

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

**[ ✓ ] Initial Certification**

Name of Management Organisation : **Tanjung Keliling POM – PT Langkat Nusantara Kepong, subsidiary of Kuala Lumpur Kepong Bhd**

Plantation Name : **Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate & Padang Brahrang Estate**

Location : **Tanjung Keliling Village, Sub District of Salapian, Langkat of District, Province of Sumatera Utara, Indonesia**

Certificate Code : **MUTU-RSPO/149**

Date of Certificate Issue : 21 October 2020      Date of License Issue : 21 October 2020

Date of Certificate Expiry : 20 October 2025      Date of License Expiry : 20 October 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	11 to 16 September 2020	Rizliani Aprianita Hasibuan (Lead Auditor), Asystasya Aishah Silalahi, Briyogi Shadiwa, Rahmat Abdiansyah	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	21 October 2020

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on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of PT Langkat Nusantara Kepong



Figure 2. Operational Map of Bukit Lawang Estate

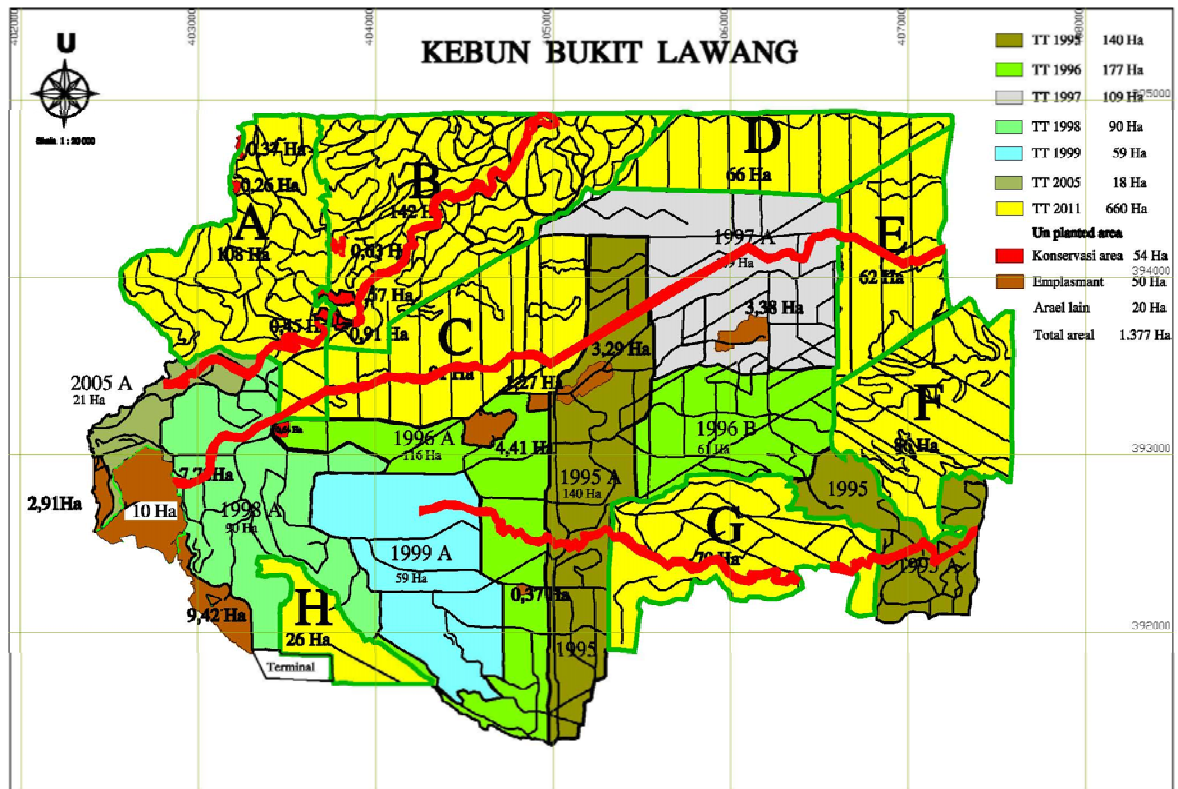


Figure 3. Operational Map of Bekiun Estate

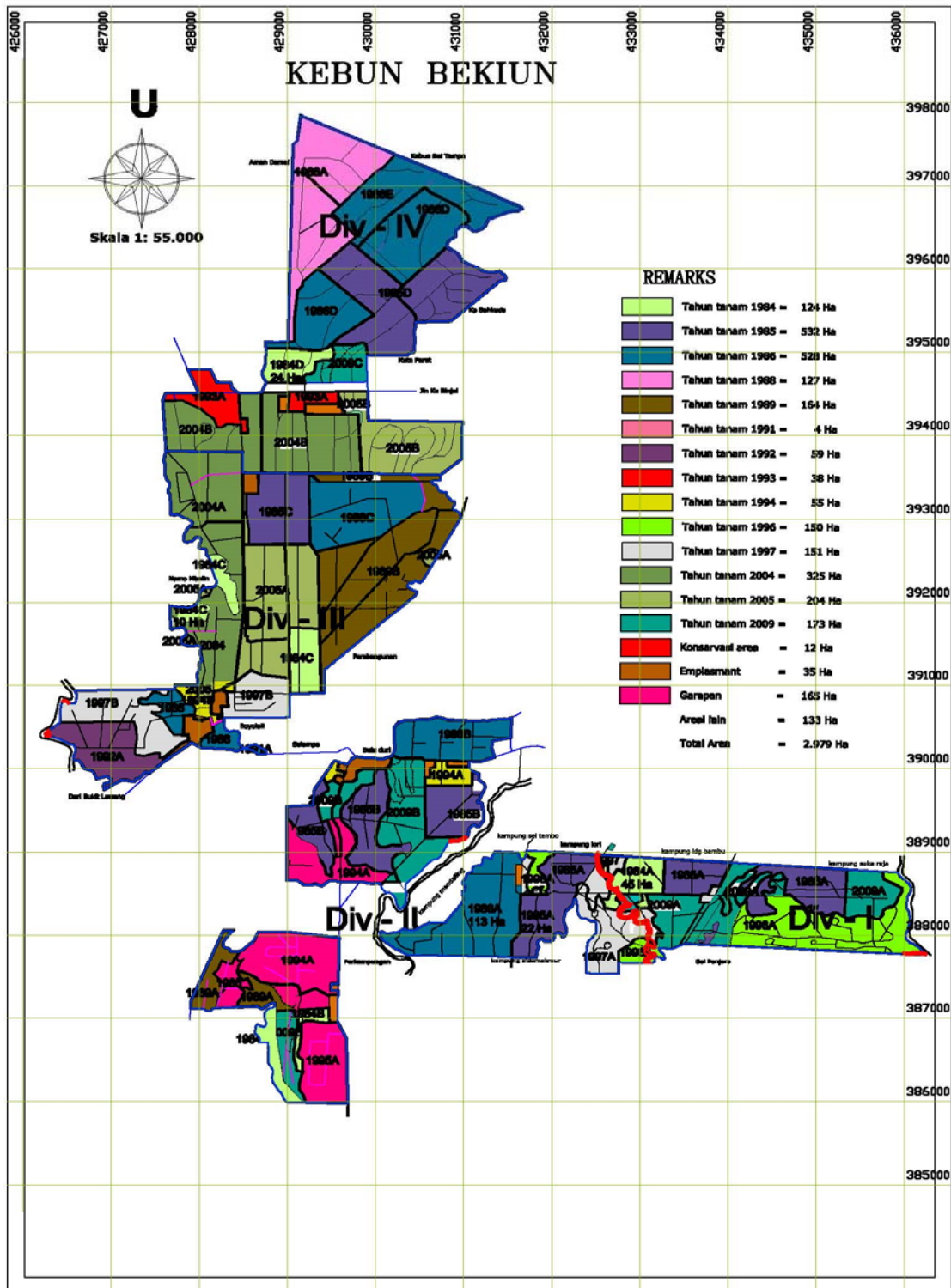


Figure 4. Operational Map of Tanjung Keliling Estate

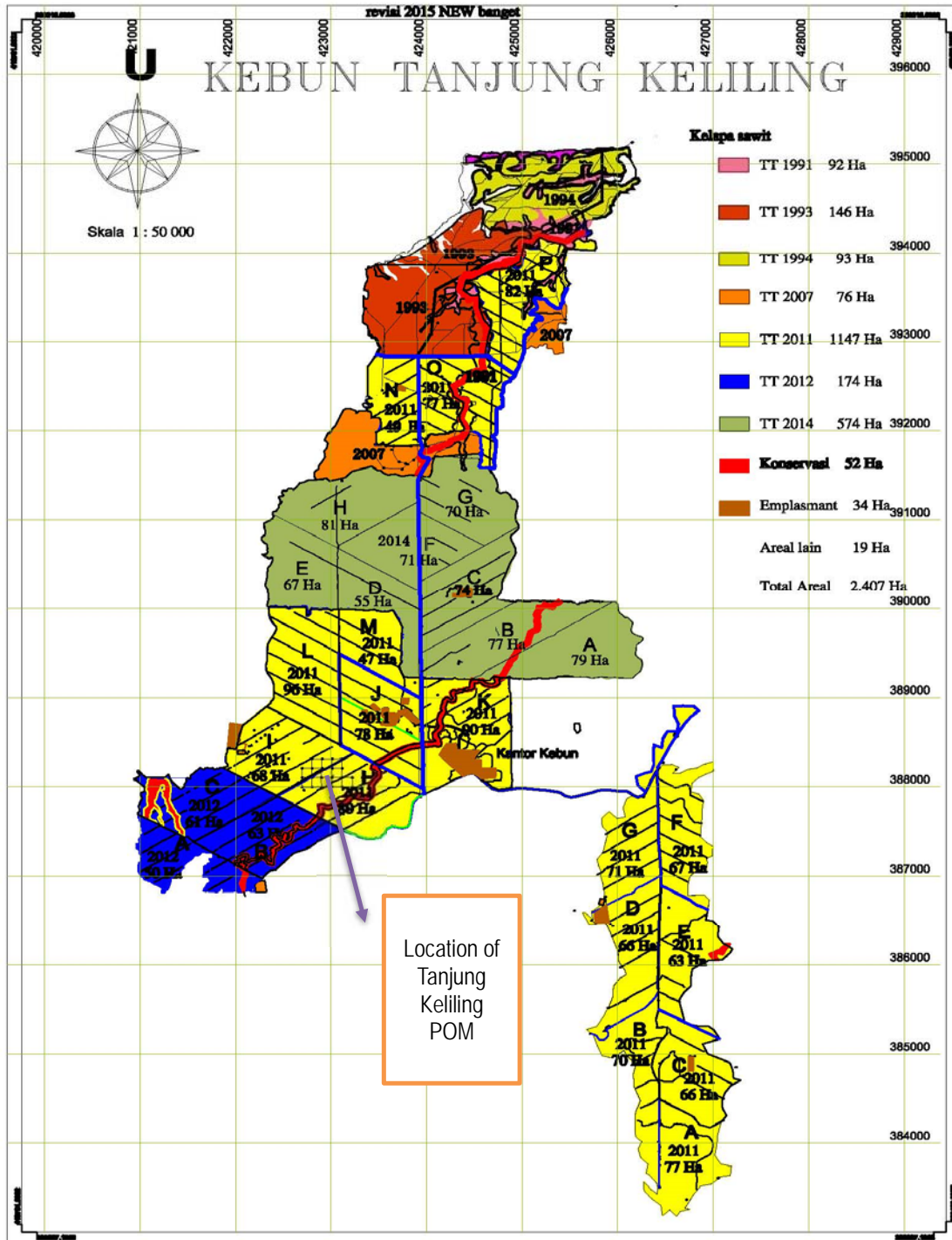
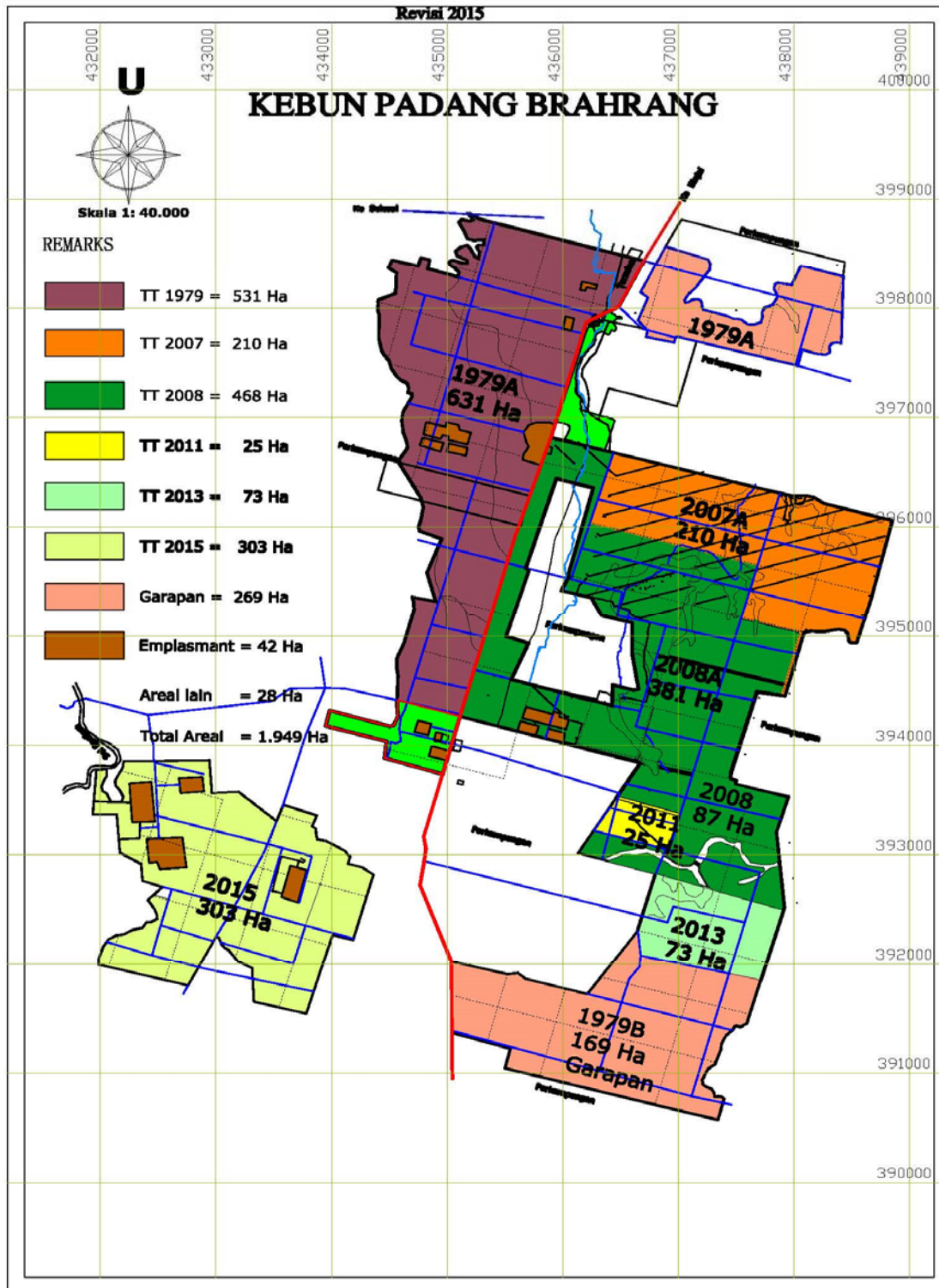


Figure 5. Operational Map of Padang Brahrang Estate



**Abbreviations Used**

AARI	:	Applied Agricultural Resources Indonesia
ALS	:	Assessor License Scheme
AMDAL	:	Analisis Mengenai Dampak Lingkungan ( Environment Impact Assessment)
APAR	:	<i>Alat Pemadam Api Ringan</i> (Light Fire Extinguisher)
ASA	:	Annual Surveillance Assessment
BMP	:	Best Management Practice
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)
CB	:	Certification Body
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified sustainable Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Curriculum Vitae
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
ENT	:	Ear, Nose and Throat
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed Consent
GHG	:	Green House Gases
GPS	:	Global Positioning System
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
IHT	:	In House Training
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISPO	:	Indonesia Sustainable Palm Oil
KER	:	Kernel Extraction Rate
KLK	:	Kuala Lumpur Kepong
LNK	:	Langkat Nusantara Kepong
LPP	:	Lembaga Pendidikan dan Penyuluhan (Educational and extension institutions)
LTA	:	Lost Time Accident
MB	:	Mass Balance
MCL	:	Mandau Central Laboratory
MCU	:	Medical Check Up
MR	:	Management Representative
MSDS	:	Material safety data sheet
NC	:	Non Conformity
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health Safety Assessment Series
OSS	:	Online Single Submission
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Health and Safety Committee)
PK	:	Palm Kernel

PIC	:	Personel In Charge
PLN	:	<i>Perusahaan Listrik Negara</i> (State Electricity Company)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened, Endangered
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
SPBP	:	<i>Serikat Pekerja Bersatu Perkebunan</i> (The United Plantation Workers Union)
SPM	:	<i>Serikat Pekerja Mandiri</i> (Independent Workers Union)
SSOP	:	Sustainability Standard Operational Procedure
UKL/UPL	:	<i>Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan</i> (environment management and monitoring)
UN	:	United Nation
WTP	:	Water Treatment Plant
WWTP	:	Waste-water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>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>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT Langkat Nusantara Kepong subsidiary of Kuala Lumpur Kepong Bhd</b>	
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  Liaison 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	<a href="mailto:mi.tiong@klk.com.my">mi.tiong@klk.com.my</a>	
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	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) palm oil mill (Tanjung Keliling POM) supplied by four (4) estates: Padang Brahrang Estate, Bekiun Estate, Tanjung Keliling Estate & Bukit Lawang Estate.	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Tanjung Keliling POM	Tanjung Keliling Village, Salapian Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 30' 43"
			E 98° 18' 24"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Padang Brahrang	Padang Brahrang Village, Selesai Sub District, Langkat District,	N 03° 35' 20"
			E 98° 25' 20"

		Sumatera Utara Province, Indonesia				
	Bekiun	Bekiun Village, Kuala Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 31' 42"	E 98° 21' 03"		
	Tanjung Keliling	Tanjung Keliling Village, Salapian Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 30' 46"	E 98° 19' 08"		
	Bukit Lawang	Bukit Lawang Village, Bahorok Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 32' 50"	E 98° 07' 40"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		8,711 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
	• Total area		8,711 Ha			
	• Mature area		4,839 Ha			
	• Immature area		1,608 Ha			
	• HCV		118 Ha			
	• Emplacement		110 Ha			
	• Road, Ditch, & Boundaries		307 Ha			
	• Mill		24 Ha			
	• Football Field		5 Ha			
	• Nursery		29 Ha			
	• Replanting Area		1,300 Ha			
	• Occupation		250 Ha			
	• Other (Progeny Test Area, Occupied by Government Office)		121 Ha			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Padang Brahrang	Bekiun	Tanjung Keliling	Bukit Lawang	Total
	1995	-	-	-	145	145
	1996	-	-	-	180	180
	1997	-	-	-	108	108
	1998	-	-	-	109	109
	1999	-	-	-	58	58
	2004	-	319	-	-	319
	2005	-	207	-	16	223
	2007	207	-	82	-	289

	2008	428	-	-	-	428	
	2009	-	77	-	-	77	
	2011	-	-	1,083	664	1,747	
	2012	73	-	168	-	241	
	2014	-	-	446	-	446	
	2015	279	-	-	-	279	
	2016	57	133	-	-	190	
	Mature	1,044	736	1,779	1,280	4,839	
	2016	53	-	-	-	53	
	2017	44	-	-	-	44	
	2018	-	300	-	-	300	
	2019	659	552	-	-	1,211	
	Immature	756	852	0	0	1,608	
	TOTAL	1,800	1,588	1,779	1,280	6,447	
1.6.2	New Planting area after January 2010		-			Ha	
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Tanjung Kelilling	80	140,210.54	34,899.20	24.89	4,656.67	3.32
<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						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Padang Brahrang	1,949.00	1,800.00	20,039.71	11.13	13,987.81	70
	Bekiun	2,979.00	1,588.00	17,792.23	11.20	13,257.08	75
	Tanjung Keliling	2,406.00	1,779.00	42,585.39	23.94	40,571.76	95
	Bukit Lawang	1,377.00	1,280.00	29,237.63	22.84	25,797.22	88
	TOTAL	8,711.00	6,447.00	109,654.96	17.01	93,613.87	85
<i>*Production data source from 12 months before assessment (September 2019 to August 2020)</i> <i>**Partial FFB is sent to Stabat POM (KLK Group)</i>							
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Maryke Estate (Certified)	PT Langkat Nusantara Kepong	-	2,461.00	46,001.53		
Tanjung Beringin Estate	PT Langkat Nusantara Kepong	-	3,212.00	122.96			

	(Certified)							
	Gohor Lama Estate (Certified)	PT Langkat Nusantara Kepong	-	3,057.00	128.77			
	Basilam Estate (Certified)	PT Langkat Nusantara Kepong	-	2,572.00	343.41			
TOTAL				46,596.67				
*Source Production Data on 12 months before assessment (September 2019 to August 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 (mm yy to mm yy) (MT)				
	FFB Processed		-	-				
	CPO Production		-	-				
	Palm Kernel (PK) Production		-	-				
*Will be completed at ASA-1								
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (mm yy to mm yy) (MT)					
	CSPO sold as RSPO certified product		-					
	CSPK sold as RSPO certified product		-					
	CSPO sold under other scheme		-					
	CSPK sold under other scheme		-					
	CSPO sold as conventional		-					
	CSPK sold as conventional		-					
	*Will be completed at ASA-1							
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Padang Brahrang	1,949.00	1,800.00	22,100	12.28			
	Bekiun	2,979.00	1,588.00	19,600	12.34			
	Tanjung Keliling	2,406.00	1,779.00	47,000	26.42			
	Bukti Lawang	1,377.00	1,280.00	32,200	25.16			
	TOTAL	8,711.00	6,447.00	120,900	18.75			
*Projected FFB production for 12 months of certificate (21 October 2020 to 20 October 2021)								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Tj. Keliling	80	58,900	14,725	25	2,350	4	IP
			62,000	15,500		2,500		MB
*Projected CSPO and CSPK production for 12 months of certificate (21 October 2020 to 20 October 2021)								
1.9	Other Certifications							
	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 Bongon 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
	Tg Keliling POM (LNK)	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
PENINSULAR MALAYSIA						
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013	
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013	

		Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
		Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified	
	Landak	Paloh, Johor	4,451	2011	Certified	
	Voules	Tenang, johor	2,977	2011	Certified	
	Sg 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	-

\*KLK Time Bond Plan has been updated on 29 July 2020 and develop by sustainability team

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

Tanjung Keliling POM is a new mill. It was commissioned in September 2019

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.

**PT Bumi Makmur Sejahtera Jaya – 364 ha, became a subsidiary of KLK in 2018.**

KLK revised time bound plan has been consented by RSPO Secretariat on 28th July 2020. The justification for the revision is as follow:

1. PT Bumi Makmur Sejahtera Jaya (Indonesia): 2021 due to HGU
2. PT Anugrah Surya Mandiri (Indonesia): 2021 due to development is still pending
3. PT Menteng Jaya Sawit Perdana (Indonesia): 2021 due to HGU
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
5. Palm Bay Palm Oil Mill, Palm Bay Estate, Butaw Estate (Liberia): 2020, due to equatorial palm Ltd have been confronted with many challenges since embarkation on the RSPO certification journey, they are as follow:
  - 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.
  - 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.
  - 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.
  - 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.

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>IC</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 an 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>IC</b>	<p>Number of auditors : 3 auditors and 1 Trainee</p> <p>Number of days for <b>IC</b> at site : 5 days</p> <p>Number of working days for <b>IC</b> at site : 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>IC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langkat Nusantara Kepong – Tanjung Keliling POM to the requirements of <b>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.</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.</p> <p>Some opportunities for improvement of the results <b>IC</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1).</p> <p>The opening meeting and closing meeting were held attends by company's MR, mill and estates managers, supervisors, field assistant, head administration and document control of each units.</p>

	The assessment program please find Appendix 2
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>IC</b>	<p><b>Tanjung Keliling 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>WTP.</b> Observation and interview related management of process and domestic water.</li> <li>• <b>Oil Warehouse.</b> Observation Hazardous waste management, MSDS, Symbols and the others.</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>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>WWTP.</b> Field observations related to Ban to entry to WWTP, run off, testing of effluent.</li> <li>• <b>Weighbridge operator.</b> Interview about operator understanding related to supply chain, worker welfare aspect.</li> <li>• <b>Security.</b> Interview with securities about worker welfare, OHS aspect, and supply chain aspect.</li> <li>• <b>Grading station.</b> Interview with worker about work procedure, worker welfare aspect, and OHS aspect.</li> <li>• <b>Dispatch station.</b> Interview about operator understanding related to supply chain, worker welfare aspect.</li> </ul> <p><b>Padang Brahrang Estate</b></p> <ul style="list-style-type: none"> <li>• <b>HGU Poles No. LXXVII, LXXVIII.</b> Observation of and demarcation aspect and maintenance of HGU pole, and land dispute potency.</li> <li>• <b>Spraying activity, Block15C.</b> Observations and Interviews related OHS, work procedures, how to work safety for worker and the environment, employment and complaint mechanism.</li> <li>• <b>Conservation Area Kuala Begumit, Block C Division 1.</b> Observation the implementation of conservation area management.</li> <li>• <b>Harvesting activity, Block B Division 1,</b> Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, use of PPE, employment and complaint mechanism.</li> <li>• <b>Occupation area.</b> Observations related to the condition and status of occupation 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> <li>• <b>Solar and fuel storage.</b> Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management.</li> </ul>

- **Clinic.** Interview with paramedic about infectious waste management, clinic service, frequently work accident, worker welfare.
- **Housing complex of Division 2.** Observation and interview workers facility, employment and domestic waste management.
- **Landfill, Block A2008, Division 2.** Observation regarding management of domestic waste.
- **Daycare.** Interview with worker about worker welfare aspect.
- **Firefighting simulation.** Observation about the preparedness of fire fighter and fire fighting equipment.

#### Bekiun Estate

- **Block 2009 B.** Interviews and observations related to pest control activities (installation of pheromone traps).
- **Block 2019 D.** Interviews and field observations related to fertilization work.
- **Block 2004 B.** Interviews and field observations related to pesticide spraying activities.
- **Block 2019 A.** Observations related to the replanting area (immature plants).
- **Fertilizer Warehouse.** Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, Fire-extinguisher, emergency response and MSDS understanding.
- **Agrochemical warehouse.** Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, Fire-extinguisher, emergency response and MSDS understanding.
- **Chemical warehouse and pesticide mixing place.** Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, , emergency response, understanding of MSDS and used chemical packaging.
- **Ground Fire Team Warehouse.** Observations regarding simple fire extinguishers such as hoe, machete, axe, bucket, shovel, and pole hook. Interview with the ground fire team.
- **Used Chemical Temporary Storage.** Observation of chemical waste management.
- **Clinic.** Observation and interviews with company paramedics.
- **Boundary pole No. 49, 50, 51, 52, and CI.** Observation of availability and maintenance of boundary poles.
- **Housing complex of Division 1.** Observation and interview workers facility, employment and domestic waste
- **HCV Area, Sei Penjara River Blok 2018D.** Observation of existing and maintenance of HCV area.
- **Landfill Blok 2005 A Division 3.** Observation regarding management of domestic waste.
- **Replanting Area Blok 2020 G.** Observation of replanting area management

#### Tanjung Keliling Estate

- **Block 2011 M.** Interviews and observations related to pest detection & control activities.
- **Block 2011 C.** Interviews and field observations related to harvesting activities.
- **Block 2011 I.** Interviews and filed observations related to Land Application.
- **Emplacement Division 3.** Observation and interview related to worker facilities, domestic waste management, and OHS.
- **Boundary poles No. XIX, XX, XVII, and XVII.** Observation of availability and maintenance of boundary poles.
- **HCV Area, Glondong River.** Observation of existing and maintenance of HCV area.
- **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.

	<ul style="list-style-type: none"> <li>• <b>Clinic.</b> Interview with paramedic about infectious waste management, clinic service, frequently work accident, worker welfare.</li> <li>• <b>Landfill, Block M2011.</b> Observation regarding management of domestic waste</li> </ul> <p><b>Bukti Lawang Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Fertilizer Warehouse.</b> Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, Fire-extinguisher, emergency response and MSDS understanding.</li> <li>• <b>Agrochemical warehouse.</b> Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, Fire-extinguisher, emergency response and MSDS understanding.</li> <li>• <b>Chemical warehouse and pesticide mixing place.</b> Observation and interviews with warehouse officers regarding the implementation of OHS. In the warehouse, there are first aid boxes, PPE, emergency response, understanding of MSDS and used chemical packaging.</li> <li>• <b>Ground Fire Team Warehouse.</b> Observations regarding simple fire extinguishers such as hoe, machete, axe, bucket, shovel, and pole hook. Interview with the ground fire team.</li> <li>• <b>Used Chemical Temporary Storage.</b> Observation of chemical waste management.</li> <li>• <b>Clinic.</b> Observation and interviews with company paramedics.</li> <li>• <b>Block 2011 A.</b> Interviews and field observations related to FFB transporting activities.</li> <li>• <b>Block 2011 C.</b> Interviews and field observations related to fertilizing activities.</li> <li>• <b>Boundary pole No. 16, 17 and 18.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>HCV Area, Penceng River Blok 95 B and Tenang River Block 98 A.</b> Observation of existing and maintenance of HCV area.</li> <li>• <b>Housing complex of Division 1.</b> Observation and interview workers facility, employment and domestic waste.</li> <li>• <b>Day Care (1 workers).</b> Interview related to worker welfare, complain mechanism, and feasibility of facilities.</li> <li>• <b>Landfill Blok 99 B Division 1.</b> Observation regarding management of domestic waste.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>IC</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 <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 11 August 2020 and <a href="http://www.rspo.org">www.rspo.org</a> on 10 August 2020</li> <li>• Public consultation meeting with government institution on 11 September 2020</li> <li>• Public consultation meeting with communities including previous land owner on 11 September 2020</li> <li>• Public consultation meeting with internal stakeholders and contractor on 11 September 2020</li> <li>• Consultation with relevant NGO (Walhi, Sawit Watch, WWF, and AMAN) via e-mail on 2 September 2020</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-1) will be conducted eight (8) months to twelve (12) months 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 Tanjung Keliling 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 Nonconformity assigned against Major Compliance Indicator raised; no nonconformity assigned against Minor Compliance Indicator raised; and two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that LNK Tanjung Keliling 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 issued.

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 Perkebunan Tanjung Keliling Village, Sampe Raya 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 SSOP 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 2, 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>• Application for a permit to practice field work on January 3, 2020 and was responded to on January 13, 2020</li> <li>• Application for water assistance from Namo Mbelim Village dated April 21, 2020 and was realized on April 21, 2020.</li> <li>• Request for assistance in building a water tower on April 2, 2020 and realized on April 13, 2020</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> <li>• A mandatory report on labor reports for Padang Brahrang Estate dated 6 November 2019 and an obligation to re-register on 6 November 2020.</li> <li>• Plantation Business Report Semester II 2019 to the Department of Agriculture of Langkat Regency on January 30, 2020.</li> </ul>

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 Perkebunan Tanjung Keliling Village, Sampe Raya 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 code of ethics and employee behavior policy on March 5, 2020 was attended by 47 participants
- Socialization of Code of Ethics, behavior and SOP No.1 on 6-10 January 2020 was attended by 152 participants
- Socialization of employee code of conduct on 11 February 2020 was attended by 35 participants
- Employee Code of Conduct socialization on 3 December 2019 was attended by 57 participants
- Socialization of KLK policies / Code of Ethics and employee behavior on 13 January 2020 was attended by 80 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.**

#### 2.1.1

The unit of certification shows evidence of legal compliance with relevant regulations for example:

Compliance with environmental regulations:

- The unit has an operational permit for the management of hazardous and toxic waste (B3) for producers issued by the OSS agency to PT Langkat Nusantara Kepong Perkebunan Tanjung Keliling. The permit was issued on February 25, 2020, which states that the operational permit for the management of hazardous and toxic waste (B3) 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: 660-1393 / DLH-LKT / 2019 on October 21, 2019.
- The certification unit does not yet have a mill effluent utilization permit from the Stabat Regency Environmental Service. Currently the certification unit is still conducting studies on the use of mill effluent on land. The certification unit can show evidence of a recommendation letter requesting an assessment of the use of mill effluent on land number 435.A / Dir.SDM

/ LNK / VIII / 2019 on August 1, 2019 to the Stabat Regency Environmental Service. Then the company can also show a recommendation letter for approval to conduct an assessment of the use of mill effluent on land from the Environmental Service of Stabat Regency with number 660.1208 / DLH-Sekr II / 2019 on August 12, 2019 which states that the assessment of the use of mill effluent for land has been approved with a period of time for 1 year. However, until this assessment, an assessment of the utilization of mill effluent on land has not been completed by the certification unit. Furthermore, the certification unit has shown evidence of the application for an extension of the recommendation for the assessment of the use of mill effluent on land to the Environmental Service of Stabat Regency on September 14, 2020 and has received approval for the extension of the recommendation for assessing the use of mill effluent on land from the Environmental Service of Stabat Regency on September 16, 2020 with number 660-834 / DLH LKT / 2020. So this becomes OFI (OFI number 1).

- The certification unit has Environmental Documents, namely UKL-UPL, Environmental Evaluation Documents (DELH), Environmental Impact Analysis Documents (ANDAL) and Environmental Evaluation Study Documents (SEL).
- The company has complied with the Minister of Environment Regulation Number 7 of 2007. The company has conducted a Boiler emission test which was conducted on April 22, 2020 by a KAN accredited laboratory (LP-1284-IDN). Based on the test results, it is known that parameters such as Particulate, SO<sub>2</sub>, NO<sub>2</sub>, HCl, Cl<sub>2</sub>, NH<sub>3</sub>, and HF do not exceed the quality standards in accordance with the Minister of Environment Regulation No.7 of 2007.

### 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 **8,710.85 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 **8,712.96 Ha**.
- Tanjung Keliling POM already has a plantation business license issued by OSS system on October 4, 2016 with the main business number 8120105962406

### Best Management Practice

- Land clearing for replanting area without burning.
- Used registered pesticide.

### OHS

In OHS Aspect the company has established the structure for guiding committee for occupational health and safety in management unit and this committee has received an approval from Ministry of Manpower and Transmigration in Langkat Regency, has provide emergency facilities and etc.

#### 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. The latest evaluation of regulation compliance conducted on April 2020. As for internal audit conducted on 13-17 July 2020 for all aspect including legal compliance.

#### 2.1.3

Based on field observation to Boundary Poles No. LXXVII and LXXVIII in Padang Brahrang Estate, No. 49, 50, 51, 52 in Bekiun Estate, No. XIX, XX, XVII, XVIII in Tanjung Keliling Estate, and No. 16, 17, 18 in Bukit Lawang 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.

Status: Comply

**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 - Tanjung Keliling POM (Tanjung Keliling Estate, Bukit Lawang Estate, Bekiun Estate and Padang Brahrang Estate), as follows :

- Padang Brahrang : 4 contractors
- Bekiun : 4 contractors
- Tanjung Keliling : 4 contractors
- Bukit Lawang : 1 contractor
- Tanjung Keliling POM : 5 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 Nangindu (for replanting activities) No. 0463/LNK-TJK/SPB/VIII/2020 dated August 3, 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. In the section on the labor code of ethics, it explains:

- Prohibition of employing children under 18 years of age
- Ensure workers are given a clear job description, paid the minimum wage, and are also calculated overtime.
- Workers must be insured by social insurance
- Prohibit any deductions to workers and withholding property, passports, except as regulated by law
- Must report the worker list to the Manpower Agency.

There is evidence of implementation of compliance with regulations carried out by contractor (PT Nangindu) such as:

- There are 12 contractor workers with contract status and have been registered with the local Manpower Office with evidence of registration No. 568-069.3 / DISNAKER / 2020 dated January 22, 2020.
- PT Nangindu has shown employment agreement with the workers. For example agreement with worker (Initial SW) with No agreement 090 / HRD / PKWT / XII / 2019 dated 3 December 2019 and valid until 1 December 2020.
- Examples of BPJS cards (Initial SW) No.16016109791000 and operator license (Excavator) No. Reg. 173192-OPK3-LT / PAA / V / 2020 dated 25 May 2020 and valid until 25 May 2025.
- A salary slip for a contractor worker (Initial SW) amount Rp. 3,900,000 on August 2020.

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.

**Status: Comply**

**2.3**

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

**2.3.1 & 2.3.2**

The certification unit obtains FFB from the nucleus estate namely from Bukit Lawang Estate, Tanjung Keliling Estate, Bekiun Estate and Padang Brahrang Estate. Besides that, the mill also receives FFB from the plantation group. The certification unit does not accept FFB from third parties.

**Status: Comply**

**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**
**3.1**

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

**3.1.1; 3.1.2 & 3.1.3**

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.

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.

The company shows replanting program period 2018 to 2023, as follows:

Period	Area (Ha)
2017/2018	1643
2018/2019	1311
2019/2020	1728
2020/2021	410
2021/2022	600

Also, there is realization replanting program, for examples 456 ha in Padang Brahrang Estate. The oldest palm oil tree is planted on 1995. Meanwhile based on soil map (scale 1:50000) there is no peat soil.

**Status: Comply**

### 3.2

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

#### 3.2.1

The Unit of Certification has implemented commitments to reduce environmental impacts, for example:

- Mill effluent management and monitoring. WWTP management, conducts mill effluent quality tests and reports it to the Environmental Agency of Langkat Regency.
- 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.
- Surface water management and monitoring. Conduct a groundwater quality test and report it to the Environmental Office of Langkat Regency.
- Hazardous and toxic waste management. The company has a licensed hazardous and toxic waste Temporary Storage and monitors hazardous and toxic waste.
- The company has created a fire management training program with the surrounding community which will be implemented in April 2020. However, the company has not conducted fire management training with the community. This is due to social restrictions due to Covid 19 in accordance with the circular letter of the Directors of PT LNK number 277 / Dir.SDM / SE / V / 2020 dated May 13, 2020 regarding restrictions on community travel. This becomes OFI (number 2) and will be verified at the next assessment.

#### 3.2.2

RSPO metric template on annual report is not available. But the certification unit can show the RSPO Annual Communication of Progress 2019 which was submitted in January 2020.

**Status: Comply**

### 3.3

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

#### 3.3.1

Company 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). Company also has Circular letter related to safe working practice in the mill and use of PPE has been mentioned on President Director Circular Letter (073.A/Presdir/SE/II/2017, dated 13 February 2017) Related to PPE management and Implementation.

Related to mill effluent, the company has an SOP for measuring and monitoring factory waste, which is listed in the SOP NO. 23 Management of Toxic and Hazardous Waste (*LB3*) and Non-*LB3* Revision dated May 2, 2020 which explains that mill effluent is managed using a pool system before it is distributed to the Land Application and then conducts monthly monitoring of the mill effluent and reports the results of the analysis of the mill effluent to the Environmental Service.

### 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 Tanjung Keliling POM and it supply base. All of the findings have been fulfilled such as, environment report and global invasive species data comprehension (On August 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.

**Status: Comply**

## 3.4

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

### 3.4.1 & 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 AMDAL document approved by the Langkat Regent with Letter No.660.1.38 / PDL-LKT / XI / 2005 dated November 9, 2005.
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 UKL-UPL document that was ratified by the Head of the Langkat Regency Environmental Agency in accordance with letter number: 660-277/BLH.Sker.II/ 2016 dated Mei 26, 2016. The scope of this document is the construction of 80 tons of FFB / hour located in the area of the Tanjung Keliling Estate.
4. Environmental Evaluation Study SEL) which was approved by the secretary general of the Ministry of Agriculture No Re 220/712/B/V/93 on May 5, 1993.

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.

SIA:

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 Tanjung Keliling and Sampe Raya Plantation Villages, it is known that the social impacts of company operations have been covered in the SIA identification carried out by companies, such as CSR, Village development planning involving companies 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, noise, road damage, water quality, smells, and changes in people's attitudes and perceptions.
- Estate: Air quality, Increased erosion rate, potential road damage, decreased flora and fauna diversity, and employment opportunities for local labor.

Based on a document review of the results of environmental impact monitoring in accordance with the direction of the environmental document that is owned. The company has also conducted trend evaluation, critical level evaluation and structuring 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 no test results exceed the quality standard.

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 (SIA) preparation process has not been based on the involvement of affected stakeholders. This is due to social restrictions due to the existence of Covid 19 in accordance with the circular letter of the Directors of PT LNK number 277 / Dir.SDM / SE / V / 2020 dated May 13, 2020 regarding restrictions on people's travel for social restrictions. 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 and others. 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:

- Decree Letter signed by the President Director regarding the promotion of worker with initial JS from an employee (Level K) to Jr. Supervisor dated May 1, 2020
- Employee recruitment documentation and worker appointment letters. For example, worker with initial BS who have been appointed as permanent employees on July 3, 2019.
- Agreement of contract worker (Boiler helper) No. 100 / LNK / PKWT / XI / 2019 dated 1 November 2019 valid until 31 October 2020.

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 applicable 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 (Padang Brahrang, Bekiun, Bukit Lawang, Tj. Keliling Estate, Tanjung Keliling 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).

##### **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
- SOP socialization
- Etc.

The company already has training records, such as:

- Training on Pesticide Use at Bekiun Estate on December 5, 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.
- Warehouse Officer Training and Chemical Handling on October 16, 2019 at Bukit Lawang Chemical Warehouse.
- SCCS training on 4 September 2020 at Tanjung Keliling POM that was attended by 20 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. The results of interviews with the contractor also conveyed that the company routinely gives socialization or training to the contractor and their workers regarding the implementation of technical work including OHS.

**Status: Comply**
**3.8**
**Supply Chain Requirements for Mills**
**3.8.1, 3.8.2**

Tanjung Keliling POM implements module D (IP) and module E (MB) in its supply chain system. Tanjung Keliling POM receives FFB from 4 estates that have RSPO certificates, namely:

- Bekiun Estate
- Tanjung Keliling Estate
- Bukit Lawang Estate
- Padang Brahrang Estate

**3.8.3**

The estimation of certified palm oil product for 12 month certificate periode is describe as follows:

Product	Projection certified volume (Tonnes)
<b>FFB</b>	
IP	58,900
MB	62,000
<b>CPO</b>	
IP	14,725
MB	15,500
<b>PK</b>	
IP	2,350
MB	2,500

The detail of FFB production for each estate is describe in basic info 1.8.3. The record of actual tonnage produced will be verified further at ASA-1 after the mill receive certificate.

### 3.8.4

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

- Member Name: Tanjung Keliling POM – PT. Langkat Nusantara Kepong
- Account UID: RSPO\_AC1000008542
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000008641
- Member Category: Oil Mill

Certified CPO and PK sold to each buyer will be verified further at ASA-1 after the mill receive certificate.

### 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). Describes in SOP 31, official declaration from mill manager to all CCP should be made prior of upgrading from MB to IP. The Tanjung Keliling 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 was explained in the SOP that the receipt of FFB at security posts and weighbridge became a critical control point 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 across all production lines and storage tanks so that what is produced is 100% pure IP. CPO and PK generated in the 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 volumes (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 real time. The marketing division is responsible for making announcements 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 SOP 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**

Tanjung Keliling POM received FFB from own estates, namely Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, and Padang Brahrang Estate. All estate is RSPO certified. The information about FFB received in Tanjung Keliling POM can be seen in basic info 1.7.2 and 1.7.3.

**3.8.8**

Information about selling and goods out will be verified on ASA 1 after mill receive certificate.

**3.8.9, 3.8.10, 3.8.11**

Tanjung Keliling POM outsourced the transportation of CSPO and CSPK to contractor of CPO/PK transporter. POM 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 so CB 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. Auditor has interviewed PT Citra Bumi Bintang Mandiri. Therefore, contractor committed to comply with RSPO standard. 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**

The record keeping of IP and mass balance model will be verified at ASA 1 after the mill receive certificate. Based on interview weighbridge operator, it is known that she can demonstrate how to record the FFB certified to the system. Management also showed how to record the certified product

**3.8.13, 3.8.14**

Tanjung Keliling POM has determined the extraction rate for CPO and PK to be produced. Based on projection of CPO and PK for 12 month certificate periode, the extraction rate for CPO is 25% and PK is 3.5%. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK.

**3.8.15**

Tanjung Keliling 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 Tanjung Keliling POM, it is known that POM 2 storage tank, each tank for MB and IP, and 2 silo tank. However, Tanjung Keliling Mill still only received FFB from own estate, which they are certified.

**3.8.16**

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

- Member Name: Tanjung Keliling POM – PT. Langkat Nusantara Kepong
- Account UID: RSPO\_AC1000008542
- Core Product: Palm Oil

- Member ID: RSPO\_PO1000008641
- Member Category: Oil Mill

The shipping announcement of product and removing product will be verified at ASA 1 after mill receive certificate.

**3.8.17**

The information about claim of certified palm oil product will be verified on ASA 1 after the mill receive certificate.

<b>Status: Comply</b>
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**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 KKK 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 KKK Sustainability Policy as follows :

- The socialization on 3 March 2020 at Padang Brahrang Estate was attended by 44 participants.
- The socialization on 18 March 2020 at Bekiun Estate was attended by 77 participants.
- Socialization on 12 March 2020 at Tanjung Keliling Estate was attended by 32 participants.
- The socialization on 18 March 2020 at Bukit Lawang Estate was attended by 48 participants.
- Socialization on January 13, 2020 at Tanjung Keliling POM was attended by 60 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.

Related to human rights to get protection at work such as firefighters, the company has personnel who are responsible and trained in preventing and handling fires, incorporated in an Emergency Response Team Structure that is available in every estate and Factory unit. The structure of the Emergency Response Team consists of the Chairperson, the Fire Department (coordinator and members), the Evacuation and First Aid Section (coordinator and members), and the Transportation Section (coordinator and members).

**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 (Nambiki Village, Sampe Raya Village and Perkebunan Tanjung Keliling 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. Meanwhile, workers' complaints are submitted to their direct supervisors, or through trade unions. Meanwhile, external complaints can be submitted through the Manager or Public Relations. 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 March 11, 2020 was attended by 4 external representatives including Head of Sub-village of Sei Penjara, Head of village Sidomakmur, Head of village Namo Mbelin, and Head of village Perkebunan Bekiun.
- Socialization of SSOP 1 on 30 June 2020 was attended by 3 representatives of Tanjung Keliling Village.
- Socialization of SSOP 1 on March 3, 2020 was attended by 88 participants at Padang Brahrang Estate.
- Socialization of SSOP 1 on January 9, 2020 was attended by 20 participants from Division 1 Bekiun Estate.
- Socialization of SSOP 1 on 9 March 2020 was attended by 48 participants from Bukit Lawang Estate.

The results of interviews with management, conveyed if there are complaints or conflicts, as much as possible resolved by deliberation, if it cannot be resolved by deliberation then it will be resolved through legal channels. However, if another party wants to bring to the RSPO Complain System, the company will invite it.

**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 Nambiki Village, Perkebunan Tanjung Keliling Villages, and Sampe Raya 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 assistances realized in 2019 and 2020 which are contained in the 2019/2020 CSR report such as:

- Funding assistance for LNK 4th MTQ activities in Bekiun Village in November 2019.
- Funding for the construction of the Rejo Sari Village Mosque in February 2020.
- Funding for Eid al-Fitr prayer activities in May 2020 to Bekiun villages.
- Funding for Christmas activities in Langkat Regency in December 2019.
- Funding for the implementation of Eid al-Fitr prayers in May 2020 to Tanjung Keliling
- Assistance and construction of the Musholla Al-Ikhlas in Padang Brahrang Village in January 2020.

<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

- Bekiun Estate with total area of land use title are **2,979.00 Ha** based on Decree of Agrarian Ministry No. 52/HGU/KEM-ATR/BPN/2015 issued on 20 May 2015 with certificate of Land Use Title no 1, 2, 3, 4, 5, 6, 7, 8, 9.
- Bukit Lawang Estate with total area are **1,376.96 Ha** based on Decree of Head of Land National Agency No. 55/HGU/BPN/94 issued on 13 August 1994 with certificate of Land Use Title no 2.
- Padang Brahrang Estate with total area are **1,949.01 Ha** based on Decree of Head of Land National Agency No. 35/HGU/BPN/90 issued on 24 December 1990 with certificate of Land Use Title no 1.
- Tanjung Keliling Estate with total area are **2,405.88 Ha** based on Decree of Agrarian Ministry No. 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1 and 2 and Decree of Agrarian Ministry No. 1/HGU/BPN.12/VI/2017 issued on 21 June 2017 with certificate of Land Use Title no 163 – 173.
- Total of Land Use Title area are **8,710.85 Ha**

### 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 **8,712.96 Ha**.
- Tanjung Keliling POM already has a plantation business license issued by OSS system on October 4, 2016 with the main business number 8120105962406

Bukit Lawang HGU is still valid and will expire in December 2024 and Padang Brahrang HGU will expire in December 2020. However, Padang Brahrang HGU is still in process of extending the HGU. The latest step of extending HGU is conducted an inspection, research, and field survey and also land inspection on 23 July 2020.

### 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 (Law No: 86 of 1958) about *Erpacht* Right, Then *erfpacht* 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 Nambiki, Tanjung Keliling, Sampe Raya 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.

**Status: Comply**

### 4.5

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

### 4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7, 4.5.8

There is no 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 (Law No: 86 of 1958) about *Erpacht* Right, Then *erfpacht* 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 Nambiki, Tanjung Keliling, Sampe Raya 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.

**Status: Comply**

### 4.6

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

**views through their own representative institutions.**
**4.6.1, 4.6.2, 4.6.3, 4.6.4**

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 Nambiki, Tanjung Keliling, Sampe Raya 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 (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

<b>Status: Comply</b>
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**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 Nambiki, Tanjung Keliling, Sampe Raya 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 (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

<b>Status: Comply</b>
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**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 Nambiki, Tanjung Keliling, Sampe Raya 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 (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960) Therefore we can conclude there is no customary rights in the PT LNK.

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 Padang Brahrang Estate covering 240 Ha done through reporting to the police, meetings with various parties, and mediation meeting regarding to the compensation. Sighted the evidence of granting a compensation to the community in the form of photos and payment receipts of 135 families. However, there are reclaim

by one of the complainants on January 2020 and on February 2020 Manager of Padang Brahrang Estate attended the trial of the reclaim in Stabat District Court. The progress of settlement is documented.

- Land settlement of occupation area in Padang Brahrang Estate covering 240 Ha done through reporting to the police, meetings with various parties, and mediation meeting regarding to the compensation. Compensation payment is conducted from 14 February 2020 – 14 March 2020. 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.

##### **5.1.7**

The company shows the Test Result Certificate No. 510.3-0089 / SKHP / UPT-ML / XI / 2019 dated 01 November 2019 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 ZM510-SD4 and serial number 185150254.

##### **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.

**Status: Comply**

##### **5.2**

**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

##### **5.2.1 until 5.2.5**

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.

**Status: Comply**

#### **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 :

- The socialization on 3 March 2020 at Padang Brahrang Estate was attended by 44 participants.
- The socialization on 18 March 2020 at Bekiun Estate was attended by 77 participants.
- Socialization on 12 March 2020 at Tanjung Keliling Estate was attended by 32 participants.
- The socialization on 18 March 2020 at Bukit Lawang Estate was attended by 48 participants.
- Socialization on January 13, 2020 at Tanjung Keliling POM was attended by 60 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 :

- Decree Letter signed by the President Director regarding the promotion of worker with initial JS from an employee (Level K) to Jr. Supervisor dated May 1, 2020
- Employee recruitment documentation and worker appointment letters. For example, worker with initial BS who have been appointed as permanent employees on July 3, 2019.
- Agreement of contract worker (Boiler helper) No. 100 / LNK / PKWT / XI / 2019 dated 1 November 2019 valid until 31 October 2020.

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 and in accordance with the results of the employee assessment.

#### **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 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.

<b>Status: Comply</b>
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## 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, said that wages and overtime paid are in accordance with applicable regulations and Collective Labor Agreement. Based on interview with contractor and verification of wages of contractor workers known that contractor workers has given minimum wages by contractor.

Based on interview and document verification such as payroll and wage slip, there's deduction for workers such as BPJS deduction tax. It has been stated on Collective Labor Agreement. As for as payroll documents give accurate information on compensation for all work performed. Based on verification of wage slip and interview with workers known that worker has provided with wage slip including contract worker.

### 6.2.4

The results of observations in the housing complex of Tanjung Keliling Estate, Bekiun Estate, Padang Brahrang Estate and Bukit Lawang 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. The company has also tested the quality of clean water by the competent authorities. The results of the clean water test have been contained in the RKL / RPL Report, and based on the results of the first semester of 2020 testing, there are no test results that exceed the standard quality. There are 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 ST (Tanjung Keliling Estate) which states that the employee concerned is not willing to occupy the official residence designated by the company in the housing complex of Tanjung Keliling Estate No. 932A dated 29 June 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  $\pm$  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 plantation employees are permanent employees. Meanwhile, in Tanjung Keliling POM there are contract workers. However, contract workers who work are helpers. And the main workers at Tanjung Keliling POM have become permanent employees. Example of contract agreement:

- Agreement (helper boiler) No. 100 / LNK / PKWT / XI / 2019 dated 1 November 2019 valid until 31 October 2020.
- Agreement (helper press) No. 102 / LNK / PKWT / XI / 2019 dated 1 November 2019 valid until 31 October 2020.
- All Agreement of Contract Workers have been submitted to the Langkat Regency Manpower Office on August 3, 2020.

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 an outsourcing workers to perform security tasks (security at Tanjung Keliling POM).

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

- The socialization on 3 March 2020 at Padang Brahrang Estate was attended by 44 participants.
- The socialization on 18 March 2020 at Bekiun Estate was attended by 77 participants.
- Socialization on 12 March 2020 at Tanjung Keliling Estate was attended by 32 participants.
- The socialization on 18 March 2020 at Bukit Lawang Estate was attended by 48 participants.
- Socialization on January 13, 2020 at Tanjung Keliling POM was attended by 60 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 undernamed 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.
- Attendance list for the Bipartite Meeting on 17 December 2019 which was attended by 11 members of the Bukit Lawang Estate who discussed the FFB Harvest Premium and Employee Housing Improvement.
- The Labor Union Management Meeting on October 7, 2019 which was attended by 13 Padang Brahrang Estate which discussed the Circular letter of the Director of Human Resources of PT LNK regarding Official Houses.
- 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 undernamed 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. Labor union official also have no conflict of interest with the company. From the results of the interview, it was also known that the SPM Union officials were always included in every meeting with the management.

**Status: Comply**

#### 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 :

- The socialization on 3 March 2020 at Padang Brahrang Estate was attended by 44 participants.
- The socialization on 18 March 2020 at Bekiun Estate was attended by 77 participants.
- Socialization on 12 March 2020 at Tanjung Keliling Estate was attended by 32 participants.
- The socialization on 18 March 2020 at Bukit Lawang Estate was attended by 48 participants.
- Socialization on January 13, 2020 at Tanjung Keliling POM was attended by 60 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 20 years. The results of interviews with contractors also indicated that the company had socialized regarding the minimum age of workers

**Status: Comply**

#### 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 :

- The socialization on 3 March 2020 at Padang Brahrang Estate was attended by 44 participants.
- The socialization on 18 March 2020 at Bekiun Estate was attended by 77 participants.
- Socialization on 12 March 2020 at Tanjung Keliling Estate was attended by 32 participants.
- The socialization on 18 March 2020 at Bukit Lawang Estate was attended by 48 participants.
- Socialization on January 13, 2020 at Tanjung Keliling POM was attended by 60 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 March 11, 2020 was attended by 4 external representatives including Head of Subvillage of Sei Penjara, Head of village Sidomakmur, Head of village Namo Mbelin, and Head of village Perkebunan Bekiun.
- Socialization of SSOP 1 on 30 June 2020 was attended by 3 representatives of Tanjung Keliling Village.
- Socialization of SSOP 1 on March 3, 2020 was attended by 88 participants at Padang Brahrang Estate.
- Socialization of SSOP 1 on January 9, 2020 was attended by 20 participants from Division 1 Bekiun Estate.
- Socialization of SSOP 1 on 9 March 2020 was attended by 48 participants from Bukit Lawang 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.

**Status: Comply**

## 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 plantation employees are permanent employees. Meanwhile, in Tanjung Keliling POM there are contract workers. However, contract workers who work are helpers. And the main workers at Tanjung Keliling POM have become permanent employees. All Agreement of Contract Workers have been submitted to the Langkat Regency Manpower Office on August 3, 2020.

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 perform security tasks (security at Tanjung Keliling 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 (Tanjung Keliling POM) are recruited directly by PT LNK. All activities / job description of workers are in accordance with the letter of appointment / agreement with workers.

**Status: Comply**

## 6.7

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

#### **6.7.1**

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. When auditor observed the Tanjung Keliling POM, it already be facilitated with evacuation road. The workers also said that the evacuation road helped them to know where's the muster point. Auditor also meet a supervisor on workshop who as a first aid officer. Based on the interview, he could demonstrate how to use the first aid kit and how to managed and monitored the first aid kit box.

**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 Bekiun estate and fertilizing personnel in Bukit Lawang Estate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one. Company already had sanitation facilities on each estate. For examples in Rinse house on Padang Brahrang Estate and Tanjung Keliling Estate. The rinse house facilitated with locker for each worker (so they can store the clothes before work) and shower room.

For high-risk areas such as factory, the company has monitored the Noise level at the factory location in accordance with the direction of its Environmental Document (RKL/RPL), which is to conduct a noise level test every 6 months. A noise level test at the factory site (Engine room) which was carried out on April 22, 2020 by a KAN accredited laboratory (LP-1284-IDN). Based on the test results it is known that the noise level at the factory site (engine room) is 92.4 dB (A). The test results exceed the stipulated quality standard, 85 DB (A). The company has shown the evaluation results, namely that the area is required to use ear muff, as well as there are periodic service and oil changes. Based on observation in POM area such as boiler, sterilizer, engine room, etc known that workers have provided by earmuff and earplug.

The company also shows evidence of health checks (medical checkup), including for workers who works in an area that has high risk of noise. The medical checkup has been conducted on June 28, 2019 (audiometry method) by Company Doctors and collaboration with Prodia Laboratorium Medan. From the results of the examination, all worker has normal results and were recommended by company doctors to use ear plugs while working and would have their hearing tested again for the next 1 year. For the period of 2020, the company plans the medical checkup at the end of the year, this is due to the Covid-19 pandemic so that some program activities have been delayed. The company also conducts OHS campaigns in all company units including factory areas that have a high risk of noise by disseminating information on the use of PPE and healthy work in the form of warning posters. As well as safety briefings to all workers in the morning circle before work.

**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 document review and public consultation, there's no work accident claim.

Based on interview workers in Bekiun, Bukti Lawang estate and Tanjung Keliling POM, they already have BPJS card member.

**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:

- Tanjung Keliling POM : Fatality Rate 0 Severity Rate 154.96
- Bukti Lawang : Fatality Rate 0 Severity Rate 0

- Bekiun : Fatality Rate 0 Severity Rate 72.2

**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 (*Gliphosate* active ingredients) and Kenlon (*Triclopyr* active ingredients) in Bukit Lawang and Padang Brahrang 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 Triclopyr LD50 oral > 2,500 mg/kg, quantity of pesticide 97 liters, total active ingredients (a.i.) used 24.48 liters, and quantity of a.i./ ha 0.18.

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 4 workers and a foreman on spraying activity in Bekiun 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, it's 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. Keliling, Bukit Lawang and Bekiun 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 hazardous waste warehouse 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 Bukit Lawang and Division 1 Bekiun 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 Tanjung Keliling and Padang Berahrang 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 Tanjung Keliling Estate.

#### 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 testing In November 2019. There were 65 workers in Bukit Lawang estate, warehouse workers, sprayers, fertilizers who were in good health.
- Cholinesterase testing In November 2019. There were 40 workers in the Padang Brahrang Estate, warehouse workers, sprayers and fertilizers who were in good health.
- Bukit Lawang Estate spirometry to 7 workers on June 28, 2019, with the results that 2 people experienced mild restrictions, 1 person had mild restrictions and was prone to obstruction, 1 person had obstruction and pulmonary restriction. Workers who experience this have been examined by a pulmonary specialist, use of mask while working, and rechecked spirometry years later.
- Padang Brahrang Estate spirometry on June 17, 2019, Prodia Medan Laboratory for 5 people with the results that one-person experienced light restrictions and a mask was provided while working and spirometry was checked the following year.

Based on the results of field visits and interviews with pesticide applicators in Bekiun 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 certification unit utilizes mill effluent to be distributed to Land Applications. Before being distributed to the Land application, mill effluent is first managed at the WWTP. The certification unit does not yet have a mill effluent utilization permit from the Stabat Regency Environmental Service. Currently the certification unit is still conducting studies on the use of mill effluent on land. The certification unit can show evidence of a recommendation letter requesting an assessment of the use of mill effluent on land number 435.A / Dir.SDM / LNK / VIII / 2019 on August 1, 2019 to the Langkat Regency Environmental Service. Then the company can also show a recommendation letter for approval to conduct an assessment of the use of mill effluent on land from the Environmental Service of Langkat Regency with number 660.1208 / DLH-Sekr II / 2019 on August 12, 2019 which states that the assessment of the use of mill effluent for land has been approved with a period of time for 1 year. However, until this assessment, an assessment of the utilization of mill effluent on land has not been completed by the certification unit. Furthermore, the certification unit has shown evidence of the application for an extension of the recommendation for the assessment of the use of mill effluent on land to the Environmental Service of Langkat Regency on September 14, 2020 and has received approval for the extension of the recommendation for assessing the use of mill effluent on land from the Environmental Service of Langkat Regency on September 16, 2020 with number 660-834 / DLH LKT / 2020. So this becomes OFI (OFI number 1).

- **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 2,589.96 tonnes of EFB for the January-Agustus 2020 period. The use of shells was 545.32 metric ton while fiber was 1,503.09 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 1 employee housing in Bekiun estate and Division 1 Housing for Bukit Lawang 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. Observations in the Bukit Lawang estate landfill in Division I and Landfill Division 3 in Bekiun estate show that landfills are far from settlements and water sources. Based on interviews with landfill officers, it was found that officers had understood environmental requirements, such as landfills being far from water sources and far from settlements. In addition, officers know that domestic waste cannot be combined with hazardous and toxic waste. The information has been added to the report.

- **Hazardous and toxic waste including medical waste**

Hazardous and toxic waste is collected at licensed hazardous and toxic waste temporary storage and cooperates with licensed hazardous and toxic waste carriers, namely PT Indostar Cargo. After being collected at the hazardous and toxic waste temporary storage, then the hazardous and toxic waste is handed over to a licensed hazardous and toxic waste carrier. In addition, every hazardous and toxic waste entering and leaving the temporary storage is recorded. The unit has an operational permit for the management of hazardous and toxic waste (B3) for producers issued by the OSS agency to PT Langkat Nusantara Kepong Perkebunan Tanjung Keliling. The permit was issued on February 25, 2020, which states that the operational permit for the management of hazardous and toxic waste (B3) 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: 660-1393 / 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 June 8, 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.

### **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 1 of Bekiun estate and Housing Division 1 of Bukit Lawang 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 Bukit Lawang Estate landfill in Division 1 and Division 3 of Bekiun Estate, it is known that landfills are far from settlements and water sources and there are no burning or traces of burning domestic waste.

**Status: Comply**

#### 7.4

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

##### 7.4.1 & 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 May 2019 for Bukit Lawang Estate and March 2019 for Bekiun 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 NPK Compound 65 on Block 11G Bukit Lawang Estate with amount 29.15 ton (Period March 2020).
- Realization of NPK Compound 32 on Block 16A Padang Brahrang Estate with amount 22.49 ton (Period June 2020).

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

Auditor also observed the replanting area, for examples on Block 2019 A and 2019 D Bekiun Estate. Based on field observation, company planting of LCC and usage of frond between row of oil palm plants.

**Status: Comply**

#### 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 °. For land slopes between 22-40 °, making terraces is considered the condition of the field (e.g. water infiltration, erosion rate).

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

Based on the field observation on Bukit Lawang 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 Bekiun Estate, Bukit Lawang Estate and Tj. Keliling Estate, it is known that the company did not expand of the operational area and there is no more new planting 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, Haploorthox, Tropudults, Throportents, 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 *Bendo* River in Tanjung Keliling Estate, *Begumit* River in Padang Brahrang Estate, *Sei Penjara* River in Bekiun Estate and *Gerpang* River in Bukit Lawang 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 Sei Penjara river in Bekiun estate and Gerpang river in Bukit Lawang 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 Tanjung Keliling POM employee housing estates and staff housing of Tanjung Keliling POM 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 *Penceng* River Border Blok 95 B Bukit Lawang Estate and the *Sei Penjara* River Border Blok 2018 D Bekiun 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 *Penceng* River Border Block 95 B Bukit Lawang Estate and the *Sei Penjara* River Border Blok 2018 D Bekiun Estate, it is known that there is already a sparring 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. The certification unit can show a recording of the socialization that was carried out on February 19, 2020 to 12 Spray workers at Tanjung Keliling Estate and on February 10, 2020 to 15 Spray Workers in the Padang Brahrang Estate.
- 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 Gondang river border area, Division II Tanjung Keliling 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 *Sei Penjara* River Border Block 2018 D Bekiun 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 *Sei Penjara* River Border Blok 2018 D Bekiun 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. The company can show a recommendation letter for approval to conduct an assessment of the use of mill effluent on land from the Environmental Service of Stabat Regency with number 660.1208 / DLH-Sekr II / 2019 on August 12, 2019 which states that the assessment of the use of mill effluent for land has been approved with a period of time for 1 year. The certification unit has shown evidence of the application for an extension of the recommendation for the assessment of the use of mill effluent on land to the Environmental Service of Stabat Regency on September 14, 2020 and has received approval for the extension of the recommendation for assessing the use of mill effluent on land from the Environmental Service of Stabat Regency on September 16, 2020 with number 660-834 / DLH LKT / 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 0.75 m<sup>3</sup> / Metric 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 2,048.41 metric tonnes which produces 301,219 kWh of electricity from the turbine with FFB Processed 18,788.67 metric tonnes. The use of renewable energy per tonne of palm product at the mill is 0.11 metric tonnes / 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

Tanjung Keliling POM has not calculated GHG emissions. This is because the resulting data input for calculating GHG emissions has not been 1 year due to the new operation of Tanjung Keliling POM. However, the Tanjung Keliling POM supply base, namely Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate, has calculated the resulting GHG emissions for the 2019 period because the supply base was previously the supply base for Stabat POM PT. LNK that has been RSPO certified. Therefore, for the current assessment, the GHG emission calculation from Tanjung Keliling POM still uses the GHG calculation from the Stabat POM PT. LNK. The GHG calculation Stabat POM still consists

of calculating GHG emissions from 8 supply bases, namely Gohor Lama Estate, Basilam Estate, Maryke Estate, Tanjung Beringin Estate, Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate. 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	tCO <sub>2</sub> e/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	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	
Land conversion	175300.28	0.62	0.00	0.00	0.00	0.00	175300.28
CO <sub>2</sub> emissions from fertilizer	17615.98	0.06	0.00	0.00	0.00	0.00	17615.98
N <sub>2</sub> O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N <sub>2</sub> O 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	tCO <sub>2</sub> e
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	0 %

(flaring)	
Divert to methane capture (electricity generation)	0 %

Production	t/yr
FFB Processed	282,652
CPO Produced	67,695

Based on the verification of the GHG palm, 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 ground cover plants, namely the Muccuna type.

### 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 27 June 2020 to 17 employees as a firefighting team at Tanjung Keliling Estate
- on 29 June 2020 to 14 Employees as a firefighting squad at Bekiun Estate
- on 2 June 2020 to 15 Employees as a firefighting squad at Padang Brahrang Estate
- on 29 June 2020 to 15 Employees as a firefighting squad at Bukit Lawang 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 Tanjung Keliling Plantation Village and Sampe Raya Village Staff at the Bukit Lawang Estate, 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.

**Status: Comply**

## 7.12

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

### 7.12.1

The area of Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate was previously the scope of certification from PT LNK's Stabat POM which has been RSPO certified and has carried out an ASA 2 assessment. In the current assessment Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate have been excluded from the scope of the Stabat POM certification and merged into the scope of certification of Tanjung Keliling POM. Based on previous assessments on the Stabat POM, namely ASA 2 Areal Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate, it is known that PT LNK has sent an email to RSPO regarding PT LNK's Disclosure and has obtained approval of the disclosure on February 14 2018. In addition, based on a review of environmental documents and interviews with workers who have worked for more than 20 years, it is known that the Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate are former rubber and cocoa plantations operating from 1979 managed by PTPN. II. Currently, oil palm plantations are the result of conversion from the rubber and cocoa plantations and some of them have been replanting.

### 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 was not valid 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 consisting of Gohor Lama Estate, Maryke Estate, Baslam Estate, Tanjung Beringin Estate, Bekiun Estate, Padang Brahrang 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 assessment team approved by the RSPO 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 (Tanjung Keliling Village, Bukit Lawang, Bekiun, Baslam, 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. Of the 154.58 hectares of the HCV indication area, consisting of 8 estate, there are 78.54 hectares in the Tanjung Keliling POM certification area, namely Bukit Lawang Estate (38.13 Ha), Tanjung Keliling Estate (28.54 Ha), Bekiun Estate (11.87 Ha) and Padang Brahrang Estate no HCV indicated. In the IC assessment, the area of HCV area had increased in line with the actual conditions in the field. The certification unit has determined the HCV area for Bukit Lawang Estate to be 54 ha, Tanjung Keliling Estate to be 52 ha, Bekiun Estate to be 12 ha and Padang Brahrang Estate not indicated as HCV, so the total area of HCV area for the 4 estates is 118 ha.

### 7.12.3

Until now, this indicator is not relevant to Indonesia 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.
- Determine the springs area in Division 2 Tanjung Keliling Estate into the HCV area.

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 Bukit Lawang Estate for the monitoring period of August 2020, the species encountered were: *Monyet Ekor Panjang* (*Macaca fascicularis*), *Beruk* (*Macaca nemestrana*), *Kuntul Kerbau* (*Bubulcus ibis*). In addition there is no indication of capturing / trapping HCV areas.
  - b. Monitoring reports on the Tanjung Keliling Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Berang-berang* (*Lutrinae* sp) and *Elang Tikus* (*Elanus caeruleus*). 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 *Penceng* River Border Block 95 B Bukit Lawang Estate and the *Sei Penjara* River Border Blok 2018 D Bekiun Estate, 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 12 employees of spraying Tanjung Keliling Estate on 19 February 2020.
  - b. Socialization of HCV and wildlife to 25 Harvest employees at Bukit Lawang Estate.
  - c. Socialization of HCV and wildlife to 35 Security, 16 Harvest employees, and 27 maintenance employees at Bekiun Estate.
- Socialization of PT LNK's HCV area and HCV management to communities around the plantation (Gelugur Langkat Village, Minta Asih, Bekiun, Sido Makmur, Bukit Lawang, Namanjahe, Tanjung Keliling and Namo Mbelin Village) on 24 June 2019.

Based on interviews with management representatives, it was found that the HCV management and monitoring plan was reviewed annually by involving the surrounding community. The last review was conducted on June 24, 2019. For 2020 it has not been carried out due to a social exclusion policy due to Covid 19.

#### 7.12.5

Based on the results of a field visit to the Tanjung Keliling Estate Division 2, it was found that there was a lake which was used as a spring. The management unit has presented a memorandum of understanding between PT LNK and Head of Dusun Pulka, Desa Naman Jahe, Salapian Sub-district, Langkat Regency agreed on January 24, 2017. Agreements agreed by the parties consist of:

- The parties agree to cooperate in managing, maintaining the sustainability and hydrological functions of Lake / Lakes and Swamps that are located in the Tanjung Keliling Area.
- The parties agree not to engage in activities that may disrupt and pollute the source of water and aquatic biota in Lake / Rawa and Lake.
- On the joint side guarding and prohibiting outside parties conducting activities that could disrupt the sustainability and hydrological functions of Lake / Rawa.
- The parties agree either individually or jointly to make efforts and activities according to the rules apply to maintain and maintain the ecoregion and to confuse the water quality of lake / lake.
- The agreement is known by the Village Chief of Naman Jahe and Manager of Tanjung Keliling Estate.

The management unit also puts up protected species posters and signboards for the prohibition of spraying, poisoning and fertilizing around the lake.

#### 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. Program to educate workers about the status of RTE through outreach. The company can show the HCV socialization report including the status of RTE animals, namely:

- On February 19, 2020 to 12 employees of Tanjung Keliling Estate.
- On February 10, 2020 to 15 Padang Brahrang Estate employees.
- On 31 October 2019 to 25 employees of Buking Lawang Estate
- On 18 March 2020 to 35 Bekiun employees.

Based on interviews with Harvest and Spray Workers at Padang Brahrang Estate and Tanjung Keliling Estate, it was found that workers understand that the company is protecting endangered and protected species and understand that it is prohibited to keep or capture RTE species.

#### 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 Bukit Lawang Estate for the monitoring period of August 2020, the species encountered were: *Monyet Ekor Panjang* (*Macaca fascicularis*), *Beruk* (*Macaca nemestrana*), *Kuntul Kerbau* (*Bubulcus ibis*). In addition there is no indication of capturing / trapping HCV areas.
- Monitoring reports on the Tanjung Keliling Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Berang-berang* (*Lutrineae* sp) and *Elang Tikus* (*Elanus caeruleus*). 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

The area of Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate was previously the scope of certification from PT LNK's Stabat POM which has been RSPO certified and has carried out an ASA 2 assessment. In the current assessment Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate have been excluded from the scope of the Stabat POM certification and merged into the scope of certification of Tanjung Keliling POM. Based on previous assessments on the Stabat POM, namely ASA 2 Areal Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate, it is known that PT LNK has sent an email to RSPO regarding PT LNK's Disclosure and has obtained approval of the disclosure on February 14, 2018. In addition, based on a review of environmental documents and interviews with workers who have worked for more than 20 years, it is known that the Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate are former rubber and cocoa plantations operating from 1979 managed by PTPN. II. Currently, oil palm plantations are the result of conversion from the rubber and cocoa plantations and some of them have been replanting.

<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 logo from Certification Body which submitted by Client</b>	<b>X or√</b>
IC	Will be verified on ASA 1	
	<b>Status: NA</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
IC	Will be verified on ASA 1	
	<b>Status: NA</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
IC	Will be verified on ASA 1	
	<b>Status: NA</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
IC	Will be verified on ASA 1	
	<b>Status: NA</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.	The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV

		<p>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 IC

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

**3.4.2. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	Ensure Mill Effluent Permit related process
2	3.2.1	Ensure that all activities involving employees and the community are carried out after Covid 19 ends.

**3.4.3. Noteworthy Positive Components**



No	Description
1	Supply Base has got ISPO & ISCC 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**

<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
<p><b>Plantation Agency of Langkat District.</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.</p>	<p>This has been quite clear and there are explanations in each of the related indicators.</p>
<p><b>Environmental Agency of Langkat District</b></p> <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>	<p>This has been quite clear and there are explanations in each of the related indicators.</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>

<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
<b>Land National Agency of Langkat District</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>	<p>Based on document verification, there still occupation area in Bekiun and Padang Brahrang Estate. The settlement progress still continue and has documented by company.</p>
<b>Head of Tanjung Keliling Village</b> <ul style="list-style-type: none"> <li>- Village has good communication with the company.</li> <li>- There has never been a dispute / conflict between the company and Tanjung Keliling Village. The area of management of PT LNK used to be indeed the PTPN II HGU area.</li> <li>- There are no environmental issues such as waste pollution, land fires or others.</li> <li>- Many people from the village of Tanjung Keliling work at PT LNK.</li> <li>- The company has realized CSR assistance to the community.</li> <li>- There is hope from the village community that the company can receive FFB from community plantation</li> </ul>	<p>This has been quite clear and there are explanations in each of the related indicators.</p> <p>Currently the company has not been able to receive FFB from community plantations and the company is still planning to receive FFB from community plantations in the future</p>
<b>Head of Nambiki Village</b> <ul style="list-style-type: none"> <li>- There still land conflict such as occupied area by villager and this has reach the district court.</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>Company showed the documentation of settlement progress of occupational area in form of the historical of the progress until the latest update, such as the invitation of trial in District court and is results.</p>
<b>Sampe Raya Village Government Staff</b> <ul style="list-style-type: none"> <li>- The company has realized CSR assistance to the community.</li> <li>- Village has good communication with the company.</li> <li>- There has never been a dispute / conflict between the company and Tanjung Keliling Village. The area of management of PT LNK used to be indeed the PTPN II HGU area.</li> </ul>	<p>This has been quite clear and there are explanations in each of the related indicators.</p>
<b>Local Contractor of Road Maintenance (PT Nangindu 69)</b> <ul style="list-style-type: none"> <li>• Cooperation has been carried out since 2019</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>	<p>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</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Local Contractor of FFB Transport (PT Stabat Maju Perkasa) and CPO Transport (PT Citra Bumi Bintang Mandiri)</b> <ul style="list-style-type: none"> <li>The contractor has paid wages and overtime in accordance with applicable regulations to their workers.</li> <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>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</p>
<b>Gender Committee</b> <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> <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>	<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>
<b>Head of Independent Workers Union (SPM) and SBPB</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.</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>The company has enrolled employees in the BPJS program</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>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Langkat Nusantara Kepong President Director</p>  <p><b>MB 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 District	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
2	Environmental Agency of Langkat District	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
3	National Land Agency of Langkat District	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
4	Labor Agency of Langkat District	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
5	Labor Union (SBPB & SPM)	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
6	Committee Gender	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
7	Local Contractor of Road Maintenance (PT Nangindu 69)	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
8	Head of Tanjung Keliling Village	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
9	Village Government Staff Of Sampe Raya.	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
10	Local Contractor of FFB Transport (PT Stabat Maju Perkasa) and CPO Transport (PT Citra Bumi Bintang Mandiri).	Langkat District, Sumatera Utara	-	Public Consultation	September 11 <sup>th</sup> , 2020	✓	-
11	Bukti Lawang Estate: - 5 Spraying Workers - 3 Manuring Workers - 1 Day care worker - 1 Field sustainability worker - 1 occupant of employee housing	Langkat District, Sumatera Utara	-	Observation and Interview	September 12 <sup>th</sup> , 2020	✓	-
12	Bekiun Estate: - 4 Spraying Workers - 2 Manuring Workers - 2 Pest Control Workers - 1 Field sustainability worker	Langkat District, Sumatera Utara	-	Observation and Interview	September 15 <sup>th</sup> , 2020	✓	-

	- 1 occupant of employee housing						
13	Tanjung Keliling POM: - 3 Sterilizer Operators - 1 Boiler Operator - 1 Generator Operator - 1 WTP Operator - 2 Workshop Workers - 2 Pressing Operators - 1 Oil Storage worker - 1 chemical storage worker - 1 workshop worker - 2 weighbridge operators - 3 securities - 1 grading worker - 2 dispatch operator	Langkat District, Sumatera Utara	-	Observation and Interview	September 14 <sup>th</sup> , 2020	✓	-
14	Tanjung Keliling Estate: - 2 Harvesting Workers - 1 LA Operator - 2 Census Workers - 1 premix area worker - 1 chemical storage worker - 1 daycare worker - 2 paramedic	Langkat District, Sumatera Utara	-	Observation and Interview	September 14 <sup>th</sup> , 2020	✓	-
15	Padang Brahrang Estate - 1 premix area worker - 1 chemical storage worker - 1 daycare worker - 2 paramedic - 6 harvesters - 3 sprayer	Langkat District, Sumatera Utara	-	Observation and Interview	September 14 <sup>th</sup> , 2020	✓	-
	Walhi	Indonesia	-	Email	September 2, 2020	-	✓
	Sawit watch	Indonesia	-	Email	September 2, 2020	-	✓

	WWF	Indonesia	-	Email	September 2, 2020	-	✓
	AMAN	Indonesia	-	Email	September 2, 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 Hospital ( PCR examination )	
15.00 – 17.00	Royal Prima Hospital → PT LNK	
Friday, 11 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 Bekiun 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
Saturday, 12 September 2020 ( Half Day)		
08.00 – 12.00	<p><b>Field Observation to Bukit Lawang Estate &amp; Bekiun 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></ul>	All Auditor

	<ul style="list-style-type: none"> <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>Sunday, 13 September 2020</b>		
<b>Day Off</b>		<b>All Auditor</b>
<b>Monday, 14 September 2020</b>		
08.00 – 12.00	<b>Field Observation to Tanjung Keliling 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 Tanjung Keliling 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>Tuesday, 15 September 2020</b>		
08.00 – 12.00	<b>Field Observation to Padang Brahrang 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> <li>• Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>

10.00 – 14.00	PT LNK → KUALANAMU	All Auditor
16.05 – 18.30	KNO → CGK	