, Block 13E,** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, use of PPE, employment and complaint mechanism.
- **Spraying Team.** Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.
- **Clinic division 3.** Observation and interviews related to medical facility, woman issue and medical waste management.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Chemical storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Premix area.** Observation about premix area condition and waste management and interview with premix officer about work procedure and OHS implementation.
- **Temporary hazardous waste storage.** Observation about kind of hazardous waste in storage and implementation of OHS.
- **Rinse house.** Observation about rinse house condition, PPE of spraying worker storage, and waste management.
- **Solar and fuel storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Housing complex of Division 2.** Observation and interview workers facility, employment and domestic waste management.

**Basilam Estate**

- **Housing division 2.** Observation regarding to feasibility of facilities, waste management, clean water and access to basic needs.
- **Nursery and Reservoir block N Division 1.** Observations and interviews related to work procedures, OHS, labor and water management for nursery.
- **Fertilizing activity, Block 11 N Division 1.** Observations and Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.
- **Harvesting activity, Block 13E,** Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, use of PPE, employment and complaint mechanism.
- **Spraying activity, Block F Division 2.** Observations and Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.
- **Landfill block 14D division 2.** Observation and interview related to waste management.
- **HGU Poles No. 45, 44, and 43.** Observation of and demarcation aspect and maintenance of HGU pole, and land dispute potency.
- **Basilam River, Block 2011 M.** Observation the implementation of management in HCV of riparian area.
- **Durhaka River, Block 2011 A.** Observation the implementation of management in HCV of riparian area.
- **Chemical storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Temporary hazardous waste storage.** Observation about kind of hazardous waste in storage and implementation of OHS.
- **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
- **Solar and fuel storage.** Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.
- **Clinic.** Observation and interviews related to medical facility, woman issue and medical waste management.

**Stakeholder consultation with relevant agencies**

- Plantation Agency of Langkat Regency
- Environmental Agency of Langkat Regency
- Manpower Agency of Langkat Regency
- Local contractor of Road Maintenance
- Local contractor of FFB Transporting
- Land National Agency of Langkat Regency

**Local communities surrounding the plantation visited to:**

- Head of Gohor Lama Village
- Head of Basilam Bukit Lambasa Village

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Langkat Nusantara Kepong was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website Mutucertification.com (11 August 2020)</li> <li>• Public consultation meeting with government institution (8 September 2020)</li> <li>• Public consultation meeting with communities including previous land owner (8 September 2020)</li> <li>• Public consultation meeting with internal stakeholders and contractor (9 September 2020)</li> </ul>

<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-1) will be conducted eight (8) month to twelve (12) month after Certificate issued.

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of LNK Stabat POM – PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and Four (4) oil palm estates. During the assessment, there is no Nonconformities assigned against Major Compliance Indicator and Minor Compliance Indicator raised; and one (1) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that LNK Stabat POM – PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd 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	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1 &amp; 1.1.2</b>	<p>The company has a list of documents that are publicly available. The types of information provided to the public are contained in the Document Master List, for example: HGU documents, EIA, SIA, UKL / UPL, RKL / RPL Reports, Company Policy, HCV, compensation record, etc. The list of documents that can be accessed by the public is available in bahasa.</p> <p>As a result of interviews with village representatives such as the Besilam Bukit Lembasa Village and Gohor Lama Village, it was found that the company had good relationships and communications with the village authorities. The village also knows the mechanism for requesting information by sending letters, telephone calls or direct visits to the plantation office.</p>	
<b>1.1.3, 1.1.4 and 1.1.5</b>	<p>The company has SOP for Information Services contained in SOP No. 1 concerning Request and Giving of Information, Communication and Submission of Complaints revision 3 with a revised date of 24 April 2020 which was approved by Management. Based on the SOP, it is explained that the information request mechanism is divided into two types, namely requests for information in writing (letters, e-mails) and verbal requests for information (telephone, visiting persons). The document also explains that the response period is 14 days.</p> <p>Based on the stakeholder Logbook document, there was no request for information from the stakeholder. The incoming letter to PT LNK is a letter requesting assistance, for example:</p> <ul style="list-style-type: none"> <li>Request for ambient air sampling 21 April 2020 and responded on the same day.</li> <li>Request for identification / check of work accident case at Stabat POM by the Manpower Office of North Sumatera on May 2020 and responded on the same day.</li> <li>Request for a comparative study regarding the barcode procedure from PTPN 6 dated 13 December 2019 and was responded on 13 December 2019</li> </ul> <p>The company also routinely to submit mandatory reports to the relevant agencies, for example:</p> <ul style="list-style-type: none"> <li>Report on the Realization of HGU Utilization in 2019 to the National Land Agency of Langkat Regency on December 5, 2019.</li> </ul>	

- A mandatory report on labor reports for Stabat POM dated 8 November 2019 and an obligation to re-register on 8 November 2020.
- A mandatory report on labor reports for Maryke Estate dated 7 November 2019 and an obligation to re-register on 7 November 2020.
- Plantation Business Report Semester II 2019 to the Department of Agriculture of Langkat Regency on January 30, 2020.

The company maintains a list of stakeholders in each plantation and mill unit. The list of stakeholders consists of workers' organizations, service providers, government offices, contractors and NGOs. The list of stakeholders informs stakeholders, addresses and telephone / email. The company has appointed a PIC who is responsible for communicating and consulting with relevant stakeholders, namely the estate manager and public relations department. As a result of interviews with village representatives such as the Besilam Bukit Lembasa Village and Gohor Lama Village known that village representatives know the PIC appointed to communicate with stakeholder.

**Status: Comply**

## 1.2

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

### 1.2.1 & 1.2.2

The company has a policy of corporate integrity and ethical behavior as stated in the KLK Sustainability Policy, approved by the Chief Executive Officer on December 1, 2014. This policy applies to KLK and all of its subsidiaries. In addition, there is also an Employee Code of Conduct document that was effective from October 1, 2014. This Code of Conduct establishes the principles and standards of business ethics and behavior for all employees of the KLK Group. Its purpose is to assist employees in defining standards of ethics and behavior in the workplace.

The company shows documentation of the socialization of the policy, for example:

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants
- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants.

The results of interviews with workers such as harvesters, spray teams, warehouse officers, grading officers and labor unions revealed that workers had been given socialization related to employee code of ethics such as prohibition of sexual harassment, engaging in criminal activities, bribing, etc. The results of interviews with contractors also provided information that the company had socialized the KLK policy to contractors.

The results of interviews with management indicated that the company has an internal audit mechanism to ensure compliance with regulations and compliance with RSPO and ISPO standards which is carried out regularly once a year. In addition, the company also has a complaint procedure if there is a complaint related to violations of company policy. The complaint procedure has also been routinely socialized to workers. The results of verification of complaint documents and interviews with workers and labor unions obtained information that there were no violations of company policies or code of ethics.

**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.**

#### Employment

The minimum wage is based on the Governor of North Sumatra Decree No. 188.44/16/KPTS/2020 concerning Langkat District Sectoral Minimum Wages in 2020 amounting to Rp. 2,752,500.

#### Legal aspect

- Company has land use title for each estate with total area of land use title is **13,259.92 Ha.**
- Company has plantation permit in accordance with Decree of Langkat Regent No. 525-16/K/2015, issued on 21 April

2015 which covering area about **12,103.37 Ha** and FFB process capacity of Stabat POM is 70 Ton FFB/Hour

- Company has plantation permit in accordance with Decree of Langkat Regent No. 503-02.Q/SK/2007, issued on 7 February 2007 which covering area about **556,54 Ha**.

**Environment aspect:**

- The unit has an operational permit for the management of hazardous and toxic waste for producers issued by the OSS agency to PT Langkat Nusantara Kepong Stabat POM. The permit was issued on February 25, 2020, which states that the operational permit for the management of hazardous and toxic waste for this producer has fulfilled the commitment and effective approval of the approval submitted by the Regent of Langkat Regency, North Sumatra Province. The certification unit can also show a recommendation for a permit for temporary storage of hazardous and toxic waste from PT Langkat Nusantara Kepong from the Langkat Regency Environmental Service number: 660-1391 / DLH-LKT / 2019 on October 21, 2019.
- The unit of certification has a permit for utilization of mill effluent based on the Decree of the Regent of Langkat No. 660.3-09 / K / 2016 dated 16 August 2016, valid for five years from the date of stipulation, regarding the permit for utilization of PT LNK Stabat's palm oil mill waste.
- The certification unit has Environmental Documents, namely UKL-UPL, Environmental Evaluation Documents (DELH) and Environmental Impact Analysis Documents (ANDAL).
- The certification unit has reported environmental management such as the implementation of RKL / RPL, Hazardous and Toxic Waste Management and Mill Effluent Monitoring to the Environmental Service.

**2.1.2**

Procedure of legal requirement is listed in document SOP No. 2 about compliance of law and regulation. The procedure explain the person in charge for managing the regulation and update the regulation. Sustainability team will update the regulation whenever there are new regulation related to company activity. Besides, company also showed the evaluation of regulation compliance that can be applied in PT LNK.

**2.1.3**

Based on field observation to Boundary Poles No. XL, XXXIX, XXXVIII in Maryke Estate, No. 49, 53 in Tanjung Beringin Estate, it is known that the poles is well maintained, and clearly showed the boundary among surrounding area. Company also showed the monthly monitoring of boundary poles. Verification using GPS also indicates that the pole coordinate is in accordance with the provisions of the land title and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation.

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

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

**2.2.1; 2.2.2; 2.2.3**

The company has a list of contractors working with PT LNK - Stabat POM (Maryke Estate, Tanjung Beringin Estate, Gohor Lama Estate and Basilam Estate), as follows :

- Maryke : 4 contractors
- Tanjung Beringin : 4 contractors
- Gohor Lama : 6 contractors
- Basilam : 2 contractor
- Stabat POM : 8 contractors

The third party (contractors) has been able to demonstrate the implementation of labor such as a work agreement between contractors, evidence of BPJS employment registration, provision of wages according to minimum wages and OHS operator licenses.

The company can show the Work Agreement with the contractor. For example: Work Agreement with PT Putra Dalanta Langkat (for FFB transporter) No. 0378/LNK-BAS/SPB/VI/2020 dated June 29, 2020 and valid until September 30, 2020. The agreement explains the obligation to comply with the supplier / contractor's code of ethics which includes occupational safety and health, the environment, employment, governance and adherence to the code of ethics. There is evidence of

<p>implementation of compliance with regulations carried out by contractor (PT Putra Dalanta Langkat) such as:</p> <ul style="list-style-type: none"> <li>Contractor has shown employment agreement with the workers. For example agreement with worker (Initial PS) with agreement dated 3 December 2019.</li> <li>Evidence of payment of BPJS employment for contractor workers of PT Putra Dalanta in August is paid on August 31, 2020 with transaction number 000005976578</li> <li>A salary slip for a contractor worker (Initial PS) amount Rp. 2,939,500 on August 2020.</li> </ul> <p>In terms of compliance with regulations by third parties, the company carries out monitoring such as agreement number, agreement validity period, BPJS, and workers' wages. Monitoring is carried out at least annually by PT LNK.</p>	
<b>Status: Comply</b>	
<b>2.3</b> <b>All FFB supplies from outside of the unit of certification are from legal sources.</b>	
<b>2.3.1 &amp; 2.3.2</b> <p>The certification unit only obtains FFB from the nucleus estate, namely from Maryke Estate, Tanjung Beringin Estate, Gohor Lama Estate and Basilam Estate. Also, the POM received FFB from KLK group estates, such as Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate. The certification unit does not accept FFB from third parties.</p>	
<b>Status: Comply</b>	
<b>PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE</b>	
<b>3.1</b> <b>There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</b>	
<b>3.1.1; 3.1.2 &amp; 3.1.3</b> <p>The management plan at estate level was evidenced with a document of Economic Indicators for Estate (5 Years) from 2019/2020 – 2023/2024 which include projected OER and KER, FFB Production, Pesticide usage, production cost projection, and revenue projection. The document consists of capital expenditure (buildings, plant and machinery, etc.), indirect cost (salaries, fees, medical, etc.), and operational cost of plantation activity.</p> <p>An annual evaluation is available for each management unit in the Annual Report which contains information on production, improvement of results, date of expenditure, proportional estimates, original estimates and reasons for over / under spending. Latest evaluation has been done on 2019.</p> <p>There is replanting program for next 5 years in each management unit, for examples: 458 ha in Gohor Lama Estate and 427 ha in Tanjung Beringin Estate. The oldest palm oil tree is planted on 2001.</p>	
<b>Status: Comply</b>	
<b>3.2</b> <b>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.</b>	
<b>3.2.1</b> <p>The Unit of Certification has implemented commitments to reduce environmental impacts, for example:</p> <ul style="list-style-type: none"> <li>Mill effluent management and monitoring. WWTP management, conducts mill effluent quality tests and reports it to the Environmental Agency of Langkat Regency.</li> <li>Air quality management and monitoring, namely by carrying out road maintenance, conducting air quality tests and reporting it to the Environmental Agency of Langkat Regency.</li> <li>Surface water management and monitoring. Conduct a groundwater quality test and report it to the Environmental Office of Langkat Regency.</li> <li>Hazardous and toxic waste management. The company has a licensed hazardous and toxic waste Temporary Storage and monitors hazardous and toxic waste.</li> <li>In the Extension Scope Audit assessment, it is known that the certification unit has established a fire management training program with the surrounding community which will be carried out in April 2020 and this will become OFI. At the time of the ASA 1.3 Audit the auditor had verified the OFI. Based on the auditors' verification, the company has not conducted fire management training with the community. This is due to social restrictions due to the existence of Covid 19 in</li> </ul>	

accordance with the circular letter of the Board of Directors of PT LNK number 277 / Dir.SDM / SE / V / 2020 dated May 13, 2020 regarding restrictions on people's travel for social restrictions. So this is still an OFI (OFI number 1) and will be observed in the next assessment.

**3.2.2**

Not applicable, since RSPO metric template on annual report is not available. In addition, KLK group has been upload the RSPO Annual Communication of Progress 2019 on RSPO Website.

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

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

**3.3.1**

The certificate holder already has an estates SOP (starting from Land Clearing to Harvest) that has been documented, including in the revised SOP Sustainability document dated August 10, 2017 and authorized by the General Manager. The SOP includes major processes such as harvesting (SOP number 10), transportation (SOP number 11), fertilization (SOP number 7C), IPM (SOP number 17) and supply chain (SOPs 31 and 32).

**3.3.2 & 3.3.3**

Based on the results of document review and interviews with the management, it is known that the certificate holder routinely conducts inspection or monitoring activities according to the operational procedures performed by Internal Audit Division, Mandau Central Laboratory (MCL), Mill Controller / Mill Advisor and Agronomist PT Applied Agricultural Resources Indonesia (PT AARI). Inspections are also conducted through inspections conducted by local unit staff such as managers, assistants or supervisors (foremen) such as inspections on harvesting activities. The company has procedures related to monitoring activities for operational activities such as explained monitoring conducted by PT AARI conducted every 6 months and monitoring the quality of FFB production and citation of loose fruits conducted once in 4 months by MCL. The procedure also explains the follow-up to the findings of nonconformities. In addition, the company also done internal audit on dated 13 – 17 July 2020 for Stabat POM and it supply base. All of the findings have been fulfilled such as, separating the long-term plans between the 2 mills and recording the book-keeping(On July 2020).

In addition, inspection which conducted by Internal Audit Division also check, monitor and evaluate contractor performance. Based on interview with local contractor, the company will not extend the contract if not comply with company procedures.

<b>Status: Comply</b>
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**3.4**

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

**3.4.1 & 3.4.2**

There is no new land development in the certification unit. The company has an environmental document that addresses the positive impacts and negative impacts of operational activities, which consist of:

1. The UKL-UPL document that was ratified by the Head of the Langkat Regency Environmental Agency in accordance with letter number: 660-033 / BLH.Sker.II / 2011 dated December 14, 2011. The scope of this document is the construction of 70 tons of FFB / hour and factory area 2 ha.
2. The Environmental Evaluation Document (DELH) which was ratified by the Head of the Langkat Regency Environmental Agency was legalized based on decree number 660.1245 / SEKRE.II-BLH / Year 2011 dated October 3, 2011.
3. The AMDAL document approved by the Langkat Regent with Letter No.660.1-36 / PDL-LKT / XI / 2005 dated November 9, 2005.

Based on the results of verification of documents (environmental documents and area maps) and interviews with management, it was known that the Tanjung Beringin Estate area was previously managed by the Gohor Lama Estate, so that the Tanjung Beringin environmental documents are included in the Gohor Lama Estate environmental documents.

Environmental management and monitoring plans are listed in the environmental monitoring and management matrix (in each environmental document). In the Management plan matrix, it is explained about the types of significant impacts, sources of impact, location, period etc. The replanting impact study has been explained in the monitoring and environmental management report documents per semester, including evaluation results for all parameters monitored and managed.

Based on the document review, it is known that environmental documents cover the entire area and operational activities of the company.

The certification unit has conducted a social impact assessment (SIA) conducted by Aksenta consultants on 30 January - 9 February 2016 and the SIA assessment report was published in May 2016. The certification unit also documented records of meetings involving 125 participants consisting of Tanjung Beringin Village, Padang Brahrang, Padang Cermin, Tanjung Keliling, Lapas Sei, Maryke, Gelugur Langkat, Tirange, Tanjung Keliling Plantation Village, Bukit Lawang Plantation Village, Sumber Mulyo Village, Situngkit Village Gergas Village and Gohor Lama Village. The SIA assessment also involves internal stakeholders such as workers and also involves affected women. The certification unit has compiled a social impact management plan listed in the PT LNK 2019/2020 social impact management and monitoring plan document which was compiled on June 24, 2019 by involving the village community around the plantation, namely Gelugur Langkat Village, Minta Kasih, Bekiun, Namo Mbelin, Sido Makmur, Bukit Lawang, Padang Cermin, Naman Jahe, and Tanjung Keliling Village. The social impact management plan informs positive and negative impacts, involved stakeholders, action plans, PIC, targets and implementation status. The issues identified include: housing conditions, educational facilities, working hours, wages, rest, employee facilities, PPE, quality of PPE, labor management, contractor labor, women workers, community understanding regarding CSR, implementation of village development planning meetings involving companies, company legal boundaries and land issues, development of environmental issues around, replanting aspects, reduced areas for fodder and land still controlled by cultivators. Defined management, for example:

- For cultivated land by making negotiations with the tenants and involving related agencies and government
- Replanting by means of delivering a letter to the village regarding replanting and the prohibition of bringing livestock into the replanting area.
- Employee housing conditions that are unfit for habitation are managed by making a home improvement plan and have included it in the 2019/2020 estimate.

Based on interviews with representatives of Gohor Lama and Bukit Lambasa Villages, it is known that the social impacts of company operations have been covered in the SIA identification carried out by company, such as CSR, Village development planning and environmental development problems.

### **3.4.3**

The company has implemented the environmental management and monitoring plan stated in the report on the implementation of the environmental management and monitoring plan for semester 1 of 2020. The report has also been reported to the Environmental Office of Langkat Regency on July 15, 2020. Based on the verification report on the implementation of the Environmental Document for Semester 1 of 2020 and interviews with the Environmental Agency of Langkat Regency, it is known that the company has implemented an environmental management and monitoring plan in accordance with the matrix in its environmental documents, such as:

- Mill: Air quality, water quality, disturbance of aquatic life, work accidents, job opportunities, business opportunities, health problems, infrastructure damage, public perception and hazardous and toxic waste.
- Estate: Air quality, Increased erosion rate, potential road damage, decreased flora and fauna diversity, and employment opportunities for local labor.

The company has also conducted a trend evaluation, critical level and structuring evaluation for all impacts that are managed and monitored. From the results of testing / monitoring such as air quality and clean water quality at home, it is also known that there are no test results that exceed standard quality.

A review of the environmental management plan is carried out every 6 months at the time of reporting the implementation of environmental management and monitoring to the Environmental Agency, the last report is in Semester 1 of 2020 and the results of the review are separate reports per environmental document owned.

The company has compiled a social impact management plan (SIA) for 2020/2021 which was drawn up on June 16, 2020. The social impact management plan informs positive and negative impacts, related stakeholders, action plans, PIC, targets and implementation status. The issues identified include: housing conditions, educational facilities, working hours, wages, rest, employee facilities, PPE, quality of PPE, labor management, contractor labor, female workers (from Internal), community understanding of CSR, implementation of village development planning meetings, involving the company, legal boundaries of the company and land issues, the development of environmental issues around, replanting aspects, reduced areas for

fodder and land that is still controlled by the cultivator (externally). Defined management, for example:

- CSR by cooperating with the surrounding community, for example in the transportation sector such as transporting FFB, services, etc. In addition, the certification unit also supports repairs related to repair of roads, bridges, and water assistance for community events.
- Access to information and submission of complaints. This is done so that the village will know the access to request information from the certification unit.
- Health. The company clinic can serve the community.
- Infrastructure and environmental sustainability, namely by providing assistance such as maintenance of roads / bridges that are traversed by villagers. In addition, so that the village knows the location of the HCV area in the company by looking at the signs prohibiting burning, spraying and fertilizing on the riverbank area are prohibited.

**Status: Comply**

### 3.5

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

##### **3.5.1 & 3.5.2**

The company has a recruitment procedure which is contained in SOP 29 Workers Management no. revision 4 dated revised 10 April 2019. The procedure explains the recruitment and interview / selection method, requirements for recruitment of workers, registration, direction, evaluation, monitoring and appraisal, and career paths. The procedure also describes Workers' Training, medical facilities not due to workplace accidents, etc and also includes policies related to the prohibition of discrimination. Other labor mechanisms are regulated in the Collective Labor Agreement which explains probation (article 6), Movements (article 7), Promotion and Demotion (article 8), Termination of Employment (Article 40), etc.

The company can show records of the implementation of employment procedures, such as:

- Letter No. 90/TBR-LNK/P/II/2020 dated January 31 2020 regarding the promotion of worker with initial DM and KN from an maintenance worker to maintenance foreman.
- Employee recruitment documentation and worker appointment letters. For example, worker with initial AB who have been appointed as permanent employees on April 9, 2019.
- Employee recruitment documentation and worker appointment letters. For example, worker with initial GI who have been appointed as permanent employees on April 8, 2019.

The company has shown recruitment documentation such as job application letters, CV, photocopies of ID cards, family cards, health certificates, employment agreements, employee appraisal forms and letters of appointment as permanent employees. The results of interviews with management found that there were no more recruitment at the Stabat POM and its supply base. The last employee appointment was carried out in 2019.

The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers has already know about employment procedures such as termination, retirement or promotion. Based on thatt interview known that the company has provides equal rights to employees in accordance with applicable laws and regulations.

**Status: Comply**

### 3.6

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

##### **3.6.1**

The company already had OHS policy, namely Occupational Safety and Health Policy set by Group Plantation Director dated November 7, 2014 (Roy Lim Kiam Chye).

The company also presented the Hazard Identification, Risk Analysis and Risk Management documents made by the PT Langkat Nusantara Kepong plantation team (Tanjung Beringin, Gohor Lama, Basilam, Maryke Estate, Stabat POM) which were approved by the management leader in 2020. The document contains hazard identification, risk analysis and control risks in each estate maintenance activity (Pesticide spraying, fertilizer use, empty longitudinal application, frond pruning, etc.), harvesting activities, FFB transportation and General Activities (warehouses, workshops, employee transportation, employee housing, garbage disposal, generator sets & pumps water, and security personnel).

Based on field observation, hazard identification risk assessment and control (HIRAC) documents has been implemented

adequately and appropriate in estate and mill. For examples: operator uses ear muff, harvester uses helmet and loader uses safety shoes.

### 3.6.2

Based on field observation, hazard identification risk assessment and control (HIRAC) documents have been implemented adequately and appropriate in estate and mill. For examples: operator uses ear muff, harvester uses helmet and loader uses safety shoes.

The company carries out activities to monitor the effectiveness of the OSH plan such as:

- Regular monthly meetings for each P2K3 in each unit in the context of the effectiveness of the OSH plan that has been prepared in the beginning of the year.
- MCU inspection activities every year, which for the period 2019 is carried out on November 2019.
- The company simulates land fires per semester
- Hold a First Aid Kit Simulation for each management unit.
- Examination of fire extinguishers every month in preparation for the existence of hotspots in each unit.
- Providing PPE and its replacements to all employees for free.

**Status: Comply**

## 3.7

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

### 3.7.1, 3.7.2, 3.7.3

The company shows the Training Program for each unit in 2019/2020 prepared by the sustainability department. The training program informs the month of implementation, the topic / type of training, the personnel being trained, the person in charge and the status. The training program consists of :

- Management of agrochemical mixing (MSDS, hazardous waste management)
- Fertilizer warehouse and agrochemical training (warehouse stock, chemical handling, OHS handling)
- Harvest Technical Training (SOP for harvesting, HIRARC, usage and violations of PPE, submitting complaints, reporting work accidents)
- Fire fighting training and the use of APAR
- Spraying technical training
- Fertilizing technical training
- IPM training
- Training of the first aid kit
- Minimum wage socialization
- Code of Conduct socialization
- Gender committee socialization
- Socialization of waste management
- Etc.

The company already has training records, such as:

- Fertilization and Spraying Training on 18 January 2020 at Maryke Estate which was attended by 21 spray and fertilizer workers.
- Fire training for Rayon Stabat on 11 December 2019
- Training related to caterpillar control on March 3, 2020 at the district office
- Training related to Pest Control and Safety at the District Office on June 9, 2020.
- SCCS training on 4 September 2020 at Stabat POM that was attended by 14 participants
- Etc.

The results of interviews with labor union and workers such as warehouse officer, harvesters, fertilizer workers, grading officer, boiler officer stated that the company had provided training or socialization regarding work procedures for each worker. In addition, the results of interviews with welder officers, also conveyed that the worker has been given in welder training. As for the training program which involve contractors such as SOP socialization and training related to OHS. From the results

of interviews with workers and contractors, known that workers and contractors can explain the training that has been obtained such as work procedures and OHS implementation.

**Status: Comply**

### 3.8

#### Supply Chain Requirements for Mills

##### 3.8.1, 3.8.2

Stabat POM implements module D (IP) and module E (MB) in its supply chain system. Stabat POM records the volume of certified FFB from each FFB sources separately. Stabat POM receives FFB from 4 estates that have RSPO certificates, namely:

- Basilam Estate
- Tanjung Beringin Estate
- Gohor Lama Estate
- Maryke Estate

Stabat POM record the volume of certified FFB from each FFB sources.

##### 3.8.3

Estimates of CPO and PK produced by Stabat POM obtained from the projection based on actual data of 12 months before audit activities.

Product	Last Year Projected Certified Volume (Ton) (13 March – 3 Nov 2020)	Realization from Sept 2019 until Aug 2020 (Ton)	Projection certified volume
<b>FFB</b>			
MB	155,136	117,574.53	26,300
IP	149,590	89,331.22	190,300
<b>CPO</b>			
MB	37,200	22,101.38	6,300
IP	36,008	21,103.98	45,700
<b>PK</b>			
MB	6,300	3,387.33	1,100
IP	5,309	2,905.30	7,600

There is no excess production from last year projected certified volume. For next projected certified volume, FFB production for IP model is supplied from Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, Maryke Estate, and also prepared from other source/smallholder for MB model.

##### 3.8.4

All transactions have been registered in RSPO IT platform for license period (Sept 2019 – Aug 2020), including removing stock of certified product sold under other scheme (ISCC) and conventional.

- Removing stock of CSPO under other scheme and conventional selling as much as 36,945.45 tonnes.
- Removing stock of CSPK under conventional selling as much as 2,750.3 tonnes
- CPO sold as IP as much as 13,000.02 tonnes
- CPO sold as MB as much as 4,500 tonnes
- PK sold as IP as much as 2,400 tonnes
- PK sold as MB as much as 2,175 tonnes

##### 3.8.5

The company has established the procedure for implementation of *Dokumentasi Rantai Pasok – Model IP/SG* (Supply Chain Documentation – Model IP/SG), 4<sup>th</sup> revision and revision date on 2 May 2020. In the SOP explained that the application of IP if the FFB received is 100% from certified sources, in case of found from an uncertified source then will be downgraded to

MB (SOP 32 applied *Dokumentasi Rantai Pasok* – Model MB (Supply Chain Documentation – Model MB), 3<sup>rd</sup> revision and revision date on 2 May 2020). Describe in SOP 31, official declaration from mill manager to all CCP should be made prior of upgrading from MB to IP. The Stabat POM has set a timetable for implementing MB and IP, in one year the MB will be applied from January to March, while the IP will be applied from April to December.

It is explained in the SOP that the receipt of FFB at security post and weighbridge became a critical points to ensure that all FFB received were from certified sources, checks through seals, DO, and approved supplier lists. In storage, special bulk silos for the IP kernel and special storage for CPO IP with 100% purity have been provided. In the process of upgrading from MB to IP, all FFB, CPO, and PK produced as MB have been completely processed and emptied, flushing process are mixed to storage tanks and MB kernel bunkers. The flushing process will be carried out using a 100% FFB certified in accordance with the calculation of volume conversion.

The recording of production and sales volume (balance sheet) will be done monthly, the sales division must pay attention to the supply chain model specified in the contract, and the recording in the book keeping is carried out in a real time. The marketing division is responsible for making announcement on the palm trace.

Based on interview with weighbridge operator and dispatch operator, they are aware about the supply chain procedure. Based on interview with management, MB model is used when there is FFB from other source. Also based on field observation to mill, it is known that there is 1 CPO tank and 1 silo kernel for processing the MB model. Process path for MB and IP model is separated. The tank and silo are still sealed.

### 3.8.6

Internal audit related procedures contained in SSOP 31. *Dokumentasi Rantai Pasok* – Model IP/SG (Supply Chain Documentation – Model IP/SG), 4<sup>th</sup> revision and revision date on 2 May 2020 and SSOP 32. *Dokumentasi Rantai Pasok* – Model MB (Supply Chain Documentation – Model MB), 3<sup>rd</sup> revision and revision date on 2 May 2020. In the SOP it is explained that internal audit and management review is conducted at least 1 x 1 year.

Internal audit was held on 13 – 17 July 2020 and there is no conformity related to supply chain indicators.

### 3.8.7

Stabat POM received FFB from own estates, namely Gohor Lama Estate, Tanjung Beringin Estate, Basilam Estate, and MarykeEstate, Padang Brahrang Estate, Tanjung Keliling Estate, Bukit Lawang Estate, and Bekiun. All estate is RSPO certified.

Month	Tj Beringin (Ton)		Gohor Lama (Ton)	Basilam (Ton)	Maryke (Ton)
	NonCertified	Certified	Certified	Certified	Certified
September 2019	6,944.96	-	4,171.38	6,674.03	5,041.38
October 2019	5,486.91	-	2,117.33	5,971.61	2,310.31
November 2019	4,715.20	-	2,375.79	4,989.82	2,113.58
Dcsemer 2019	4,609.10	-	2,431.79	4,825.53	3,445.91
January 2020	4,165.03	-	2,512.95	3,929.63	134.76
Februari 2020	3,984.52	-	2,519.38	4,724.65	-
March 2020	1,312.06	3,016.90	2,450.47	4,548.34	-
April 2020	-	6,454.44	3,548.40	5,777.83	-
May 2020	-	5,966.24	3,823.97	5,115.21	-
June 2020	-	7,388.09	4,933.00	6,698.96	-
July 2020	-	7,209.07	4,919.21	7,781.28	-
August 2020	-	7,294.30	5,380.02	7,219.97	-
<b>Total</b>	<b>31,217.78</b>	<b>37,279.04</b>	<b>41,055.04</b>	<b>68,256.86</b>	<b>13,055.94</b>

Bulan	Padang Brahrang (ton)	Bekiun (Ton)	Tj Keliling (Ton)	Bukit Lawang (Ton)
September 2019	1,169.36	628.95	467.72	1,287.03

Oktober 2019	1,357.64	1,256.51	40.97	423.68
November 2019	1,349.54	826.19	-	64.13
Desember 2019	1,337.56	1,593.50	1,504.94	1,665.57
Januari 2020	819.20	230.00	-	-
Februari 2020	18.60	-	-	-
<b>Total</b>	<b>6,051.90</b>	<b>4,535.15</b>	<b>2,013.63</b>	<b>3,440.41</b>

### 3.8.8

Stabat POM sell palm oil product to buyers, such as PT Musim Mas and PT Pasific Palmindo Industri. Selling documentation is record in form of contract, delivery order, or shipping announcement. For example there's a delivery order No. 581/DO-LNKC/00751-S/CPO-IP/V/20 issued on 3 June 2020 informed the name of buyer was PT Musim Mas. Along with the delivery order, there also contract and shipping announcement that informed the contract number, supply chain certificate number of the seller, unique identification number, product description, and all transport documentation.

### 3.8.9, 3.8.10, 3.8.11

There is new contractor for CPO and PK transportation and has informed the auditor before audit conducted. Stabat POM outsourced the transportation of CSPO and CSPK and showed the contract with CPO/PK transporter named PT Citra Bumi Bintang Mandiri No. 0237/LNK-PKS/SPA/III/2020, issued on 9 March 2020. POM also showed the commitment of contractor to give access to CB that can access their respective operations and systems, along with any information they have. Contractor also has to comply with all RSPO and supply chain requirement. The record of contractor name, address, and contact person is listed in Contractor List Document. And also, the name of contractor has informed to CB.

### 3.8.12

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

#### Crude Palm Oil

Period	CPO Production (mt)			CPO Delivery (mt)			
	IP	MB	Non Cert	IP	MB	ISCC	Non Cert
Opening	-	1,482.09	-	-	-	-	-
Sept '19	-	4,723.28	1,690.51	-	-	4,000.00	1,617.68
Oct '19	-	3,288.46	1,339.42	-	1,500.00	3,000.00	594.26
Nov '19	-	2,743.18	1,100.29	-	1,000.00	3,000.00	500.00
Dec '19	-	3,836.61	1,055.86	-	500.00	3,000.00	1,400.00
Jan '20	-	1,870.20	1,023.19	-	1,500.00	-	750.00
Feb '20	-	1,747.68	958.84	-	-	-	1,500.00
March '20	-	2,409.87	312.13	-	-	4,500.00	-
Apr '20	3,838.93	-	-	-	-	2,500.00	-
May '20	3,366.90	-	-	1,500.00	-	3,000.00	-
June '20	4,508.23	-	-	2,438.89	-	1,945.45	-
July '20	4,699.72	-	-	5,507.27	-	-	-
Aug '20	4,690.19	-	-	3,553.86	-	-	-
<b>Total</b>	<b>21,103.98</b>	<b>22,101.38</b>	<b>7,480.24</b>	<b>13,000.02</b>	<b>4,500.00</b>	<b>24,945.45</b>	<b>6,361.94</b>

License periode is from March – November 2020. All CPO delivery from March 2020 which is not claim as RSPO selling has been removed from palm trace. There is no conventional sold from license periode.

#### Palm Kernel

Period	PK Production (mt)			PK Delivery (mt)		
	IP	MB	Non Cert	IP	MB	Non Cert
Opening	-	327.72	-	-	-	-
Sept '19	-	762.28	272.45	-	789.37	-
Oct '19	-	539.96	221.21	-	510.63	507.42

Nov '19	-	402.86	162.02	-	150.00	342.58
Dec '19	-	572.32	157.24	-	150.00	450.00
Jan '20	-	260.69	142.37	-	150.00	577.12
Feb '20	-	219.31	120.47	-	-	122.88
March '20	-	302.18	39.67	-	79.37	353.02
Apr '20	477.06	-		199.99	220.63	96.98
May '20	450.95	-		454.87	50.78	-
June '20	574.99	-		495.14	74.22	-
July '20	686.66	-		553.64	-	-
Aug '20	715.65	-		696.36	-	-
<b>Total</b>	<b>2,905.30</b>	<b>3,387.33</b>	<b>1,115.43</b>	<b>2,400.00</b>	<b>2,175.00</b>	<b>2,450.00</b>

License periode is from March – November 2020. All PK delivery from March 2020 which is not claim as RSPO selling and taken from sustainable stock has been removed from palm trace.

### 3.8.13, 3.8.14

Stabat POM has determined the extraction rate for CPO and PK to be produced. Based on actual production of CPO and PK for 12 month certificate periode, the average extraction rate for CPO is 24% and PK is 3.4%. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK.

### 3.8.15

Stabat POM has supply chain procedure that describe the supply chain model used, the PIC for each stage of supply chain and also the task and responsibility, the mechanism of selling product, and the mechanism of supply chain reporting. The procedure is named SSOP 31. *Dokumentasi Rantai Pasok – Model IP/SG* (Supply Chain Documentation – Model IP/SG), 4<sup>th</sup> revision and revision date on 2 May 2020.

The procedure explain that if mill received uncertified FFB, the mill only claim the palm oil product as MB. The CPO/PK will be kept in separate storage/silo tank. Based on observation to Stabat POM, it is known that there is 1 CPO tank and 1 silo kernel for processing the MB model. However, Stabat Mill still only received FFB from own estate, which they are certified. And for Tanjung Beringin Estate, it has been certified since March 2020.

### 3.8.16

Stabat POM – PT. Langkat Nusantara Kepong, has registered in RSPO membership 1-0014-04-000-00.

Stabat POM has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Stabat POM – PT. Langkat Nusantara Kepong
- Account UID: RSPO\_AC1000005698
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000005803
- Member Category: Oil Mill

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. The company has removing the stock in palm trace for certified product that sold as conventional and other scheme. The shipping announcement made not more than 3 month after the dispatch. For example:

- CPO dispatch on 4 June 2020 and shipping announcement made on 17 June 2020
- PK dispatch on 28 May 2020 and shipping announcement made on 15 June 2020

### 3.8.17

Until now the mill claim RSPO selling product under RSPO MB and IP and the claim has been conducted in accordance with RSPO on communication and claim rules.

**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**

The company has a human rights policy contained in the KLK Sustainability Policy which was approved by management on August 30, 2018, among others

- Recognize the inherent dignity of everyone and support the Universal Declaration of Human Rights by the United Nations including the prohibition of retaliation against human rights defenders in accordance with the United Nations Declaration on Human Rights.
- Honor and uphold the rights of all workers, including contract workers, temporary and migrants with the core conventions of the International Labor Organization, UN guiding principles on business and human rights and principles of free and fair employment in palm oil production as a guide.

The company showed evidence of the socialization of the KLK Sustainability Policy as follows :

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants
- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants.

The results of interviews with workers such as warehouse officers, harvesters, grading officer, boiler officer, Land application officer, local contractors, and the surrounding community were conveyed that the company had delivered information related to human rights policies. In addition, the results of the interview also revealed that there were no human rights violations.

**4.1.2**

In terms of conflict resolution, the company has a dispute resolution policy described in the Procedure for resolving land disputes No SSOP-6 No revision 1 dated 3 June 2018. It is explained that the land conflict resolution process is carried out through a negotiation process. Negotiation agreements are reached freely and voluntarily (without coercion) based on deliberation and consultation according to the FPIC method. Violence must also be avoided in dispute resolution. The results of field observations and interviews with stakeholders (Besilam Bukit Lembasa Village and Gohor Lama Village) stated that there was no use of paramilitaries in the land settlement process.

<b>Status: Comply</b>
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**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; 4.2.2, 4.2.3**

The company has SSOP 1 Procedure regarding Requests and Providing Information, Communication and Submission of Complaints no. revision 3 dated April 24, 2020. The procedure explains the grievance procedure submitted through management (complaint logbook), foreman of workers, suggestion box, gender committee, labor union, hotline & email. The procedure also explains the protection of whistleblowers contained in point C.5.2 which explains that the identity of whistleblowers and victims of sensitive cases such as sexual harassment will be kept confidential.

The company has carried out socialization of the procedure, as follows:

- Socialization of SSOP 1 on February 19, 2020 was attended by 3 external representatives (Sumber Mulyo Village & Tanjung Beringin Village).
- Socialization of SSOP 1 on July 6, 2019 was attended by 14 participants including surrounding village.
- Socialization of SSOP 1 on December 14, 2019 was attended by 30 participants at Maryke Estate
- Socialization of SSOP 1 on March 19, 2020 was attended by 75 participants at Tanjung Beringin Estate.
- Socialization of SSOP 1 on March 16, 2020 was attended by 53 participants from Gohor Lama Estate.
- Socialization of SSOP 1 on April, 27 2020 was attended by 49 participants from Basilam Estate.

**4.2.4**

The company has a dispute resolution policy described in the Procedure for resolving land disputes No SSOP-6 No revision 1 dated 3 June 2018. It is explained that the land conflict resolution process is carried out through a negotiation process. Negotiation agreements are reached freely and voluntarily (without coercion) based on deliberation and consultation according to the FPIC method. For the resolution of land conflicts explained in detail in criterion 4.8.

The results of interviews with workers such as harvesters, fertilizers, spray officers, warehouse officers, security workers, factory workers, labor unions and contractors as well as representatives from Besilam Bukit Lembasa Village and Gohor Lama Village stated that the company had provided socialization of the mechanism if there were complaints or requests for information. Internal complaints can be submitted through the labor union while external complaints can be submitted through the manager or public relations. From the interviews known that there were no complaints or violations committed by the company. The complaints are only related to internal complaints, for example housing improvements and have been followed up by the management.

<b>Status: Comply</b>
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**4.3**

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

**4.3.1**

The certification unit has contributed to regional development through CSR assistance provided to the community. Providing CSR according to community needs based on proposals submitted by the community. The unit of certification can show a number of assistance realized in 2019 and 2020 which are contained in the 2019/2020 CSR report such as:

- Funds for renovation of the church in Maryke Village in January 2020.
- Funds for youth Mosque activities at Maryke Village in January 2020.
- Assistance for providing Masks to Tanjung Beringin Village for the prevention of Covid 19 in April 2020.
- Assistance to Purchase Cows for sacrifices at Stabat Mill in July 2020.
- Funding for activities to organize Eid Al-Adha prayers in Basila Village in July 2020.

Based on interviews with village representatives such as Gohor Lama, it was found that the certification unit had realized some CSR assistance in accordance with the proposed proposal.

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

The plantation area is an *erfpacht* rights converted into *HGU* by the Agrarian Law No. 5 year 1960, land tenure rights can be shown as follows:

**Land Use Title**

- Basilam Estate with total area of land use title are **93.07 Ha** based on Decree of Head of Land National Agency No. 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1, 2, 3 and based on Decree of Head of Land National Agency No. 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 4 covers area **2,268.61 Ha**.
- Gohor Lama Estate with total area are **74.45 Ha** based on Decree of Head of Land National Agency 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1, 2, 3, based on Decree of Head of Land National Agency 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 4, 5, covers area **4,576.97 Ha**, and based on Decree of Head of Land National Agency 119/HGU/BPN RI/2009 issued on 8 September 2009 with certificate of Land Use Title no 16, covers area **556.54 Ha**
- Tanjung Beringin Estate with total area are **2,360.182 Ha** based on Decree of Agrarian Ministry No. 70/HGU/KEM-ATR/BPN/VII/2019 issued on 25 July 2019 with certificate of Land Use Title no 212 – 220.
- Maryke Estate with total area are **2,703.60 Ha** based on Decree of Head of Land National Agency No. 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 1
- Total of Land Use Title area are **12,633.42 Ha**

In addition, there is operational area of the Gohor Lama Estate which is managed by another estate, with the following details.

- The HGU area of Gohor Lama Estate with the HGU certificate number 16 / Gohor Lama with a total of **556.54** hectares is managed by Baslam Estate covering 335.39 hectares and Gohor Lama Estate covering 221.15 hectares.
- The HGU area of Gohor Lama Estate with the HGU certificate number 4 / Gohor Lama with a total area of 3,820.06 hectares is managed by Tanjung Beringin Estate covering an area of 1,484.26 hectares and Kebun Gohor Lama Estate covering an area of 2,335.80 hectares.
- The HGU area of Gohor Lama Estate with the HGU certificate number 1 / Gohor Lama covering an area of 64.74 hectares is managed by the Tanjung Beringin Estate.

**Plantation Permit**

- Company has plantation permit in accordance with Decree of Langkat Regent No. 525-16/K/2015, issued on 21 April 2015 which covering area about **12,103.37 Ha** and FFB process capacity of Stabat POM is 70 Ton FFB/Hour
- Company has plantation permit in accordance with Decree of Langkat Regent No. 503-02.Q/SK/2007, issued on 7 February 2007 which covering area about **556,54 Ha**

**4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6**

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

Based on interview with representative of Baslam Bukit Lambasa Village, Gohor Lama Village, and Land National Agency of Langkat Regency, it is known that there is no previous land owner or customary rights in surrounding village. Furthermore, based on HCV Identification and social impact assessment of PT LNK, it is known that there are no areas of customary rights/ indigenous peoples.

<b>Status: Comply</b>
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**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 new planting in PT LNK. The area that is managed by PT LNK which is legally owned under PTPN II (Persero), is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Title based Basic Agrarian Law (UU *Pokok Agraria* No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

Based on interview with representative of Baslam Bukit Lambasa Village, Gohor Lama Village and Land National Agency of Langkat Regency, it is known that there is no previous land owner or customary rights in surrounding village. Furthermore, based on HCV Identification and social impact assessment of PT LNK, it is known that there are no areas of customary rights/ indigenous peoples.

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

Company has Procedure About Land Acquisition for Palm Oil Plantation which describe about identify land status before planting palm oil and the mechanism for calculation of compensation and its payment. However, Based on interview with representative of Baslam Bukit Lambasa Village, Gohor Lama Village and Land National Agency of Langkat Regency, it is known that there is no previous land owner or customary rights in PT LNK. Furthermore, based on HCV Identification and social impact assessment of PT LNK, it is known that there are no areas of customary rights/ indigenous peoples.

The area that is managed by PT LNK which is legally owned under PTPN II (Persero), is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (*Undang Undang* No: 86 Tahun 1958) about

Erpacht Right, Then erpacht rights are converted to Land Use Title based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

**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

Company has Procedure About Land Acquisition for Palm Oil Plantation which describe about identify land status before planting palm oil and the mechanism for calculation of compensation and its payment. However, Based on interview with representative of Basilam Bukit Lambasa Village, Gohor Lama Village and Land National Agency of Langkat Regency, it is known that there is no previous land owner or customary rights in PT LNK. Furthermore, based on HCV Identification and social impact assessment of PT LNK, it is known that there are no areas of customary rights/ indigenous peoples.

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

**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, 4.8.4

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

Based on interview with representative of Basilam Bukit Lambasa, Gohor Lama Village and Land National Agency of Langkat Regency, it is known that there is no previous land owner or customary rights in PT LNK. Furthermore, based on HCV Identification and social impact assessment of PT LNK, it is known that there are no areas of customary rights/ indigenous peoples.

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

However, based on statement area, there are occupation area in Padang Brahrang and Bekiun Estate. Company continues to settle land occupations and is well documented.

- Land settlement of occupation area in Tanjung Beringin Estate covering 7 Ha done through communication with land national agency of Langkat Regency and local goverment. Until ASA 3, land settlement still in progress. The progress of settlement is documented.
- Gohor Lama Estate covering 4 Ha, current status is the company has made an effort to write a letter to BPN for measuring the area, letter no.: GLA / LNK / 144 / X / 2018 dated 15 October 2018. The progress of settlement is documented.

The occupation area is mapped in operational map of PT LNK.

**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 until 5.1.6**

To date, the Company has not received FFB from other sources. However, the company has a policy to facilitate the entry of smallholders / other farmers in the supply chain as stated in the KLK Sustainability Policy which was passed on 30 August 2018. The company cooperates with local contractors in the transportation of FFB. Based on interviews with local contractors PT. Dalanta Sawit Langkat is known that the cooperation contract between the company and the local contractor is in accordance with the applicable law, has been agreed upon by both parties and has an agreed period of time and the payment is in accordance with the Cooperation contract.

**5.1.7**

The company shows the Test Result Certificate No. 510.3-0036 / SKHP / UPT-ML / IV / 2020 dated 14 April 2020 for the weigh bridge calibration carried out by the Legal Metrology Technical Implementation Unit of the Department of Trade and Industry of Langkat Regency with the type of Electronic Bridge Scale Capacity of 50,000 Kg Scale 10 Kg with the brand Avery Weigh Tronix Type E1205 and serial number 104550365.

**5.1.8 and 5.1.9**

To date, the Company has not received FFB from other sources. However, the company has a policy to facilitate the entry of smallholders / other farmers in the supply chain as stated in the KLK Sustainability Policy which was passed on August 30, 2018. The company has SOP 1 Procedure on Requesting and Providing Information, Communication and Submitting Complaints no. revision 2 dated 10 August 2017. In this procedure, it is explained that complaints can be submitted through management (complaint logbook), worker foremen, suggestion box, gender committee, trade unions, hotline & email.

<b>Status:</b>	
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**5.2**
**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**
**5.2.1 until 5.2.5**

The company does not accept FFB from other sources.

<b>Status:</b>	
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**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**
**Any form of discrimination is prohibited.**
**6.1.1; 6.1.2**

The company has a non-discrimination policy contained in the KLK Sustainability Policy which was approved by management on August 30, 2018 and available in *bahasa*. The policy explains the same Employment Opportunities in Diversity, including:

- Ensuring equal opportunities at work. All decisions relating to recruitment, payroll, coaching access, promotion, termination or retirement will be made based on business needs, job requirements and individual qualifications.
- There is no discrimination based on ethnic origin, caste, disability, nationality, nation, religion, gender, sexual orientation, union membership, political affiliation or age.
- Reproductive rights in accordance with state law must be respected.

The company showed evidence of the socialization of the KLK Sustainability Policy as follows :

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants
- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants

The results of interviews with workers, local contractors, labor unions and representatives of the surrounding villages

indicated that the company had provided equal opportunities for employment. There is no indication of discrimination at PT LNK.

**6.1.3**

The company has shown evidence of recruitment, promotion and appointment according to abilities and feasibility, medical check up such as :

- Letter No. 90/TBR-LNK/P/II/2020 dated January 31 2020 regarding the promotion of worker with initial DM and KN from an maintenance worker to maintenance foreman.
- Employee recruitment documentation and worker appointment letters. For example, worker with initial AB who have been appointed as permanent employees on April 9, 2019.
- Employee recruitment documentation and worker appointment letters. For example, worker with initial GI who have been appointed as permanent employees on April 8, 2019.

The company has shown recruitment documentation such as job application letters, CV, photocopies of ID cards, family cards, health certificates, employment agreements, employee appraisal forms and letters of appointment as permanent employees. The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with the results of the employee assessment and based on skills, capabilities, qualities and health conditions// procedure that owned.

**6.1.4**

The company does not carry out pregnancy testing for female workers except for workers dealing with chemicals. Based on the results of monitoring of pregnant women conducted in clinics in each estate, interviews with female workers were also conveyed that pregnancy testing was only carried out for female workers whose work was related to chemicals to avoid chemical exposure.

**6.1.5**

The company has formed a gender committee to deal with women's issues at PT LNK. In addition, the gender committee has prepared a work program for 2019/2020 for example :

- Health education
- Health education for children
- Dissemination of government regulations on the protection of women workers and child
- Conduct pregnancy tests on all female employees whose work has contact with chemicals
- Socialization of the gender committee structure and gender committee work program
- etc

The company shows records of gender committee meetings and socializations, such as records of socialization of the fulfillment of women labor rights and child protection in accordance with gender equality on 19 December 2019 attended by 35 participants consisting of female workers in each plantation and factory. As for the work program for 2020 cannot be realized because of Covid 19.

The results of interviews with gender committee officials and interviews with female workers indicated that workers were aware of the function of the gender committee and there were no issues related to women in PT LNK.

**6.1.6**

The wages applied in the PT LNK are in accordance with the Decree of the Governor of North Sumatra No. 188.44/16/KPTS/2020 concerning Langkat Regency Sectoral Minimum Wage in 2020 which was set on January 13, 2020. Based on the Governor's Decree above, the minimum wage in the Langkat Regency Sectoral Minimum (Palm Oil Plantation) is Rp. 2,752,500.

The company also has Circular No. 117A/Dir.SDM/SE/II/2020 concerning Determination of Employee Level Wages (Grade K / grade employees) of PT LNK 2020. Based on the Circular, it was stated that the determination of the minimum wage in 2020 was Rp. 2,752,500. The results of verification of wages of workers (for example harvesting and maintenance workers), it was known that the company has given the same wage for the same scope of work. The results of interviews with workers

such as harvest and maintenance workers stated that the company has given the same salary for the same scope of work.

**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

Company has Collective Labor Agreement accordance with Decree Letter of Head of Manpower Agency of Langkat Regency No. KEP.568-121.3/DISNAKER/2019 dated 31 January 2019 and valid until 10 January 2021. The Collective Labor Agreement is available in bahasa and has explained the conditions of work such as recognition of the rights of employers and workers, recruitment of workers, probation, mutation, promotion and demotion, working days and hours of work, rest, annual leave, menstrual leave, overtime, wage systems, wage increases, performance appraisal, health care and medication, occupational health and safety, worker protection, complaint handling, termination of employment, etc. The results of interviews with labor unions and workers such as security, harvester, warehouse officials, grading officer conveyed that the company has given CLA socialization to workers.

Based on document verification, field observation, interview with workers (security, harvesting workers, manuring workers, factory workers, land application officer, etc) there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation. Based on interview with harvester, if they've got the target, they will get the premium pay. And if they don't get the target and has been working for 7 working hours, they will get daily minimum wage. Interview with Labor Union and workers, said that wages and overtime paid are in accordance with applicable regulations and Collective Labor Agreement. Based on that interview also known that deduction for workers such as BPJS deduction tax. Based on interview with contractor and verification of wages of contractor workers known that contractor workers has given minimum wages by contractor.

Company showed list of workers (August 2020) as follows :

- Maryke : 362 workers
- Golor Lama : 340 workers
- Basilam : 342 workers
- T. Beringin : 381 workers
- Stabat POM : 77 workers

For contractors, the auditor team took a sample of 2 contractors, namely PT Putra Dalanta Langkat that has 15 workers and Stabat Maju Perkasa that has 25 worker.

### 6.2.4

The results of observations in the housing complex of Tanjung Beringin Estate, Basilam Estate, Gohor Lama Estate and Maryke Estate, show that the company has provided proper housing facilities, mosques / prayer rooms, churches, sports fields, kindergarten, clinics, and landfills. The electricity comes from PLN and clean water from drilled wells. The results of interviews with workers found that the water quality of the wells was in good condition, clean / clear and suitable for drinking. Educational facilities such as Primary school, junior and senior high school are close to housing complex (available in nearby villages) and can be reached by a 10-15 minute drive.

The results of field observations in housing complex and interviews with workers revealed that not all workers live in the housing provided by the company (because there are still many former PTPN II employees who still live in the company house and some are in unsuitable conditions). Workers who live in their own homes because there is no proper house provided by the company, they are given house rent every month according to Circular Letter No. 089 / Pres.Dir / SE / II / 2020 dated 18 February 2020. As for workers who live in their own house for voluntary reasons, they do not receive house rent. The company has shown a statement letter from the employee regarding the housing facility. For example, a statement from worker with initial NE (Gohor Lama Estate) which states that the employee concerned is not willing to occupy the official residence designated by the company in the housing complex of division II Gohor Lama Estate dated 13 May 2020.

### 6.2.5

From the results of housing observations and interviews of workers and residents of housing, it was known that the management unit provides the freedom to sell basic needs in housing areas. In addition, the distance of housing to the nearest market ranges from ± 10-15 minutes. Many peddlers also enter the housing area to sell basic needs. The company's location is also quite close to Binjai City and Stabat City, so that employees get access to meet basic needs.

#### 6.2.6

The wages applied in the PT LNK are in accordance with the Decree of the Governor of North Sumatra No. 188.44/16/KPTS/2020 concerning Langkat Regency Sectoral Minimum Wage in 2020 which was set on January 13, 2020. Based on the Governor's Decree above, the minimum wage in the Langkat Regency Sectoral Minimum (Palm Oil Plantation) is Rp. 2,752,500. The minimum wage determination has been based on a decent living standard prepared by the wage council.

The company has tried to calculate prevailing wages consisting of housing, electricity & water, education, and others amount 1,596,582. Interview with Labor Union, said that wages and overtime paid are in accordance with applicable regulations and Collective Labor Agreement.

#### 6.2.7

The results of verification of the labor register documents, interviews with workers and labor unions show that all estate and factory employees are permanent employees. The company also uses contractors for jobs that are seasonal (uncontinuous) and also for social purposes (helping local residents to work). The contractor used by the company for replanting / seeding activities, housing construction, transporting FFB / EFB ash etc. There are also outsourcing workers to carry out security tasks (security at Stabat POM).

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; 6.3.2; 6.3.3

The company has a policy of freedom of association contained in the KLK Sustainability Policy which was approved by management on 30 August 2018 which explains that:

- Recognize and respect the right of employees to form and join labor unions of their choice and bargain collectively. KLK will not reject the opportunity to negotiate directly with the group of workers who wish to do so.
- Labor unions have access to KLK plantations, and KLK will not interfere with the organization of workers' activities, workers' representatives or union representatives. Workers' representatives will not be discriminated against and have access to carry out their representative functions at work.

The company showed evidence of the socialization of the KLK Sustainability Policy as follows :

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants
- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants

The results of interviews with workers and labor unions revealed that the company gave every worker the freedom to form a union.

As a form of implementing the policy of association in the PT LNK, it was known that a labor union has been formed at PT LNK. The United Plantation Workers Union (SPBP) has been registered at the Manpower Agency with registration number 568-443.3 / DISNAKERTRANS / 2013 dated May 29, 2013 (SPBP registered undername PT LNK).

The company can show records of union formation and meetings held by the labor union, for example:

- Evidence of registration of SPBP with no. 568-443.3 / disnakertrans / 2013 dated 29 May 2013.
- Labor Union Meeting of Maryke Estate on 17 March 2020, which was attended by 17 participants to discuss PPE, housing and harvest tools.
- Meeting Minutes on 27 December 2019 which were attended by 28 participants (from all PT LNK plantation units). The meeting discussed several complaints and a follow-up plan to be carried out by the union.

Results of interviews with the Manpower Office of Langkat Regency noted that there are 2 Labor Union in PT LNK, namely the Plantation United Workers Union (SPBP) and Independent Workers Union (SPM). SPBP registered undername PT LNK. Meanwhile, the Independent Workers Union (SPM) is a union of former PTPN II (registered under the name of PTPN II). The results of interviews with workers and labor unions (SBPB and SPM) of the Estate Unit stated that the company gives freedom to every worker to form a union. There is no coercion or intervention in the selection of union officers. Labor union officials are elected by deliberation by labor union members. From the results of the interview, it was also known that the SPM Union officials were always included in every meeting with the management.

<b>Status: Comply</b>
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#### 6.4

##### **Children are not employed or exploited.**

##### **6.4.1; 6.4.2; 6.4.3; 6.4.4**

The company has a KLK sustainability policy which was passed on August 30, 2018. The policy explains:

- It is prohibited to employ child labor
- Recovery measures with appropriate follow-up must be taken if child labor cases are found to protect children's welfare.

The company showed evidence of the socialization of the KLK Sustainability Policy as follows :

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants
- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants

The results of verification of labor register documents, agreement between contractor and contractor workers, and field observations are known that there are no underage workers. All workers are above the age of 18 years with an average age of workers being above 25 years. The results of interviews with contractors also indicated that the company had socialized regarding the minimum age of workers

<b>Status: Comply</b>
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#### 6.5

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

##### **6.5.1**

The company has a policy to prevent sexual harassment and violence contained in the Policy on Sexual Harassment and Violence which was passed on May 18, 2016 by management. The policy explains about:

- The company does not tolerate sexual harassment and violence against women at work
- Sexual harassment and violence are serious mistakes so companies will take firm action against the perpetrators
- The management must be an example and be responsible as an example and prevent sexual harassment and violence.

In addition, policies to prevent sexual harassment are also contained in the KLK Sustainability Policy which was passed by management on August 30 2018 which explains that there is no tolerance for any form of harassment, intimidation or violence. The company showed evidence of the socialization of the KLK Sustainability Policy as follows :

- Socialization of the KLK sustainability policy / Code of Ethic on January 15, 2020 was attended by 30 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 16, 2020 was attended by 53 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 10, 2020 was attended by 58 participants
- Socialization of the KLK sustainability policy / Code of Ethic on March 3, 2020 was attended by 41 participants
- Socialization of the KLK sustainability policy / Code of Ethic on February 25, 2020 was attended by 60 participants

- Socialization of code of conduct to contractors on December 10, 2019 attended by 15 participants

The company has formed a gender committee to deal with women's issues at PT LNK. In addition, the gender committee has prepared a work program for 2019/2020 for example :

- Health education
- Health education for children
- Dissemination of government regulations on the protection of women workers and child
- Conduct pregnancy tests on all female employees whose work has contact with chemicals
- Socialization of the gender committee structure and gender committee work program
- etc

The company shows records of gender committee meetings and socializations, such as records of socialization of the fulfillment of women labor rights and child protection in accordance with gender equality on 19 December 2019 attended by 35 participants consisting of female workers in each plantation and factory. The results of interviews with gender committee officials and interviews with female workers indicated that workers were aware of the function of the gender committee and there were no issues related to women in PT LNK.

#### 6.5.2

The company has a policy related to reproductive rights contained in the KLK Sustainability Policy which was approved by management on August 30, 2018. The policy explains that - reproductive rights that are in line with national law must be respected. The results of interviews with representatives of gender committees and women workers, it was known that the company has given permission to leave H1 (menstruation) and H2 (giving birth/maternity) as a form of protection for reproductive rights.

#### 6.5.3

The company has identified the needs of young mothers / mothers after giving birth on September 11, 2020 for all PT LNK units. Based on the identification document, there are 33 new mothers gave birth (both employees and employees' wives). The actions to be taken consist of Antenatal Care examinations, supplementation for mothers, and immunization for babies. The company has also shown a *posyandu* schedule for each plantation in PT LNK.

#### 6.5.4

The company has SOP 1 Procedure regarding Requests and Providing Information, Communication and Submission of Complaints no. revision 3 dated April 24, 2020. The procedure explains the grievance procedure submitted through management (complaint logbook), foreman of workers, suggestion box, gender committee, labor union, hotline & email. The procedure also explains the protection of whistleblowers contained in point C.5.2 which explains that the identity of whistleblowers and victims of sensitive cases such as sexual harassment will be kept confidential.

The company has carried out socialization of the procedure, as follows:

- Socialization of SSOP 1 on February 19, 2020 was attended by 3 external representatives (Sumber Mulyo Village & Tanjung Beringin Village).
- Socialization of SSOP 1 on July 6, 2019 was attended by 14 participants including surrounding village.
- Socialization of SSOP 1 on December 14, 2019 was attended by 30 participants at Maryke Estate
- Socialization of SSOP 1 on March 19, 2020 was attended by 75 participants at Tanjung Beringin Estate.
- Socialization of SSOP 1 on March 16, 2020 was attended by 53 participants from Gohor Lama Estate.
- Socialization of SSOP 1 on April, 27 2020 was attended by 49 participants from Basilam Estate.

The results of interviews with gender committee organizers and interviews with women workers revealed that women workers have known the existence of gender committees as a forum that handles women's issues and there have been no issues related to women in PT LNK.

	<b>Status: Comply</b>	
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#### 6.6

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

#### 6.6.1; 6.6.2

The company has a KLK sustainability policy which was ratified on August 30, 2018. The policy also explains about forced labor, as follows:

- Prohibit the use of forced or bound labor or human trafficking
- If there are victims, assistance will be provided to find rehabilitation services centered on victims and access to social protection
- Ensure that there are no restrictions on workers' freedom of movement
- KLK bears all costs of recruiting workers. KLK prohibits the imposition or withdrawal by its contractors from all costs, commissions that are not required / violate the law and / or any fees from its workers. Non-compliant contractors will be terminated if it is proven to violate the provisions
- Prohibit any deductions from the share of the worker's wages and retain all property, identity cards, passports or other travel documents unless otherwise regulated by law.

The results of verification of the labor register documents, interviews with workers and labor unions show that all estate and factory employees are permanent employees. The company also uses contractors for jobs that are seasonal (not done continuously) and also for social purposes (helping local residents to work). The contractor used by the company for replanting / seeding activities, housing construction, transporting FFB / EFB ash etc. There are also outsourcing workers to carry out security tasks (security at Stabat POM).

The results of interviews with labor unions and contract workers indicated that there were no issues / indications of forced labor or human trafficking. There are no migrant workers, all permanent workers and contract workers (Stabat POM) are recruited directly by PT LNK. All activities / job description of workers are in accordance with the letter of appointment / agreement with workers.

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

The management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The interview result with Manpower and Transmigration Agency in Langkat Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity

### 6.7.2

Company has made efforts to prevent emergencies and accidents. Company has procedures related to the handling of emergencies and accident investigation in SOP 24 about Emergency Response (10 August 2017). Company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Based on field observation in emplacement for e.g. known that hydrant is functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher), also it is known that the contents of first aid box are available as determined by the company.

### 6.7.3

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the ppersonnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore, based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Tanjung Beringin estate and Gohor Lama estate revealed that company would substitute or replace the PPE if there is a damage or broken on

the old one.

#### 6.7.4

The company's policy to include employees in the Social Security program is contained in the Collective Labor Agreement for the period 2018 - 2020. This has been determined based on the Decree of the Head of the Langkat Regency Manpower Office Number: KEP.568- .3 / DISNAKER / 2019 concerning Registration of Collective Labor Agreements between PT Langkat Nusantara Kepong with the Central Executive Board of PT LNK's United Plantation Workers Union (SPBP). This Collective Labor Agreement was signed by the Directors of PT LNK with the SPBP of PT LNK on January 31, 2019 and is valid for 2 years from being ratified in January 2019 to January 2021.

On that document, the company provided and registered all worker to BPJS (social assurance). this can be proven by showing proof of payment of BPJS for Employment and Health in August 2020 for each unit.

Based on the results of interviews with workers at the factory, the recorded work accident reports, it is known that there has been a major work accident that causes death at the Stabat POM. The accident occurred at a sterilization station. The company has carried out follow-up activities related to this matter, such as:

- Make an accident chronology report.
- Report the work accident to BPJS (stage 1)
- Conduct OHS committee meetings to conduct further discussions related to future preventive actions.

During field observations, auditors have seen improvements from the company by carrying out engineering manipulation by making special protection at sterilization stations in order to prevent operators from splashing or hot steam bursts.

#### 6.7.5

The company shown Calculation of working hours - cases of occupational accidents using lost time accident analysis. LTA analysis period 2019/2020 for each unit, as follows:

- Stabat POM : Fatality Rate 11.38 Severity Rate 37700.08
- Gohor Lama : Fatality Rate 0 Severity Rate 17.9
- Tanjung Beringin : Fatality Rate 0 Severity Rate 4.2

**Status: Comply**

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

#### 7.1

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

##### 7.1.1

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

Based on the results of interviews with supervision, officers understand the technical pest control with an early detection and census system. officers know that the use of chemicals is only done if the results of the census have passed the threshold.

##### 7.1.2 & 7.1.3

From interviews with management, field workers and the surrounding community, there was no indication of the use of fire material for pest control. From the results of field observations, no burn marks were found from the area visited by the auditor. The company also does not use certain species in order to control pests and diseases.

**Status: Comply**

**7.2**
**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**
**7.2.1, 7.2.2, 7.2.3, 7.2.4 & 7.2.5**

Same as the previous assessment, certificate holder shows the list of chemicals used by the company in accordance with the applicable regulations, such as the Kenlon 480 EC trademark with the Triclopyr active equivalent: 345 g/L (registration number 01030120). In addition, the company also has SOP related to the safety of the use and storage of chemicals, explained the recommended doses and targets in accordance with recommendations on pesticide packaging. Steps taken to avoid the emergence of resistance in target species are done such as the rotation of pesticide use. There is no Prophylactic usage of pesticide. Based on interview with management representative the economic threshold of 5% according to the procedure is being implemented. The company is currently optimizing the usage of turnera and antigonon to tackle caterpillar pest.

The certificate holder shows a record of the use of pesticides, for example, listed in the Monitoring Pesticide Usage per Hectare and Per Ton FFB Production document for the period of 2019/2020, including explaining the use of Prima Up (*Glyphosate* active ingredients) and Kenlon (*Triclopyr* active ingredients) in Gohor Lama and Tanjung Beringin Estate. The certificate holder also shows a percentage of per hectare, for example the period of July 2020 in Division 3 Gohor Lama Estate as follows Glyphosate LD50 oral > 9.040 mg/kg, quantity of pesticide 5.40 liters, total active ingredients (a.i.) used 27.26 liters, and quantity of a.i./ ha 0.10.

The company records are stored in each division and are managed by each division assistant for monthly evaluation. Based on that records, there's no pesticide which categorized 1 A and 1 B.

**7.2.6 & 7.2.9**

Based on interviews with 3 workers and a foreman on spraying activity in Tanjung Beringin Estate and Gohor Lama Estate, explained that the workers have received training in accordance with the procedure about spraying techniques, for example the workers can explain width of circle in accordance with procedure and risks that may occur in the spraying activities include toxicity, skin irritation up to the environmental pollution. Workers also explained that pesticide mixing is conduct in the special place and after work, all of equipment and PPE was washed and stored in a special place that is in the house of premix area. The spraying team foreman also equipped himself with a first-aid kit with complete contents. Based on that interview and field observation, its known that there's no pesticide with aerial spraying.

**7.2.7**

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

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

**7.2.8**

The company has an SOP for the Management of Hazardous and Toxic and Non-hazardous and toxic waste (SOP 23 revision 2 dated 15 October 2019). In the SOP, it is explained related to the classification of waste types and sources of waste, storage of hazardous and toxic waste in divisions or estate that do not have a Storage temporary is carried out for a maximum of 7 days then sent to a temporary storage place for hazardous and toxic waste, 200 l and 20 l of used large packaging is reused for a mixing place after washing 3 times, storage in a licensed temporary storage place for hazardous and toxic waste is carried out for a maximum of 90 days equipped with a label and symbol, transportation is carried out by licensed transporters and collectors and reported to the Environmental Agency every 3 months. The results of field visits to the employees' Housing for Division 1 Basilam Estate and Division 1 Gohor Lama Estate revealed that no trace of pesticide containers were found that were reused by employees, for example as trash bins and flower pots. Based on field visits and interviews with officers of the chemical warehouse in Basilam Estate and Gohor Lama estate, it is known that the chemical container in the form of

20 L used packing can be reused as a chemical mixing area after washing / rinsing 3 times. Other used chemical containers will be handed over to a temporary storage area and then transferred to a licensed temporary storage place for hazardous and toxic waste, in this case a temporary storage area for hazardous and toxic waste at Stabat Mill.

#### 7.2.10 & 7.2.11

The company shows the results of medical inspection reports for high-risk employees (warehouses, workshops, pesticide applicators). Based on the laboratory results, the results of the high-risk worker health examination are described (for examples):

- Cholinesterase workers on Stabat POM at November 2019 were 12 workers in the warehouse, the sampling lab was in good health.
- Audiometry of POM Stabat workers on June 28, 2019, as many as 26 workers in high noise sections such as engine rooms, boilers and workshops, it was found that 1 person had bilateral moderate conductive deafness, 2 people had bilateral mild neural sensory deafness, 3 people experienced mild conductive deafness right ear. Employees who have decreased hearing function have been examined by an ENT specialist, use of PPE while working and have another audiometry checked one year later.
- In November 2019, there were 72 cholinesterase workers in Maryke Estate, warehouse workers, sprayers, fertilizers who were in good health

Based on the results of field visits and interviews with pesticide applicators in Tanjung Beringin and Gohor Lama Estate, it is known that no pesticide work is carried out by people who are not yet 18 years old, pregnant or nursing women, or people with medical limitations.

**Status: Comply**

### 7.3

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

#### 7.3.1 & 7.3.2

The Certification Unit has a waste generated management plan which includes reduction, reuse and disposal in accordance with applicable laws. The waste management plans that are carried out include:

- POME  
The unit of certification has a permit for utilization of mill effluent based on the Decree of the Regent of Langkat No. 660.3-09 / K / 2016 dated 16 August 2016, valid for five years from the date of stipulation, regarding the permit for utilization of PT LNK Stabat's palm oil mill waste.
- Solid Waste  
The company utilizes solid waste such as EFB as mulch, shells and reuse fiber as boiler fuel. Based on document verification, it is known that the company has utilized 20,539.02 tonnes of EFB for the January-Agustus 2020 period. The use of shells was 7,423 metric ton while fiber was 14,844 metric tons.
- Domestic waste  
Based on interviews with management representatives, domestic waste management is collected then transported to the landfills. Based on interviews with employees and field observations at Division 2 employee housing in Maryke estate and Division 1 Housing for Gohor Lama estate, it is known that the company has separated types of domestic waste, namely organic and inorganic. The domestic waste will then be transported once a week and then will be disposed of in the landfill.
- Hazardous and toxic waste including medical waste  
The unit has an operational permit for the management of hazardous and toxic waste for producers issued by the OSS agency to PT Langkat Nusantara Kepong Stabat POM. The permit was issued on February 25, 2020, which states that the operational permit for the management of hazardous and toxic waste for this producer has fulfilled the commitment and effective approval of the approval submitted by the Regent of Langkat Regency, North Sumatra Province. The certification unit can also show a recommendation for a permit for temporary storage of hazardous and toxic waste from PT Langkat Nusantara Kepong from the Langkat Regency Environmental Service number: 660-1391 / DLH-LKT / 2019 on October 21, 2019.  
The certification unit also entered into a cooperation agreement with a third party for further management of hazardous and toxic waste, namely a cooperation agreement between PT Langkat Nusantara Kepong and PT Sumatra Deli Lestari Indah (collector) and PT Indostar Cargo (transporter), SPK number: 18 / LNK / SPK / XII / 2019 dated 16 December 2019,

valid for 1 year until 15 December 2020, types of waste: used on spec oil, used off spec oil, used cloth rags, used TL lamps, used batteries, used filters, used packaging of hazardous and toxic materials, contaminated waste and clinical waste. The Certification Unit has carried out the transportation of hazardous and toxic waste to the transporter on August 25, 2020 with the carrier number BK 9887 EK by PT Indostar Cargo. The waste transported is: used chemical packaging, waste contaminated with hazardous and toxic materials, used cloth rags, used oil and clinical waste.

Based on interviews with the Basilam Estate manager, it was found that in disseminating waste management, the manager also participated in socializing employees to provide understanding related to waste management. For example of waste disposal is not burning in disposal or managing domestic waste.

### 7.3.3

The company does not burn in waste management such as hazardous and toxic waste and domestic waste. Based on the results of field visits to the housing area of employees of Division 2 of Maryke Estate and Housing Division 1 of Gohor Lama Estate, it was found that there were no traces of burning domestic waste and based on the results of interviews with residential residents it was found that residents of housing understood the procedure for managing domestic waste, namely not burning. In addition, based on observations of Gohor Lama Estate landfill in Division I, it is known that landfills are far from settlements and water sources and there are no burning or traces of burning domestic waste.

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

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

### 7.4.1 & 7.4.2

The company has SOP to maintain soil fertility and recording of its implementation in accordance with SOP number 7C related to crop maintenance which explains that fertilization is based on the recommendation issued on soil and leaf test result. In addition, there are SOPs on fertilization before re-planting and fertilizing special compound fertilizer. Based on the result of document review and interview with the management, it is known that the implementation and monitoring of soil and leaf analysis is done by Agronomist Team of PT AARI as the party issuing fertilizer recommendation. The last soil and leaf analysis have done for each unit, for examples: on August 2019 for Gohor Lama Estate and 27 July 2019 for Tanjung Beringin Estate.

### 7.4.3 & 7.4.4

The company has a recording strategy for nutrient recycling which includes fertilization realization, fiber and Shell usage, EFB application, land application and frond usage. Based on the results of the document review, the company regularly records the activities, including the following:

- Realization of OPCOM65 on Block 11A Basilam Estate with amount 32.82 ton (Period January 2020).
- Realization of OPCOM32 on Maryke Estate with amount 96.7 ton (Period May 2020).
- Realization of Empty Bunch on Gohor Lama estate with an area of 278 ha (period April 2020).

The result from the field visit indicated that such activity has been correctly done in accordance with the provided recommendation.

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

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

### 7.5.1; 7.5.2 & 7.5.3

There is a soil type distribution map published by AARI (Applied Agricultural Resources Indonesia) with a scale of 1: 60,000. The map describes information about the map unit, land unit code, general description, parent material, soil group, unit map percentage, texture, drainage, soil depth, slope, area and percentage of soil types.

The company has a strategy related to planting for an area with a certain slope in SOP No. 15 on erosion control and optimal soil fertility management for productivity on 10 August 2017 which describes technical actions related to the management of

high erosion areas, for example making sure that ground cover crops are prioritized before planting oil palm, use of empty bunches, making conservation terraces for slopes above 15-22 °, and prohibition of planting oil palms on slopes above 40 °.

From the results of the document review and field observations, no indication of peatlands was found.

Based on the field observation on Gohor Lama estate, the certificate holder has implemented procedures related to erosion management and optimal soil fertility management for productivity which among others regulate the technical management of the area with slopes / high erosion potential e.g. with cover crops, empty bunch application, and conservation terrace manufacture.

**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.**

Based on documents review of area statement and field observation at Tanjung Beringin Estate, Maryke Estate and Gohor Lama Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity.

**Status: Comply**

## 7.7

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

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

From the results of the document review and field observations, no indication of peatlands was found.

**Status: Comply**

## 7.8

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

### 7.8.1

The unit of certification has a water management plan to ensure the availability of clean water and not pollute the water used by the community and provide access to clean water for workers. The PT LNK water management plan that has been implemented is:

- Perform water quality testing (river water and well water). The certification unit has tested the quality of river water and well water which was carried out in semester 1 of 2020 by an accredited laboratory, namely PT Adei Plantation & Industry Mandau central laboratory accredited by KAN (LP-1182-IDN) on March 9, 2020. River water quality testing was carried out upstream and downstream of the river. The rivers that were tested were *Raja* River and *Pur* River in Maryke Estate and *Durhaka* River in Basilam Estate. Meanwhile, well water quality testing is carried out in each plantation and mill with sample points in employee housing. For example, based on the results of testing the water quality of the *Raja* river in Maryke estate, it is known that parameters such as pH, BOD, COD and TSS are still below the quality standard of PP 82 of 2001 for class II water. While the results of well water quality testing conducted at Gohor Lama Estate employee housing and Basilam Estate employee housing note that parameters such as pH, taste, odor, lead and sulfate are still below the quality standards of Minister of Health Regulation No. 32 of 2017.
- Monitoring of river border areas. The certification unit has carried out river border monitoring which is carried out every month. Based on the monitoring results for the January-August 2020 period, it is known that there are no community activities such as poisoning or catching fish in the river and there are no animal traps in the river border area. Based on the results of field visits to the *Basilam* River Border Blok 2011 M and the *Durhaka* River Border Blok 2011 A in Basilam Estate, it is known that the conditions of the riverbank have been planted with plants such as *Mahoni*, *Ketapang* and *Sengon* types.
- Put up signs for chemical spray area boundaries 20 m right and left. Based on the results of field visits to the *Basilam* River Border Blok 2011 M and the *Durhaka* River Border Blok 2011 A in Basilam Estate, it is known that there is already a spraying boundary in the form of a red cross (X) on the outermost part of the riverbank.
- Conducting outreach to employees and the community regarding the river border area protected by the certification unit. The certification unit has socialized the HCV area including the river border area to employees.
- Monitoring of water use for the production process. The certification unit has monitored the use of water for FFB

processing by recording water use for FFB processing which is carried out every month.

- Installing the Signboard for the river border area. Based on a field visit to the *Basilam* River Border Blok 2011 M and the *Durhaka* River Border Blok 2011 A in Basilam Estate, it was found that there was a river border signboard.

### 7.8.2

The unit of certification protects waterways and wetlands. The unit of certification shows evidence of protection against watercourses and wetlands such as:

- The certification unit has procedures related to the identification, management and maintenance of water sources and quality in the SOP for Identification and Maintenance of River Border Areas (No. 10 dated 1 December 2013) in the SOP, which explains that it does not spray chemicals in riverbank areas. This is evidenced by the results of field visits to *Basilam* River Border Blok 2011 M and the *Durhaka* River Border Blok 2011 A in Basilam Estate, it is known that there are no traces of chemical spraying and there is already a spray area boundary.
- The certification unit has planted crops in the river border areas such as *Mahoni*, *Sengon* and *Ketapang*. Based on the results of field visits to the *Penceng* River Border Blok 95 B Bukit Lawang Estate and the *Basilam* River Border Blok 2011 M and the *Durhaka* River Border Blok 2011 A in Basilam Estate, it is known that the conditions of the riverbank have been planted with plants such as *Mahoni*, *Ketapang* and *Sengon* types.
- When replanting the oil palm plantation area, replanting is not carried out so as not to damage the river border and to prevent erosion due to replanting. Based on interviews with management representatives, it was found that the oil palm trees that had been planted on the riverbank were not felled during replanting. Oil palm trees are left with the aim of turning river boundaries into thickets and to prevent erosion.

### 7.8.3

The certification unit has tested mill effluent every month. Based on the results of testing the quality of mill effluent for the April-August 2020 period conducted by an accredited laboratory, namely PT Adei Plantation & Industry Mandau, a KAN accredited central laboratory (LP-1182-IDN), it is known that the results of testing mill effluent parameters such as pH, BOD and COD are still below Quality Standards for the Minister of Environment and Forestry Decree No. 28 of 2003. In addition, the certification unit has also reported the results of monitoring of mill effluent for the second quarter (April-June) 2020 to the Environmental Service of Stabat Regency on July 15, 2020.

### 7.8.4

The Certification Unit has recorded the use of water for processing FFB. The average water use per tonne of FFB for the period January - Agustus 2020 was 1.29 m<sup>3</sup> / Mtric tonne of FFB and was still in accordance with the set budget, while the water use budget was 1.50 m<sup>3</sup> / metric tonne FFB.

	<b>Status: Comply</b>	
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## 7.9

**Efficiency of fossil fuel use and the use of renewable energy is optimized.**

### 7.9.1

The Certification Unit has maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, the use of shells and Fiber in Agustus 2020 is 3,581 metric tonnes which produces 340.47 kWh of electricity from the turbine with FFB Processed 19,894.29 metric tonnes. The use of renewable energy per tonne of palm product at the mill is 0.10 Kwh / metric tonne of FFB.

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

Stabat POM has calculated GHG emissions for thr period January-December 2019. The GHG calculation is still being carried out with calculations from 8 supply bases, namely Gohor Lama estate, Basilam estate, Maryke estate, Tanjung Beringin estate, Bekiun estate, Padang Berahrang estate, Tanjung Keliling estate and Bukit Lawang estate. In the ASA 3 assessment, the supply base from Bekiun estate, Padang Berahrang estate, Tanjung Keliling estate and Bukit Lawang estate was excluded from the scope of certification and joined into the scope of Tanjung Keliling POM certification. Stabat POM has conducted GHG emission calculations period 2019 use of Calculator Palm GHG version 4.0. Accurate data has been input to the RSPO

Palm GHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from Palm GHG calculator of the audit report which calculation option is applied "Apply full Version".

**Summary Emissions:**

Emission per product	tCO2e/tProduct
CPO	1.37
PK	1.37

Extraction	%
OER	23.95
KER	3.75

Land use	Ha
Planted area on mineral soil	17,749
Planted on peat	0.00
Total oil palm planted area	17,749
Conservation Area (Forested)	353
Conservation Area (Non Forested)	0.00
FFB Production per hectare	15.92 t/ha

**Estate/Plantation field emission and Sinks**

Description	Own		Group		3 <sup>rd</sup> Party		Total
Emissions Sources	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	
Land conversion	175300.28	0.62	0.00	0.00	0.00	0.00	175300.28
CO2 emissions from fertilizer	17615.98	0.06	0.00	0.00	0.00	0.00	17615.98
N2O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O from Fertilizer	15018.42	0.05	0.00	0.00	0.00	0.00	15018.42
Fuel consumption	1534.87	0.01	0.00	0.00	0.00	0.00	1534.87
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sinks</b>							
Crop sequestration	-166161.43	-0.59	0.00	0.00	0.00	0.00	-166161.43
Sequestration in Conservation area	-3237.01	-0.01	0.00	0.00	0.00	0.00	-3237.01
Total	40071.12	0.14	0.00	0.00	0.00	0.00	40071.12

**Mill Emissions and Credits**

Emission Source	tCO2e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost	0 %
Divert to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion:**

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

Based on the verification of the GHG plan, it is known that the FFB production per hectare is 15.92 tonnes / ha, this is because the oil palm plants from each plantation are over 20 years old and some have also been replanting in 2019.

**7.10.2**

The unit of certification did not carry out any new developments after 2014.

**7.10.3**

The Unit of Certification shows a list of sources of pollution from planting and replanting, transportation, use of fertilizers & spraying activities and use of shell and fiber. The resulting emissions are NO<sub>2</sub>, CO<sub>2</sub>, SO<sub>2</sub> and CH<sub>4</sub>. The Certification Unit has carried out tests related to emissions and air quality in accordance with the company's RKL-RPL, from the results of emission and air tests it is known that all parameters are below the quality standard. In addition, every semester the company regularly reports to the Langkat Regency Environmental Agency.

The Certification Unit has plans to carry out activities to reduce and minimize GHG emissions, including:

- Utilizing mill effluent that is applied for fertilization.
- Utilizing shells and fiber for boiler fuel for efficient use of diesel fuel.
- Monitor air quality through emission tests as stated in the RKL-RPL report.
- Conduct monitoring of POME including disposal of waste to WWTP before it is distributed to the Land application.
- Monitoring emissions and pollutants (air emissions, ambient, and odor) from plantations and estates which are conducted periodically every 6 months. Based on the test results, it is known that all parameters are in accordance with the provisions.

<b>Status: Comply</b>	
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**7.11**

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

**7.11.1**

The unit of certification does not carry out new planting but instead performs replanting activities which are carried out mechanically. Based on the results of field observations to the Bekiun replanting area in Block 2020 G, it is known that there is no burning or burn marks in the replanting area, replanting activities are carried out mechanically and the replanting area has been planted with oil palm and ground cover plants such as: *Mucuna bracteata*.

**7.11.2**

Action plans for preventing and controlling land fires and the areas they manage are stipulated in SOP 33 regarding land fire emergency response on 1 Jan 2020, in the SOP it is explained that the company set a no-burn policy, Define a fire fighting team and a description of their duties and responsibilities and Conduct training and socialization. The certification unit has carried out fire fighting training for employees in 2020 as follows:

- on 08 January 2020 to 10 employees as a firefighting team at Gohor Lama Estate
- on 19 June 2020 to 10 Employees as a firefighting squad at Maryke Estate
- on 3 July 2020 to 15 Employees as a firefighting squad at Padang Berahrang Estate
- on 08 July 2020 to 23 Employees as a firefighting squad at Tanjung Beringin Estate

**7.11.3**

The company has placed signboards that prohibit activities in strategic locations such as replanting areas, Employee Housing and on access roads that can be seen by workers and the public. Based on interviews with the Head of the Gohor Lama Village, it was stated that the company's policy regarding the prohibition of burning had been known by the community. In addition, the certification unit has also installed a signboard for prohibiting burning of land as a form of appeal to the village community.

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

Based on the ASA 3 assessment, it was found that the company did not carry out any new land clearing activities or development of operational areas. The distribution of planting years in the operational area consists of 1979 - 2015. The planting year 2005 - 2015 is a replanting activity and a conversion activity from rubber and cocoa plantations to oil palm plantations. The company has shown an email from Aina Amara dated February 14, 2018 regarding PT LNK's disclosure which states the approval of the disclosure. Based on the results of an environmental document review (DELH 2011), it is known that the Maryke Estate is an area that was converted from rubber and cocoa plantations to oil palm plantations. In addition, based on interviews with workers who have worked for more than 20 years, it was found that the area of Maryke's plantation was a rubber and cocoa plantation that was cultivated by PTPN II and later converted to an oil palm plantation after being taken over by PT. LNK.

#### **7.12.2**

Based on the document review, it was found that the certification unit did not clear any new land after 15 November 2018 so the HCS assessment did not apply and the existing HCV assessment was still valid. The certification unit has identified HCV by Aksenta's consultant in 2014 covering the entire area of PT LNK which consists of Gohor Lama Estate, Maryke Estate, Basilam Estate, Tanjung Beringin Estate, Bekiun Estate, Padang Berahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate. Based on the results of HCV identification, it is known that the total indicative HCV area is 154.58 ha. The HCV assessment was carried out by an RSPO approved assessment team and a review of the HCV assessment report was carried out by Yana Suryadinata (ALS). The HCV assessment has involved several parties such as the surrounding community (Desa Tanjung Keliling, Bukit Lawang, Bekiun, Basilam, Desa Kuala), government agencies such as the Langkat Regency Forestry and Plantation Service and the Langkat Regency Environmental Service. The assessment includes identification of HCV Areas and RTE Species.

#### **7.12.3**

Until now, Indicator 7.12.3 is not applicable in Indonesia because Indonesia, especially the part of North Sumatra, is not included in the category of High Forest Cover Country (HFCC) until a further decision is made by the RSPO.

#### **7.12.4**

Based on the 2014 HCV identification document, it is known that there is no peatland area and there is no indication that the peatland is HCV at PT. LNK. The certification unit has PT LNK's 2019-2020 HCV management plan which includes 8 estates. The HCV management plan is the result of consultations with stakeholders such as the surrounding community (Gelugur Langkat Village, Minta Asih, Bekiun, Sido Makmur, Bukit Lawang, Namanjahe, Tanjung Keliling and Namo Mbelin Village) as well as Government Agencies namely the Department of Agriculture and Food Security, Langkat Regency, which was carried out on June 24, 2019. The HCV management plan for the 2019-2020 period of PT LNK is as follows:

- Defining HCV area
- Installation of a signboard for notifications and prohibitions.
- Socialization to the public and employees.
- Monitoring of HCV areas including Flora and Fauna every month
- Make a mark along the small river channel.
- Planting woody plants in critical areas
- Growth monitoring of woody plants
- Making signs is prohibited from burning
- Carry out routine patrols in areas prone to fire.
- Menetapkan Kawasan mata air di Divisi 2 Tanjung Keliling Estate kedalam areal HCV.

The certification unit has implemented the 2019-2020 HCV management plan, for example:

- The company has conducted monthly monitoring of important, rare, endangered and vulnerable species. Monitoring also includes indications of catching / trapping, maintaining, trading RTEs and monitoring posters. For example:
  - a. Monitoring reports on the Maryke Estate for the monitoring period of August 2020, the species encountered were: *Monyet Ekor Panjang* (*Macaca fascicularis*) and *Biawak* (*Varanus Salvator*). In addition there is no indication of capturing / trapping HCV areas.
  - b. Monitoring reports on the Basilam Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Cekakak Belukar* (*Halcyon smyrnensis*) and *Monyet ekor Panjang* (*Macaca fascicularis*). In addition there is no indication of capturing / trapping HCV areas.

- The company has installed a spray limit sign for 20 meters right and left of the river, namely red paint on the outermost palm oil tree in the river border area. Based on the results of field visits to the Basilam river Block 2011 M and Durhaka river Block 2011 A, there was no indication of spraying to the water body / border area and there was a spray limit sign.
- Socialization has been carried out to employees, for example:
  - a. Socialization of HCV, Wildlife and Spraying Boundaries of HCV areas to 52 employees Division I Gohor Lama Estate on 16 March 2020.
  - b. Socialization of HCV and wildlife to 22 Harvest employees Division II Basilam Estate.
- Planting woody plants such as Mahogany, Pulai and Trembesi at Basilam Estate and Maryke Estate. Based on the results of field visits to the riverbanks of the Basilam River in Blok 2011 M and the River Durhaka Blok 2011 A, it is known that there are plants such as Mahogany and Trembesi that have been planted in the riverbank area.
- The company has installed an HCV and prohibition area notification plank, such as hunting, poisoning fish, spraying and prohibiting burning.

Review of the management plan was carried out by the company on June 24, 2019. The results of this review are used as input for the HCV management plan for 2019/2020. Based on the results of interviews with management representatives, it was found that the company reviews its HCV management plan every 2 years. HCV management plan has been developed based on consultation with stakeholders such as the community surrounding the company. The company can show the Minutes of the preparation of the HCV management plan which was carried out on June 24, 2019 by involving the village communities around the Plantation, namely Gelugur Langkat Village, Minta Kasih, Bekiun, Namo Mbelin, Sido Makmur, Bukit Lawang, Padang Cermin, Naman Jahe, and Tanjung Keliling Village.

#### **7.12.5**

Based on the HCV assessment report carried out by Aksenta consultants in 2014, it was found that there was no peatland as HCV and no community rights were identified as HCV. The types of HCV areas identified in the PT LNK area are HCV 1 and HCV 4.

#### **7.12.6**

The certification unit has an SOP on the protection of Flora and Fauna, namely SOP 22 revision 1 dated 18 January 2018 related to HCV identification, management and monitoring of conservation and flora / fauna areas on 18 January 2018. This procedure explains that the company will disseminate the sanctions to each individual who works for the company if proven to have captured, injured, killed, kept, possessed, cared for, transported and traded protected animals. The certification unit also conducts outreach to workers regarding the presence of flora and fauna around the company. Based on the results of interviews with spray and harvest workers at Basilam Estate and Maryke Estate, it was found that the workers understood that hunting was prohibited and that they were penalized for hunting animals.

#### **7.12.7**

The unit of certification has an HCV area monitoring program including RTE species monitoring. The certification unit can show the results of monitoring of HCV areas including RTE species for the period August 2020 as follows:

- Monitoring reports on the Maryke Estate for the monitoring period of August 2020, the species encountered were: *Monyet Ekor Panjang* (*Macaca fascicularis*) and *Biawak* (*Varanus Salvator*). In addition there is no indication of capturing / trapping HCV areas.
- Monitoring reports on the Basilam Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Cekakak Belukar* (*Halcyon smyrnensis*) and *Monyet ekor Panjang* (*Macaca fascicularis*). In addition there is no indication of capturing / trapping HCV areas.

Based on the results of monitoring of HCV areas including RTE species, it is known that the HCV area and flora and fauna species are still preserved. Based on interviews with management representatives, it is known that the 2020 HCV management plan is still continuing to monitor HCV areas including monitoring of flora and fauna species as a company effort to defend HCV areas and flora and fauna species.

#### **7.12.8**

Based on the ASA 3 assessment, it was found that the company did not carry out any new land clearing activities or development of operational areas. The distribution of planting years in the operational area consists of 1979 - 2015. The

planting year 2005 - 2015 is a replanting activity and a conversion activity from rubber and cocoa plantations to oil palm plantations. The company has shown an email from Aina Amara dated February 14, 2018 regarding PT LNK's disclosure which states the approval of the disclosure. Based on the results of an environmental document review (DELH 2011), it is known that the Maryke Estate is an area that was converted from rubber and cocoa plantations to oil palm plantations.

<b>Status: Comply</b>
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**3.2 Conformity Checklist of Certificate and Trademark Use**

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

### 3.3 Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on July 2020.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

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>Positive assurance statement provided, which does include the new mill found in the revised time bound plan.</p> <p><b>Auditor verification</b> There are internal audit that has been conducted for management units of PT Anugrah Jaya Mandiri, PT Putra Bongan Jaya, PT Bumi Makmur Sejahtera Jaya, PT Menteng Jaya Sawit Perdana, Butaw and Palm Bay.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>The company has conducted HCV assessment for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. Related to the new mills and newly acquired land are waiting for the concept plan to be approved.</p> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided. The uncertified that follow RaCP is PT Menteng Jaya Sawit Perdana. For others uncertified unit, known that there is no new planting .</p>

2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted prior to development. There is new planting after Jan 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p><b>Auditor verification</b> There is new planting after 2010 in PT Putra Bonga Jaya and this is uncertified unit will follow sanction. For the other uncertified unit, there is no new planting after 1 January 2010.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.</p> <p><b>Auditor verification</b> The company has procedure to resolve the land conflict which has explain that problem solving of conflict area.</p> <p>There is evidence of documented land dispute resolution for the uncertified units. No issue that obtain by web search.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor verification</b> There are few uncertified unit which not yet obtain the HGU consist of PT Bumi Makmur Sejahtera Jaya, PT Menteng Jaya Sawit Perdana and PT Putra Bonga Jaya for 4,460 Ha.</p>

### 3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No.	:	2019.1	Issued by	:	Afiffuddin
Date Issued	:	5 July 2019	Time Limit	:	4 October 2019
NC Grade	:	Major	Date of Closing	:	5 August 2019
Standard Ref. & Requirement	:	4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.			
Evidence observed :					
<p>The certificate holder has Circular Letter number 073.A / Presdir / SE / II / 2017 concerning Management and Discipline of Personal Protective Equipment that is approved by the President Director. In the procedure explained, including :</p> <ul style="list-style-type: none"><li>• All employees must be given a complete and adequate PPE, including new employees who are on probation and / or contractor employees.</li><li>• Managers assisted by the audit department must be able to ensure that PPE is distributed on target, is appropriate and controls the supply of PPE in the estate.</li></ul> <p>Based on the results of field observations, the following conditions were found:</p> <ul style="list-style-type: none"><li>• 1 worker was found at WTP Station and 1 worker at Press Station Stabat POM using PPE boots that he bought himself</li><li>• 1 welder was found in the Tanjung Keliling Estate workshop who used leather gloves in a damaged condition.</li><li>• 3 circle and path spray workers and 3 bag caterpillar spray workers at the Gohor Lama Estate who did not use goggles. 1 bag caterpillar spray workers showed that the PPE glasses were inadequate (blurred and cannot be used while working).</li><li>• 1 worker out of 3 harvest workers found in Bekiun Estate who did not use personal protective equipment in the form glasses and 1 harvest worker showed that the PPE glasses were inadequate (blurred and could not be used while working).</li></ul>					
Non-Conformance Description :					
<p>Based on the explanation above, the certificate holder has not shown evidence that control of PPE stocks has been carried out in the warehouse and monitoring of PPE eligibility has been carried out effectively.</p>					
Root Cause Analysis :					
<p>1. Stabat POM:</p> <ul style="list-style-type: none"><li>• There is no PPE stock monitoring in the warehouse so the stock was empty. The indent has been made but the item has not been received.</li></ul> <p>2. Estate (Bekiun, Tanjung Keliling, Gohor Lama)</p> <ul style="list-style-type: none"><li>• Workers do not report to the foreman regarding PPE that is damaged both verbally and in writing</li><li>• Monitoring the use of PPE has not been effective</li></ul>					
Correction :					

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

**Corrective Action :**

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

**Assessor Evaluation and Conclusion :**
**Verification July 30, 2019**

The certificate holder shows the following evidence of improvement:

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

12. PPE Usage Monitoring Checklist document dated July 9, 2019 in the Division 2 of Bekiun Estate, which explains 7 harvesters using the complete PPE, namely helmets, boots, gloves, safety cover and glasses along with photos during monitoring.
13. PPE Monitoring Monitoring Checklist document dated July 9, 2019 in Division 4 of Bekiun Estate, which explains 5 sprayers using the complete PPE, namely boots, aprons, gloves and masks along with photos when monitoring.
14. PPE Usage Monitoring Checklist document dated July 8, 2019 in Division 2 of the Gohor Lama Estate, which explains 9 maintenance workers using complete PPE, namely helmets, boots, masks, aprons, gloves and glasses along with photos when monitoring.
15. Document Monitoring Checklist for PPE Usage on July 8, 2019 in Division 1 and Division 4 of Tanjung Keliling Estate, which explains 9 sprayers using complete PPE, namely helmets, boots, masks, aprons, gloves and glasses along with photos when monitoring.
16. PPE Stock Monitoring Documents at Bekiun Estate, Gohor Lama Estate, Tanjung Keliling Estate and Stabat POM which explain the availability of PPE from October 2018 until June 2019.
17. Proof of request for PPE Gohor Lama Estate request from the sustainability coordinator to the Manager, on 22 July 2019 for the 2019/2020 period inventory, supplemented by warehouse stock data and stock additions of more than 30% and have been responded by the manager.
18. Documentation (photo) checking the PPE of Bekiun, Gohor Lama, Tanjung Keliling Estate and Stabat POM.
19. Recording Documents of Subscription for the Use of the Bekiun Estate PPE that explains the procedure for filling out the monitoring form and the monitoring form.

**Verification August 5, 2019**

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

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

<b>Verified by</b>	<b>: Afiffuddin</b>
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NCR No.	: 2019.2	Issued by	: Sandra Purba
Date Issued	: 5 July 2019	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 26 September 2019
Standard Ref. & Requirement	: 5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.		
Evidence observed :			
The implementation of environmental monitoring and management has been carried out and has been reported to the relevant agencies, for example the report of semester 2 period 2018 was sent on January 8, 2018 to DLH Langkat. However, not entire parameters required in the matrix have been monitored and managed by the company, for example:			
• Mill: Disturbances in aquatic biota, potential workplace accidents, work opportunities, business opportunities,			

<p>health problems, infrastructure damage, community perceptions.</p> <ul style="list-style-type: none"> <li>• Estates: decrease in flora and fauna diversity, employment opportunities for local workers, employment opportunities / income, community service, community perceptions, public health.</li> </ul>	
<p><b>Root Cause Analysis :</b></p> <p>The officers responsible for drafting the RKL RPL are not yet trained because they are new.</p>	
<p><b>Correction :</b></p> <p>Completing the deficiencies in the Plantation and Factory Environmental Management and Monitoring Reports for the 2nd Semester of 2018.</p>	
<p><b>Corrective Action :</b></p> <ul style="list-style-type: none"> <li>• Provide training to officers who are responsible for drafting RKL RPL</li> <li>• Review the RKL RPL matrix every year so that there are no errors in writing the report</li> <li>• Conduct training for the preparation of RKL RPL reports.</li> </ul>	
<p><b>Assessor Evaluation and Conclusion :</b></p> <p>Verification July 31 2019,</p> <p>The company has sent proof of improvement in the form of a copy of the RKL and RPL reports for plantations and mills for the semester 2 2018 period, but has not included evidence that all parameters required in the environmental document matrix have been managed and monitored, especially the social aspects. In addition, there is no evidence of establishing a PIC, evidence of training for PIC.</p> <p>Verification dated September 26, 2019,</p> <p>The company has shown evidence of improvement in the form of evidence of PIC training in charge of preparing each semester's RKL / RPL reports and a schedule for preparing each semester's RKL / RPL reports.</p> <p>The company has shown evidence of improvement, namely evidence of environmental monitoring of the plantation and mill, the revised RKL / RPL semi-2 year 2018 report and proof of delivery to relevant agencies.</p> <p>The company shows proof of improvement in the form of a trainer certificate from environment agency. Non-conformities are declared fulfilled and will be re-verified at S-3. Close with observation</p>	
<b>Verified by</b>	<b>: Sandra</b>

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment**

<b>NCR No.</b>	:		<b>Issued by</b>	:	
<b>Date Issued</b>	:		<b>Time Limit</b>	:	
<b>NC Grade</b>	:		<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:				
<b>Evidence observed</b> (filled by auditor): <b>Non-Conformance Description</b> (filled by auditor):  There is no Nonconformity is identified during the ASA 3.					
<b>Root Cause Analysis</b> (filled by organization audited):					
<b>Correction</b> (filled by organization audited):					
<b>Corrective Action</b> (filled by organization audited):					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verified by</b>	:				

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	3.2.1	Ensure that all activities involving employees and the community are carried out after Covid 19 ends.

**3.4.4. Noteworthy Positive Components**



No	Description
1	Has obtained ISPO certificate
2	The company's commitment to implementing the Principles of Sustainable Palm Oil Management
3	Teamwork and good document presentation during the audit activity.

**3.5 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Plantation Agency of Langkat Regency.</b> In general, the communication relationship between the company and the agency went quite well. The company already has permits related to the plantation and is still valid. For mandatory reports have been reported regularly in accordance with applicable regulations and during the last year there were no environmental pollution events caused by the company's operational activities or negative issue related to company operational area.	This has been quite clear and there are explanations in each of the related indicators.
<b>Land National Agency of Langkat Regency</b> <ul style="list-style-type: none"> <li>- Company has good relationship and communication with Land National Agency</li> <li>- There is no customary rights or indigenous people in PT LNK</li> <li>- There is no land dispute in PT LNK</li> </ul>	Based on document verification, there still occupation area in Gohor Lama and Tanjung Beringin Estate. The settlement progress still continue and has documented by company.
<b>Environmental Agency of Stabat Regency</b> <ul style="list-style-type: none"> <li>• The company already has permits related to the environment such as a hazardous and toxic waste storage permit and an environmental permit. The permit for disposal of mill effluent is still in the assessment process and has received a recommendation of mill effluent.</li> <li>• Mandatory environmental reports have been submitted periodically.</li> <li>• There is no environmental pollution problem caused by the company.</li> <li>• There were no problems related to land fires during 2019-2020.</li> </ul>	This has been quite clear and there are explanations in each of the related indicators.
<b>Local Contractor of Security Worker (PT Gemilang Indah Sentosa)</b> <ul style="list-style-type: none"> <li>• Cooperation has been carried out since 2016</li> <li>• There is a clear and signed contract on the stamp of Rp. 6,000.</li> <li>• Contractors are given the opportunity to study the terms and contents of the agreement before signing. Each party holds 1 stamped agreement file.</li> <li>• Current payments according to the agreement</li> <li>• There are no legal dispute issues between contractor and companies</li> </ul>	Based on document review, field observation and interview with workers and management, there's no negative issue related to contractor worker welfare and OHS. Every contractor worker is already registered on BPJS program and no other issue related to force labor
<b>Local Contractor of FFB Transport (PT Dalanta Sawit Langkat)</b> <ul style="list-style-type: none"> <li>• The contractor has paid wages and overtime in accordance with applicable regulations to their</li> </ul>	Based on document review, field observation and interview with workers and management, there's no negative issue related to contractor worker welfare and

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>workers.</p> <ul style="list-style-type: none"> <li>• Until the audit progresses, there are no complaints from contractors.</li> <li>• The contractor has registered all workers on social assurance.</li> <li>• There are no legal dispute issues between contractor and companies</li> </ul>	<p>OHS. Every contractor worker is already registered on BPJS program and no other issue related to force labor</p>
<p><b>Labor Agency of Langkat District</b></p> <ul style="list-style-type: none"> <li>- The company has a good relationship and communication with the Manpower Agency</li> <li>- The company always involves the Manpower Agency in every activity related to employment</li> <li>- There were work accidents in the last 1 year, however, the reporting was made to the Provincial Manpower Agency. So that the Langkat Regency Manpower Agency does not know the information update.</li> <li>- The company has routinely submitted employment reports</li> <li>- The Collective Labor Agreement has been ratified by the Manpower Agency</li> <li>- There is 1 active labor union in PT LNK, namely the Serikat Pekerja Bersatu Perkebunan (SPBP). As for Serikat Pekerja Mandiri (SPM) is a labor union of former PTPN II (registered under the name of PTPN II)</li> <li>- The Manpower Agency has facilitated SPM to have a dialogue with PT LNK regarding their existence as a recognized union. However, the SPM in PTPN II itself has been merged into the PTPN II Plantation Workers Union so that SPM itself is no longer in PTPN II.</li> <li>- There are no issues related to industrial or labor relations at PT LNK.</li> </ul>	<p>Results of verification of complaint documents and interviews with workers found that there were no issues related to labor violations.</p> <p>There is an issue related to industrial relations on the web. The team of auditors has verified the issue which, based on the results of interviews with the Manpower Office, the company has implemented labor procedures in accordance with applicable regulations. Regarding this issue, it has been resolved through the Industrial Relations Court at the Medan District Court which was decided on August 5, 2020 with Decision No. 21 / Pdt.Sus-PHI / 2020 / PN Mdn. At the point "Adjudicating" the Principal of the Case in the Decree it is stated that the Plaintiff's (ex worker) claim cannot be accepted.</p>
<p><b>Head of Labor Union (SPBP) unit Tanjung Beringin Estate</b></p> <ul style="list-style-type: none"> <li>• The head of the labor union is appointed by the members based on members' deliberations.</li> <li>• The workers at the Tanjung Beringin Estate are already permanent workers, and there are no workers with contracts and casual workers status. There are outsourced workers who work as security.</li> <li>• The company has paid wages and worker rights in accordance with applicable regulations.</li> <li>• Security worker shifts are divided into 3 work shifts and are in accordance with applicable regulations.</li> <li>• The company has paid house rent for workers who have not yet received a house from the company.</li> <li>• There are no issues related to employment.</li> </ul> <p>The company has enrolled all workers in the BPJS program</p>	<p>Results of verification of complaint documents and interviews with workers found that there were no issues related to labor violations.</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Socialization related to the gender committee is routinely carried out by representatives of each estate.</li> <li>• Women worker give menstruation leave by recommendation paramedic for maximum 2 days. Women workers also has rights of maternity leave for 45 day before and 45 days after.</li> </ul>	<p>The results of verification of complaint documents and interviews with female workers indicated that there were no issues related to sexual violence or harassment.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>There have been no complaints or reports related to sexual harassment or violence in the past 2 year.</li> <li>The gender committee has work programs such as complaints handling socialization, health checks, and others.</li> </ul>	
<b>Head of Labor Union (SPBP) unit Gohor Lama Estate</b> <ul style="list-style-type: none"> <li>The company has paid wages and employee rights in accordance with applicable regulations.</li> <li>There are no serious or fatal work accidents in the Gohor Lama Estate.</li> <li>There are no employee complaints that have not been completed. Employee complaints such as housing conditions have been followed up.</li> <li>The company has provided PPE to workers.</li> <li>The company has conducted periodic health checks on high-risk workers.</li> <li>All employees at Kebun Gohor Lama are permanent employees.</li> <li>The company has enrolled all workers in the BPJS program</li> </ul>	<p>Results of verification of complaint documents and interviews with workers found that there were no issues related to labor violations.</p>
<b>Head of Independent Workers Union (SPM) of Basilam Estate</b> <ul style="list-style-type: none"> <li>SPM is always included by management in every meeting related to employment.</li> <li>The company has paid wages and employee rights in accordance with applicable regulations.</li> <li>There are complaints such as premiums and house rent payments. However, these complaints exist due to lack of socialization or explanation to employees. These complaints have been resolved and there have been no complaints from workers.</li> <li>There are no issues or violations related to employment.</li> </ul>	<p>Results of verification of complaint documents and interviews with workers found that there were no issues related to labor violations.</p>
<b>Head of Gohor Lama Village</b> <ul style="list-style-type: none"> <li>- There is no land conflict with PT LNK.</li> <li>- The communication between village and company is went well</li> <li>- There is no previous land owner or customary rights in PT LNK</li> <li>- There is no complaint related to environment pollution</li> <li>- Village can submit their proposal assistance to PT LNK</li> </ul>	<p>Based on document review, it is known that company give CSR to surrounding village. Also there is no land conflict related to Gohor Lama village.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Langkat Nusantara Kepong President Director</p>  <p><b>MD Nasrudin Ismail</b> Wednesday, 16 September 2020 PRESIDENT DIRECTOR</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Rizliani Aprianita Hasibuan</b> Wednesday, 16 September 2020</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Public Consultation	September 8 <sup>th</sup> , 2020	✓	-
2	Environmental Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Public Consultation	September 8 <sup>th</sup> , 2020	✓	-
2	Local Contractor of Security Worker (PT Gemilang Indah Sentosa)	Langkat Regency, Sumatera Utara	-	Public Consultation	September 8 <sup>th</sup> , 2020	✓	-
3	Local Contractor of FFB Transport (PT Dalanta Sawit Langkat)	Langkat Regency, Sumatera Utara	-	Public Consultation	September 8 <sup>th</sup> , 2020	✓	-
4	Head of Gohor Lama Village	Langkat Regency, Sumatera Utara	-	Public Consultation	September 8 <sup>th</sup> , 2020	✓	-
4	Tanjung Beringin Estate: - 2 Harvester - 5 Spraying Workers - 3 Manuring Workers - 2 workshop worker - 1 chemical storage officer - 1 premix area worker - 1 paramedic	Langkat Regency, Sumatera Utara	-	Observation and Interview	September 11 <sup>th</sup> , 2020	✓	-
5	Stabat POM: - 2 Grading Workers - 2 Sterilizer Operators - 1 Boiler Operator - 1 Generator Operator - 1 WTP Operator - 2 Workshop Workers - 1 security - 1 weightbrige operator - 1 despatch operator - 2 chemical storage worker - 1 Hazardous and toxic waste	Langkat Regency, Sumatera Utara	-	Observation and Interview	September 11 <sup>th</sup> , 2020	✓	-

	storage worker - 1 water intake worker. - 1 WWTP worker. - 1 spareparts storage						
6	Maryke Estate - 1 chemical storage officer - 1 premix area worker - 1 welder - 1 paramedic - 1 hazardous waste storage office	Langkat Regency, Sumatera Utara	-	Observation and Interview	September 12 <sup>th</sup> , 2020	✓	-
7	Gohor Lama Estate - 1 chemical storage officer - 1 Day Care worker - 1 occupant of employee housing - 1 Spareparts storage worker. - 1 fertilizers storages worker - 1 oil storage worker	Langkat Regency, Sumatera Utara	-	Observation and Interview	September 11 <sup>th</sup> , 2020	✓	-
8	Baslam Estate - 1 chemical storage officer - 1 fertilizers storage worker - 1 workshop worker - 1 Paramedic worker. - 1 oil Storage worker	Langkat Regency, Sumatera Utara	-	Observation and Interview	September 14 <sup>th</sup> , 2020	✓	-

**Appendix 2. Assessment Program**

DATE	7 – 16 September 2020	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 7 September 2020		
05.10 – 07.30	JAKARTA → KUALANAMU	All Auditor
08.00 – 15.00	KUALANAMU → Royal Prima Houspital ( PCR examination )	
15.00 – 17.00	Royal Prima Hospital → PT LNK	
Tuesday, 8 September 2020		
08.00 – 12.00	<p><b>Opening meeting</b></p> <ul style="list-style-type: none"><li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit).</li><li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li></ul> <p><b>Public Consultation by phone</b></p> <ul style="list-style-type: none"><li>Public consultation to Government Agencies of Langkat by phone</li><li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li><li>Public consultation with Local Contractor &amp; Supplier</li><li>Interview with internal stakeholders (ex. Bipartite or Labour Union, Gender Committee and Cooperative committee members)</li></ul> <p><b>Field Observation to Tanjung Beringin Estate</b></p> <p>Aspect to be verified:</p> <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Environmental and Conservation/HCV management.</li><li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li></ul>	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"><li>Verification of stakeholder consultation result</li><li>Document review and completing audit checklist.</li></ul>	All Auditor
Wednesday, 9 September 2020		
08.00 – 12.00	<p><b>Field Observation to Maryke Estate</b></p> <p>Aspect to be verified:</p> <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Environmental and Conservation/HCV management.</li></ul>	All Auditor

	<ul style="list-style-type: none"> <li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	
<b>Thursday, 10 September 2020</b>		
08.00 – 12.00	<b>Field Observation to Gohor Lama Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Implementation of Environmental and Conservation/HCV management.</li> <li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field Observation Stabat POM</b> <ul style="list-style-type: none"> <li>• Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO)</li> <li>• Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, Fire Control Simulation, POME Pond</li> <li>• Implementation of Employment &amp; Occupational Health &amp; Safety Aspect, Processing Activity.</li> </ul>	<b>All Auditor</b>
<b>Friday, 11 September 2020</b>		
08.00 – 12.00	<b>Field Observation to Basilam Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Implementation of Environmental and Conservation/HCV management.</li> <li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Wednesday, 16 September 2020</b>		
08.00 – 10.00	<b>Closing Meeting :</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> </ul>	<b>All Auditor</b>

	<ul style="list-style-type: none"><li>• Comments, Responses and Questions</li></ul>	
10.00 – 14.00	<b>PT LNK → KUALANAMU</b>	<b>All Auditor</b>
16.05 – 18.30	<b>KNO → CGK</b>	