

***Roundtable on Sustainable Palm Oil Certification
RSPO*****[✓] Surveillance**

Name of Management : Tanjung Keliling POM – PT Langkat Nusantara Kepong, subsidiary of Kuala Lumpur Kepong Bhd
Plantation Name : PT Langkat Nusantara Kepong: Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Maryke Estate & Padang Brahrang Estate
Location : Tanjung Keliling Village, Salapian Sub District, Langkat District, Sumatera Utara Province, Indonesia
Certificate Code : MUTU-RSPO/149
Date of Certificate Issue : 21 October 2020 Date of License Issue : 21 October 2021
Date of Certificate Expiry : 20 October 2025 Date of License Expiry : 20 October 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	29 June, 05 – 09 July 2021	Arif Faisal Simatupang (Lead Auditor), Asystasya Aishah Silalahi, Dwi Haryati, Johannes Kapri Pandiangan	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	06 August 2021

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Figure 1. Location Map PT Langkat Nusantara Kepong

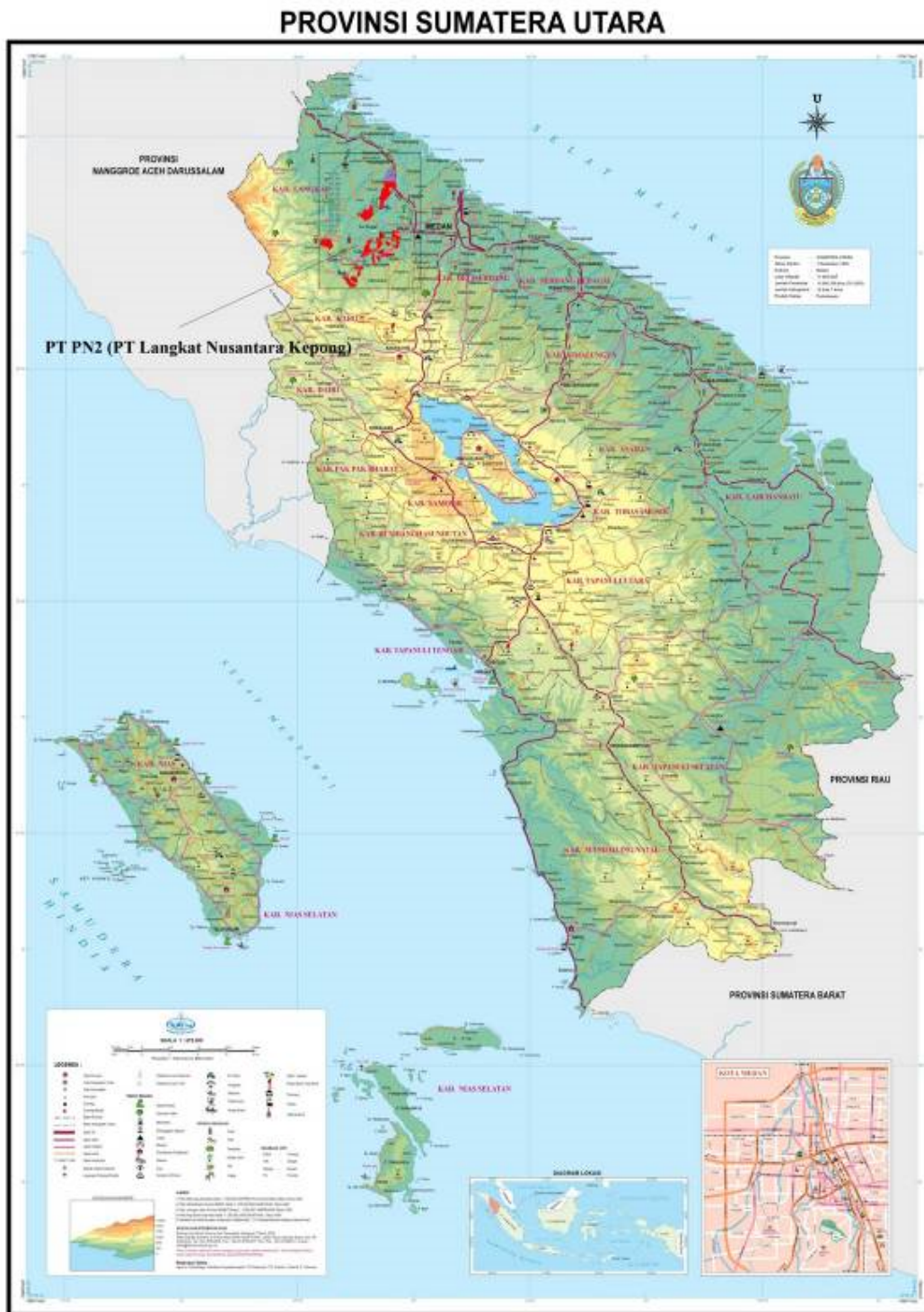


Figure 2. Operational Map of Bukit Lawang Estate

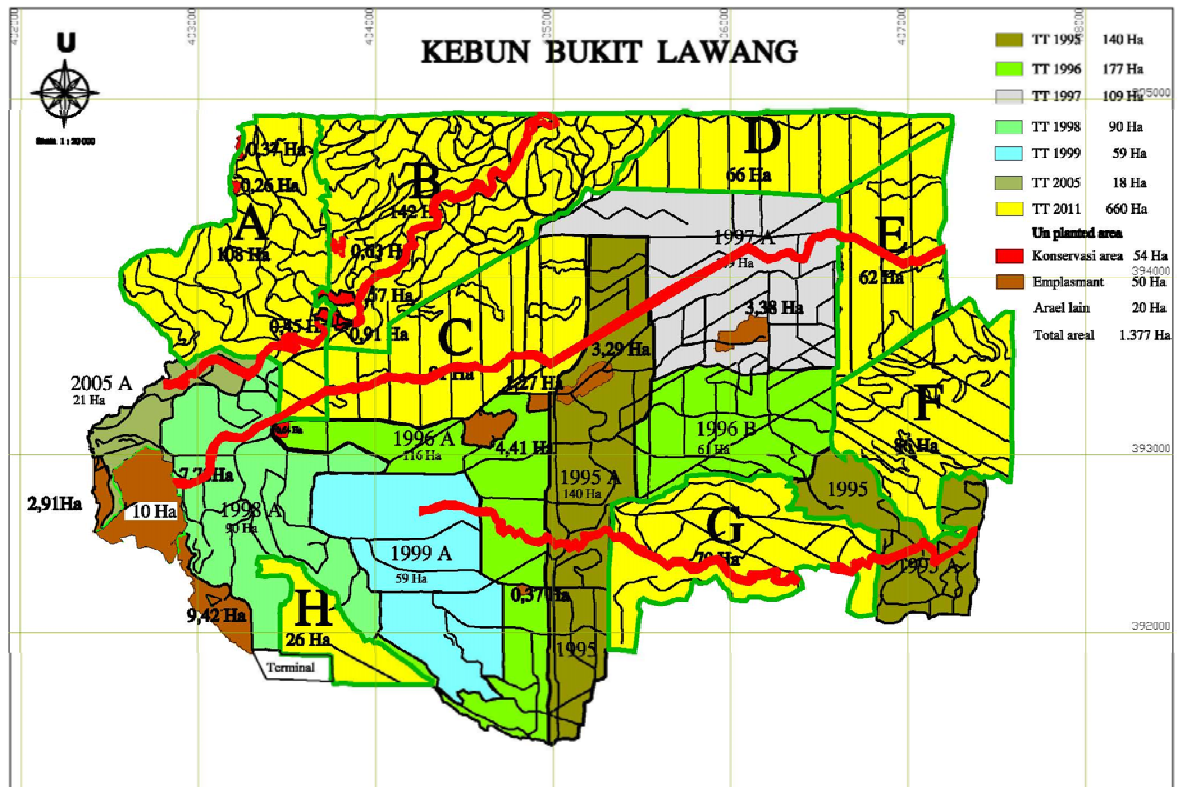


Figure 3. Operational Map of Bekiun Estate

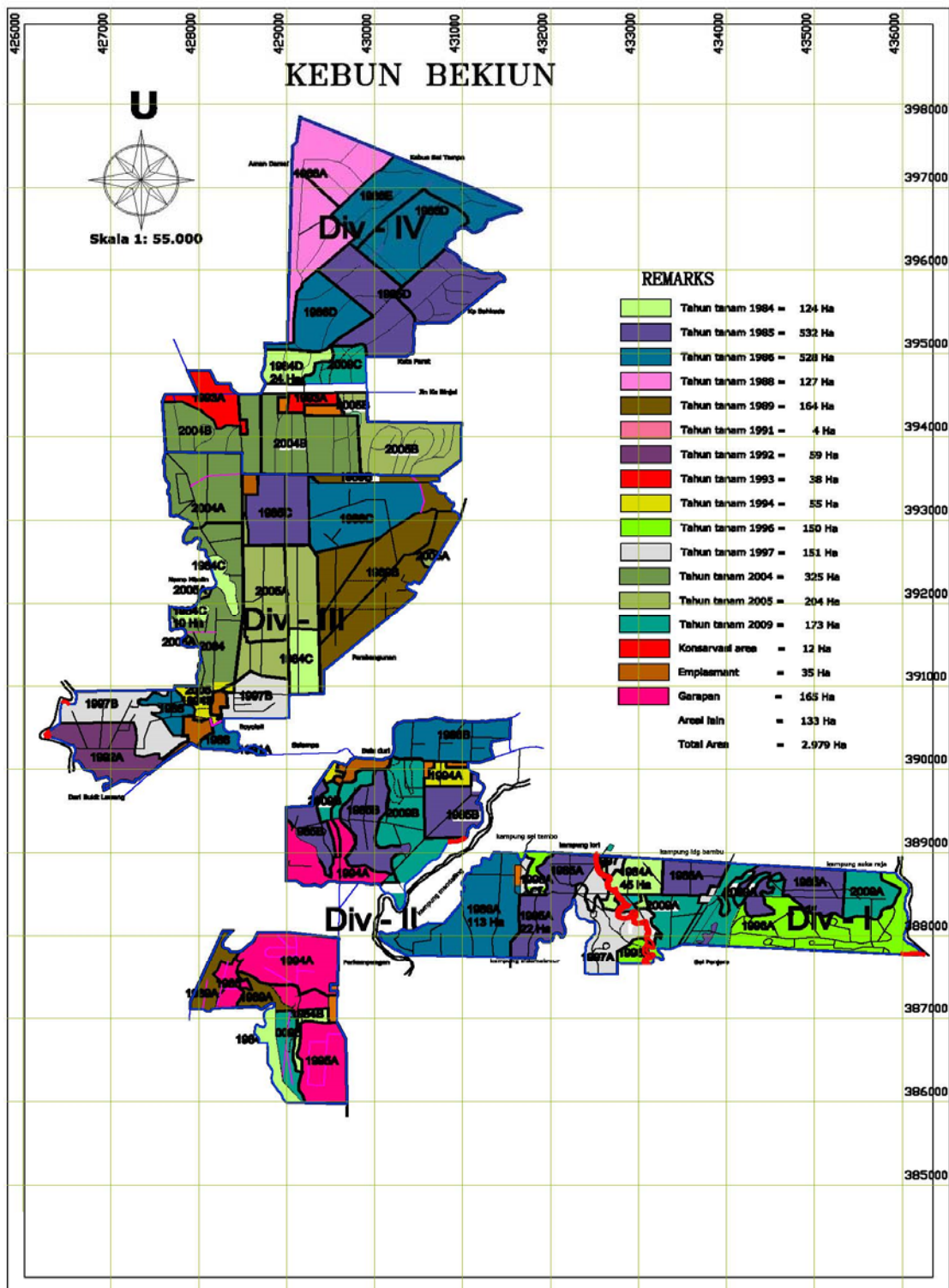


Figure 4. Operational Map of Tanjung Keliling Estate

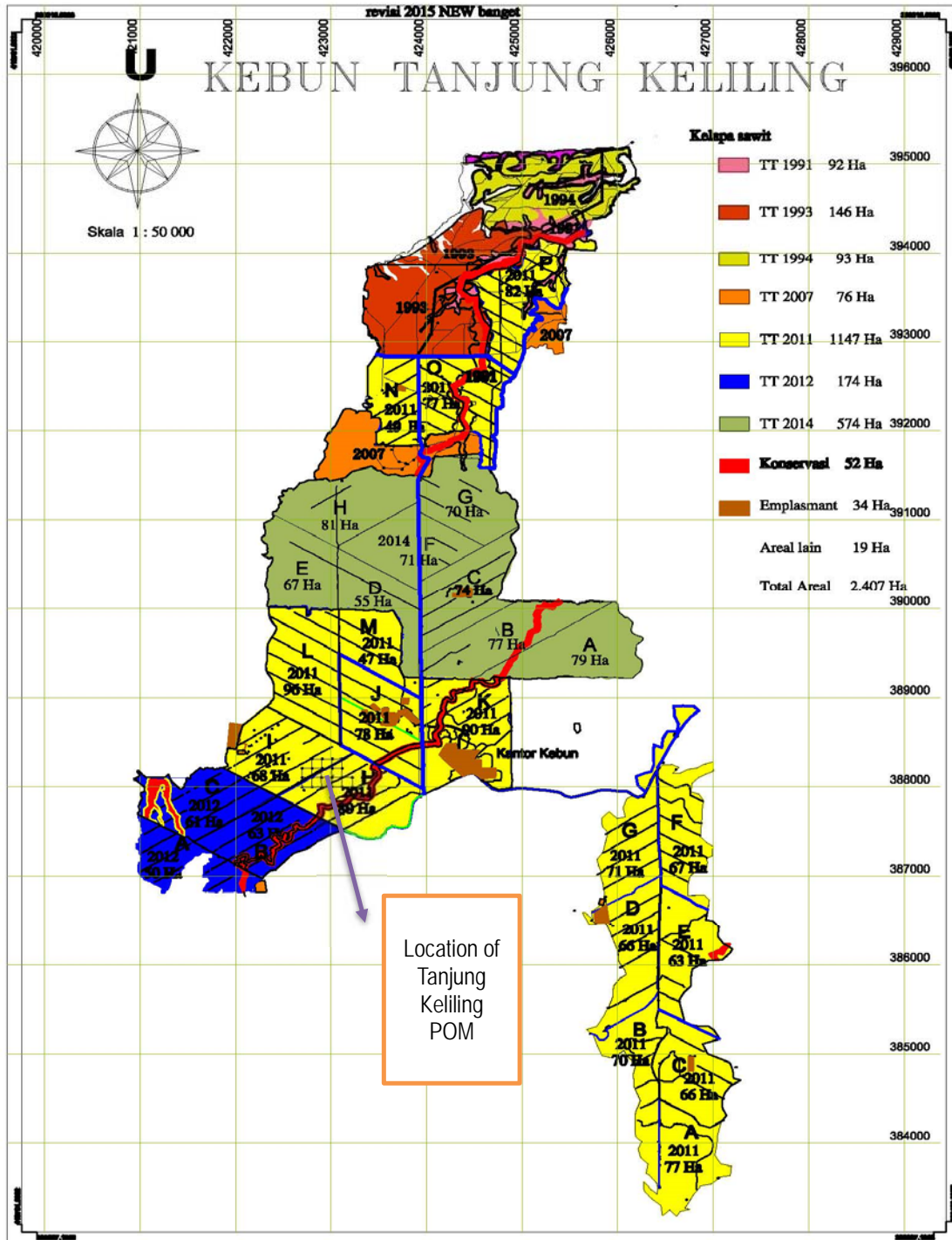


Figure 5. Operational Map of Padang Brahrang Estate

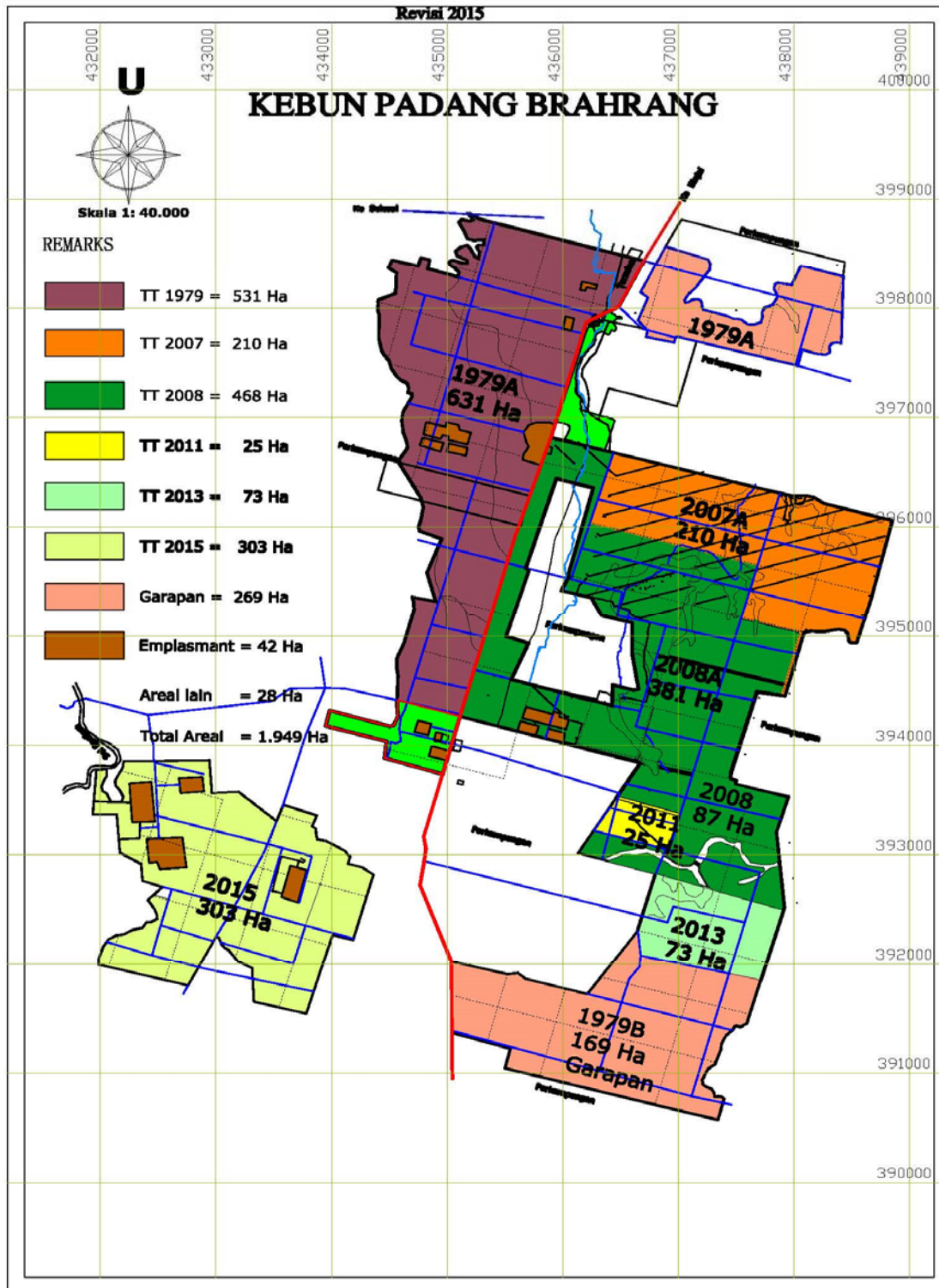
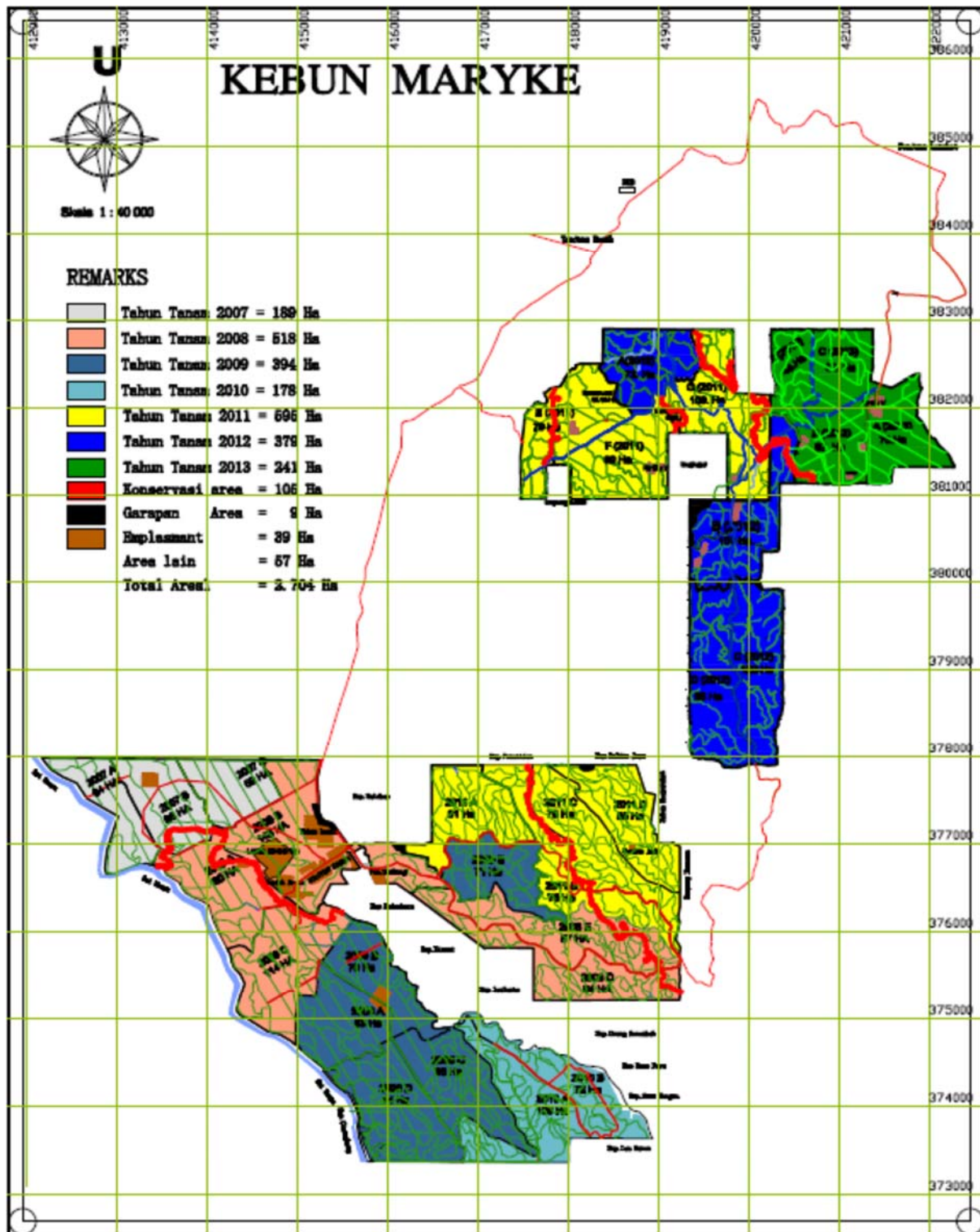


Figure 6. Operational Map of Maryke Estate



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
KTU	:	<i>Kepala Tata Usaha</i> Head of Administration
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	:	<i>Personal Protective Equipment</i>
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

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Langkat Nusantara Kepong subsidiary of Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Stephen Tiong Mee Ing	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 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	mi.tiong@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Stephen Tiong Mee Ing	
1.2.9	Registered as RSPO member	18 October 2004, Registration Number 1-0014-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	In the ASA 1, there is a reduction in the scope of supply based, previously in IC consist of 4 estates namely Padang Brahrang Estate, Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate. On ASA 1, the Maryke Estate become the scope of Tanjung Keliling Mill (previously the scope Stabat POM – PT LNK). Therefore, in ASA 1, the scopes of Tanjung Keliling POM consist of five Estates, that are: Padang Brahrang Estate, Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, and Maryke Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	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						
	Name of Supply Base	Location	Coordinate				
			Latitude		Longitude		
	Padang Brahrang	Padang Brahrang Village, Selesai Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 35' 20"		E 98° 25' 20"		
	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"		
	Maryke Estate	Maryke Village, Kutambaru Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 24' 29.46"		E 98° 14' 16.33"		
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		11,454.50 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		11,454.50 Ha				
	• Planted area		10,170.00 Ha				
	• HCV/Conservation		294.50 Ha				
	• Housing		149.00 Ha				
	• Road		181.00 Ha				
	• Drainage and boundary		188.00 Ha				
	• Mill's sludge		24.00 Ha				
	• Sub District Office		11.00 Ha				
	• Areal occupied by Regional Government		26.00 Ha				
	• Football field		7.00 Ha				
	• Nursery		29.00 Ha				
	• Parental Block of Research		115.00 Ha				
	• Land disputes		255.00 Ha				
	• Un-extended HGU area		5.00 Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Padang Brahrang Estate	Bekiun Estate	Tanjung Keliling Estate	Bukit Lawang Estate	Maryke Estate	Total
		1995	-	-	-	145.00	-

	1996	-	-	-	180.00	-	180.00
	1997	-	-	-	108.00	-	108.00
	1998	-	-	-	109.00	-	109.00
	1999	-	-	-	58.00	-	58.00
	2004	-	318.00	-	-	-	318.00
	2005	-	202.00	-	16.00	-	218.00
	2007	207.00	-	81.00	-	188.00	476.00
	2008	428.00	-	-	-	523.00	951.00
	2009	-	77.00	-	-	415.00	492.00
	2010	-	-	-	-	160.00	160.00
	2011	-	-	1,081.00	664.00	598.00	2,343.00
	2012	-	-	168.00		362.00	530.00
	2013	73.00	-	-	-	215.00	288.00
	2014	-	-	446.00	-	-	446.00
	2015	279.00	-	-	-	-	279.00
	2016	108.00	133.00	-	-	-	241.00
	Mature	1,095.00	730.00	1,776.00	1,280.00	2,461.00	7,342.00
	2017	44.00	-	-	-	-	44.00
	2018	-	300.00	-	-	-	300.00
	2019	659.00	532.00	-	-	-	1,191.00
	2020	-	982.00	311.00	-	-	1,293.00
	Immature	703.00	1,814.00	311.00	-	-	2,828.00
	TOTAL	1,798.00	2,544.00	2,087.00	1,280.00	2,461.00	10,170.00
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd 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 Keliling	80	175,701.53	43,191.28	24.58	7,105.51	4.04
	*Production data source from 12 months before assessment (June 2020 to May 2021)						
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 Estate	1,949.00	1,800.00	24,019.66	13.34	23,210.77	97

	Bekiun Estate	2,979.00	1,588.00	20,623.89	12.99	19,644.76	95
	Tanjung Keliling Estate	2,406.00	1,779.00	43,951.91	24.71	42,597.38	97
	Bukit Lawang Estate	1,416.60	1,280.00	31,948.21	24.96	30,940.65	97
	TOTAL	8,750.60	6,447.00	120,543.67	18.70	116,393.56	97
	<i>* Production data source from 12 months before assessment (June 2020 to May 2021)</i> <i>**Partial FFB is sent to Stabat POM (KLK Group)</i> <i>***Previous certificate was consisting of four Estate above</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	55,107.79		
	Tanjung Beringin Estate (Certified)	PT Langkat Nusantara Kepong	-	3,909.10	1,510.33		
	Gohor Lama Estate (Certified)	PT Langkat Nusantara Kepong	-	3,323.00	1,168.24		
	Basilam Estate (Certified)	PT Langkat Nusantara Kepong	-	2,697.00	1,521.61		
	TOTAL					59,307.97	
	<i>*Production data source from 12 months before assessment (June 2020 to May 2021)</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (Oct 2020 to May 2021) (MT)		
	FFB Processed IP		125,555		97,262		
	FFB Processed MB		62,000		0		
	CPO Production IP		32,166		23,764		
	CPO Production MB		15,500		0		
	PK Production IP		5,022		3,845		
	PK Production MB		2,500		0		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (Oct 2020 to May 2021) (MT)				
	CSPO sold as RSPO certified product		22,030.00				
	CSPK sold as RSPO certified product		3,348.82				
	CSPO sold under others scheme		0				
	CSPK sold under others scheme		0				
	CSPO sold as conventional		0				
	CSPK sold as conventional		10.21				
1.8.3	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Padang Brahrang Estate	1,949.00	1,095.00	26,000		23.74	

	Bekiun Estate	2,979.40	730.00	20,000	27.40			
	Tanjung Keliling Estate	2,405.90	1,776.00	46,000	25.90			
	Bukit Lawang Estate	1,416.60	1,280.00	34,000	26.56			
	Maryke Estate	2,703.60	2,461.00	60,000	24.38			
	TOTAL	11,454.50	7,342.00	186,000	25.33			
	<i>*Projected FFB production for 12 months of next license</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	Tanjung Keliling POM	80	148,000	37,000	25.00	6,200	4.20	IP
			38,000	9,500		1,600		MB
	<i>*Projected CSPO and CSPK production for 12 months of next license</i>							
1.9	Other Certifications							
	NA			NA				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	MANAGEMENT UNIT		LOCATION		Coverage Area (Ha)	Time Bound	Status	
	P O M	Estate (Supply Base)						
	INDONESIA							
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur		7,971	2019	Certified	
		Hutan Hijau Mas	Berau, Kalimantan Timur		7,288	2019	Certified	
	Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur		14,086	2017	Certified	
		Anugerah Surya Mandiri	Berau, Kalimantan Timur		2682	2021	-	
	-	Kebun PT Putra Bongan Jaya	Kutai Barat, Kalimantan Timur		16,062	2022	-	
	MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah		9,056	2019	Certified	
		Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah		6,399	2021	-	
	KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah		13,127	2019	Certified	
	Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka		14,065	2015	Certified	
		Kebun Bumi Makmur Sejahtera Jaya	Belitung, Bangka		364	2021	-	
	Parit Sembada POM	Parit Sembada	Belitung, Bangka		3,990	2016	Certified	
		Alam Karya Sejahtera	Belitung, Bangka		6,012	2019	Certified	

Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified
Nilo POM 2	Kebun Nilo Timur	Pelalawan, Riau	6,681	2014	Certified
	Ladang Mutiara (SWP)	Pelalawan, Riau	1,363	2019	Certified
Nilo POM 1	Kebun Nilo Barat	Pelalawan, Riau	6,179	2014	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2013	Certified
Stabat POM (LNK)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2020	Certified
	Padang Brahrang	Langkat, Sumatera Utara	2,827	2014	Certified
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	-
<p>*KLK Time Bond Plan has been updated on 29 October 2020 and develop by sustainability team.</p> <p>Kuala Gris Estate and Kemasul Estate are included as the estate's NPP for conversion of rubber to oil palm has been approved by RSPO Secretariat on 8/7/2019</p> <p>Tanjung Keliling POM is a new mill. It was commissioned in September 2019.</p> <p>PT Menteng Jaya Sawit Perdana area has been reduced to 2,384 ha. This is mainly due to removal of Hutan Tanaman Rakyat area from its concession.</p> <p>PT Bumi Makmur Sejahtera Jaya – 364 ha, became a subsidiary of KLK in 2018.</p> <p>KLK revised time bound plan has been consented by RSPO Secretariat on 27 October 2020. The justification for the</p>					

	<p>revision is as follow:</p> <ol style="list-style-type: none"> 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: <ul style="list-style-type: none"> - 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	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	There is no associated smallholder in this certification scope.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
	<p>1. Arif Faisal Simatupang (Lead Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of best management practices of agronomy and processing. During this assessment, he verified the aspects of plantation legality and supply chain.</p> <p>2. Asystasya Aishah Silalahi (Auditor). 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, etc. 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 assessment, she verified the aspects of Occupational Health and worker welfare.</p> <p>3. Dwi Haryati (Auditor). Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, GHG Workshop by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest, and Social Accountability SA 8000 Training. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment, she verified the aspects of environment, social, conservation, and GHG aspect.</p> <p>4. Johannes Kapri Pandiangan (Auditor Trainee). Bachelor of Agriculture Department of Agricultural Socio-Economics, Faculty of Agriculture. Has experience of working for 7 years as an operational staff of one of the leading private oil palm plantation companies in Indonesia. The trainings he has attended include: Training on emergency response to forest and land fires by the Riau Province BKSDA, IHT Certification System and ISPO P&C, IHT Awareness ISO 17021 and 17065, IHT Awareness RSPO, Training Lead Auditor ISO 14001:2015, Training Lead Auditor ISO 9001: 2015 and ISPO Training and LA RSPO P&C training 2018. In this audit activity, verification is carried out on aspects of the long-term economic plan, transparency and BMP under the supervision of the Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
	<p>Number of auditors : 3 auditors and 1 Trainee</p> <p>Number of days at site : 6 days including quarantine.</p> <p>Number of working days at site : 18 Working days.</p>
2.2.2	Assessment Process
	<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 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 Systems for Principles & Criteria and RSPO Independent Smallholder</p>

	<p>Standard, endorsed on 12 November 2020.</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 ASA 1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2).</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> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
	<p>Tanjung Keliling POM</p> <ul style="list-style-type: none"> • Security Post Observation related to the acceptance of FFB • Grading Station. Observations and interviews related to the process and criteria for sorting, sampling techniques, handling of FFB that did not pass the selection, adamination of the results of sorting the OHS aspects and employment.. • FFB processing stations (sterilizer, thresher, digester, press, kernel). Observations and interviews related to the processing of FFB, yield quality, losses, OSH aspects and employment. • Engine room. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Boiler Station. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment • Workshop. Observation of activities in workshops, use of PPE, emergency response facilities, and waste management • Chemical warehouse. Field observations and interview related chemical management, OHS, and environmental aspect.. • Material storage. Observations related to warehouse conditions, PPE stock, and emergency response facilities. • Hazardous waste temporary storage. Observation of stored waste types, symbols, OHS facilities, and hazardous waste management • WTP. Observation about flow meter, hazardous material management, and emergency response facilities. • Hydrant simulation. Observation about emergency response equipment and personnel. • Waste-Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management <p>Bekiun Estate</p> <ul style="list-style-type: none"> • Immature oil palm, Replanting area of 2019, Block 2020 D, 2020 E, 2020 F. Observations related to replanting mechanism, Zero burning method, cover crop, and nutrient cycle. • Observation of beneficial plant, Blok 2020 D, 2020 E, 2020 F. Observation of beneficial plant from the species of <i>Antigonon leptosus</i> and <i>Turnera subulate</i> in main road for leaf eater caterpillar control. • Pheromone trap application, Block 2020 D, 2020 E, 2020 F. Observation of <i>Oryctes rhinoceros</i> biological control by establishing pheromone trap. • Spraying of <i>Oryctes rhinoceros</i>, Block 2020 F. Observation and interviews of working procedure, OHS, employment, and environmental. • Manuring activity, Block 2004 B. Observation and interviews related working procedure, OHS, employment, and environmental. • FFB Harvesting, Block 2005 B. Observation and interview with foreman and harvester related FFB quality,

	<p>harvesting round, OHS, and employment</p> <ul style="list-style-type: none"> • Fire monitoring tower, Block 2020 A. Observation of fire preventive action by building fire monitoring tower. • Hazardous Waste Storage. Field observations related to the fulfillment of the attribute health and safety, recording, and the implementation of compliance requirements of hazardous waste temporary warehouse. • Fertilizer and agrochemical storage. Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of agrochemicals used. • Generator House. Interviews of working procedure, OHS, employment, and environmental (hazardous waste management). • Cleaning house and PPE/tools storage of spraying workers. Observation related to management of agrochemical material and waste, cleaning and emergency response facilities, and PPE storage. • Fuel storage. Observation and interviews of working procedure, OHS, employment, and environmental. • Land demarcation aspect and HGU poles No. XL (Blok 2020 G), XXXIX (Blok 2020 G), 6 (Blok 2020 G). Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency. • Occupation area, Block 1994 A. Observation of some HGU area that occupied by community, as well as conflict potency. <p>Tanjung Keliling Estate</p> <ul style="list-style-type: none"> • Agrochemical storage. Observation of warehouse conditions, chemical stock, and OHS/emergency response facilities • Fertilizer storage. Observation of warehouse conditions, fertilizer stock, and OHS/emergency response facilities. • Hazardous waste temporary storage. Observation of stored waste types, symbols, OHS facilities, and hazardous waste management. • Premix area. Observation of hazardous waste management in premix area and potential for environmental pollution. • Cleaning house and PPE/tools storage of spraying workers. Observation related to management of agrochemical material and waste, cleaning and emergency response facilities, and PPE storage. • Workshop. Observation of activities in workshop, use of PPE, emergency response facilities, and waste management. • HCV Area Bendo Riparian River, Block 2007 A Division II. Observation the implementation of management in HCV of riparian area, and boundary marking. • HGU Poles No 55 dan 56, Division II. Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency. • Harvesting activity, Block 2011 H Division I. Observation and interview with foreman and harvester related FFB quality, harvesting round, OHS, and employment. • Spraying activity, Block 2011 I Division I. Observation and interviews related working procedure, OHS, employment, and environmental.. • Manuring activity, Block 2011 B Division I. Observation and interviews related working procedure, OHS, employment, and environmental. • Observation of beneficial plant, Block 2019 A, 2015 D. Observation of beneficial plant from the species of <i>Antigonon leptosus</i> and <i>Turnera subulate</i> in main road for leaf eater caterpillar control.. • Immature oil palm, Replanting area of 2020, Block 2020 B Division II. Observations related to replanting mechanism, Zero burning method, cover crop, and nutrient cycle • Fire monitoring tower, Block 2020 B Division II. Observation of fire preventive action by building fire monitoring tower. • Material Storage. Observations related to warehouse conditions, PPE stock, and OHS/emergency response facilities • Clinic. Observation of clinical conditions and medical waste management. • Land Application Block 2011 I Division I. Observation for POME management as nutrient cycle by land application, as well as environmental and OHS aspects.
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- **Worker's housing complex, worship and sport facilities.** Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism.

Bukit Lawang Estate

- **FFB Harvesting and transporting, Kaveld (the name of block in contour area) 1.** Observation and interview with foreman and harvester related FFB quality, harvesting round, transporting, OHS, and employment.
- **HCV of Gerpang River Riparian, Kaveld 1.** Observation the implementation of management in HCV of riparian area, and boundary marking.
- **Spraying Circle & Path, Kaveld 3.** Interviews of working procedure, OHS, employment, and environmental.
- Observation of beneficial plant, Kaveld 1, 2, 3, dan 8. Observation of beneficial plant from the species of *Antigonon leptosus* and *Turnera subulate* in main road for leaf eater caterpillar control.
- **Worker's housing complex, worship and sport facilities.** Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism.
- **Fertilizer and agrochemical storage.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of agrochemicals used.
- **Generator House.** Interviews of working procedure, OHS, employment, and environmental (hazardous waste management).
- **Fire fighting facilities storage.** Observation and simulation the emergencies response facilities.
- **Genset house.** Observations related to work procedures, employment, K3, and the environment.
- **Cleaning house and PPE/tools storage of spraying workers.** Observation related to management of agrochemical material and waste, cleaning and emergency response facilities, and PPE storage.
- **Hazardous Waste Warehouse.** Field observations related to the fulfillment of the attribute health and safety, recording, and the implementation of compliance requirements of hazardous waste temporary warehouse.
- **Land demarcation aspect and HGU poles No. 57, 58, dan 59 (Kaveld 2).** Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency.

Maryke Estate

- **HGU Poles No. VI, VII, VIII Division II.** Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency.
- **HCV Area Pur Riparian River, Division I.** Observation the implementation of management in HCV of riparian area, and boundary marking.
- **Worker's housing complex, worship and sport facilities Division I.** Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism.
- **Harvesting activity, Block 2007C Division I.** Observation and interview with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Spraying activity, Block 2008C, Division I.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **Agrochemical storage.** Observation of warehouse conditions, chemical stock, and OHS/emergency response facilities.
- **Fertilizer storage.** Observation of warehouse conditions, fertilizer stock, and OHS/emergency response facilities.
- **Material Storage.** Observations related to warehouse conditions, PPE stock, and OHS/emergency response facilities.
- **Premix area.** Observation of hazardous waste management in premix area and potential for environmental pollution.
- **Cleaning house and PPE/tools storage of spraying workers.** Observation related to management of agrochemical material and waste, cleaning and emergency response facilities, and PPE storage.

	<ul style="list-style-type: none"> • Diesel Tank. Observation of OHS, environment aspect, emergency response and fire facilities. • Hazardous waste temporary storage. Observation of stored waste types, symbols, OHS facilities, and hazardous waste management • Observasi tanaman bermanfaat / <i>beneficial plant</i>. Observation of beneficial plant from the species of <i>Antigonon leptosus</i> and <i>Turnera subulate</i> in main road for leaf eater caterpillar control
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<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"> • Public Notification on website www.mutucertification.com on 1 May 2021 • Public consultation meeting with government institution on 29 June 2021 • Public consultation meeting with internal stakeholders and contractor on 29 June 2021 • Consultation with relevant NGO (Walhi, Sawit Watch, WWF, and AMAN) via e-mail on 25 June 2021
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-2) 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 Five (5) 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 Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1		
The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
<p>The company provides information to stakeholders through the submission of mandatory reports, for example:</p> <ul style="list-style-type: none"> • Fourth quarter of 2020 OHS Team report submitted to the Manpower Office of Sumatera Utara Province on January 8, 2021 • First Quarter of 2021 OHS Team report submitted to the Manpower Office of Sumatera Utara Province on April 14, 2021. • Mandatory manpower report of Tanjung Keliling POM No. 20773.2020110.0001 reported on November 10, 2020. Obligation to report back on November 10, 2021. • Mandatory manpower report of of Bekiun Estate No. 20772.2020110.0004 reported on November 10, 2020. Obligation to report back on November 10, 2021. • Mandatory manpower report of Tanjung Keliling Estate No. 20773.20210528.0001 reported on November 10, 2020. Obligation to report back on November 10, 2021. • RKL / RPL report for semester II of 2020 to the Langkat District Environmental Agency on February 23 2021 • Report of Hazardous and Toxic Waste in the first quarter of 2021 to the Langkat Regency Environmental Office, April 6, 2021. • SIMPEL electronic report no. ID TTE 1625471777-9147 with period July to December 2020. <p>In plantation legality aspect, the company has sent the latest plantation progress report (LPUP) period of Semester II of 2020 to Plantation Agency on 10 March 2021, and the latest HGU (land title) usage annual report of 2020 to Land Agency on 11 January 2021.</p>		
	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		
<p>The code of conduct policy is contained in the Employee Code of Conduct document which is effective as of October 1, 2014. The core section of the Code of Conduct provides several points, for example: Conflicts of interest, Confidential Information,</p>		

Internal Information and Securities Trading, Asset and Fund Protection, Business Records and Controls, Compliance with Law, Personal Rewards/Rewards, Occupational Health Safety, Violence and Harassment, Other Interests Outside of Work, Fair and Courteous Behavior, Offenses, Criminal Activities, Complaints; Reporting Violations of the Guidelines, Updates to the Guidelines and Exceptions to the application of the guidelines. This policy has been socialized to workers, such as:

- On 8 February 2021 to Tanjung Keliling POM workers
- On 2, 9, 10, 11 March 2021 to Tanjung Keliling Estate workers
- On 3, 4, 5, 6, and 8 February 2021 to Bekiun Estate workers

Based on interview with workers in estate and mill, it is known that they understand about the points of employee code of conduct. Based on interview with contractor, it is known that they know the ethical conduct in PT LNK, such as no bribery and obey the regulation or policy which is established in PT LNK.

The system to monitor compliance and the implementation of the code of ethics policy is by reporting any violations or suspected violations that exist. Reports can be submitted by employees to their immediate supervisor. The identity of the complainant will be kept confidential. Based on interview with management, there has been no reports about the violation of this policy.

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

Legal compliance for worker welfare aspect:

- Wage is in accordance with Langkat Regency Sectoral Minimum Wage of 2020.
- Company has been submit the mandatory manpower report.

Legal compliance for OHS aspect:

The company shows operator license records for some operators in POM and other employees who need an OHS license, for example:

- Steam aircraft operator on behalf of Ngadiyono with license number 16161.OPK3-PUBT-B.I/XII/2019 valid until December 9, 2024
- Steam aircraft operator on behalf of Dedek Kurniawan with license number 16160.POK3-PUBT-B.I/XII/2019 valid until December 9, 2024
- Steam turbine operator on behalf of Abdul Kadir with license number 9577/PM/PTP/XI/2020 valid until 30 November 2025
- Steam turbine operator on behalf of Ruslan Nasution with license number 9580/PM/PTP/XI/2020 valid until 30 November 2025
- Sterilizer operator on behalf of Khairil Amri with license number 16924.OPK3-PUBT-B.I/XI/2020 valid until 30 November 2025
- Sterilizer operator on behalf of Gusti Dwi Septian with license number 17082.OPK3-PUBT-B.I/XII/2020 valid until December 30, 2025
- Tanjung Keliling POM welder on behalf of Sahrial with certificate number 5/540/AS.02.00/II/2020
- Tanjung Keliling Estate welder on behalf of Kelly Purnawan with certificate number 5/10/AS.02.00/VII/2019.

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 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 it can be explained that currently the company is still in the process of applying for a land application based on the recommendation letter for the extension of the effluent permit with the number 660-834/DLH LKT/2020 on September 16, 2020 issued by the Langkat Regency Environmental Service and has received approval for the extension of the recommendation for the assessment of the utilization of Mill effluent on land (land application). **OFI**.
- 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 December 2020 by a KAN accredited laboratory (LP-1284-IDN). Based on the test results, it is known that parameters such as Particulate, SO₂, NO₂, HCl, Cl₂, NH₃, and HF do not exceed the quality standards in accordance with the Minister of Environment Regulation No.7 of 2007.

Legal Compliance

Regarding the legality compliance, the company has shown the legal compliance toward Indonesia law such as land title (HGU) and plantation business permit (IUP) that described in more detail in indicator 4.4.1.

Best Management Practice

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

2.1.2

The company has SOP No 2 regarding compliance with applicable laws and regulations No revision 4 dated 8 Aug 2016. The SOP explains that the person in charge of managing legal rules is the Manager/KTU. Meanwhile, the person in charge if there are changes and updates to laws and regulations is the Legal Coordinator/Public Relations. Changes to applicable laws and regulations will be informed by the Jakarta head office and Pekanbaru. The company shows a list of the latest updated laws and regulations (year 2021) relevant to PT LNK. Then, the system to ensure legal compliance by contractors is to monitor compliance with several related regulations in the Contractor List & Contractor File Monitoring document. Company showed the example of legal compliance by contractor, for example the receipt of BPJS for contractor worker and wage documentation of contractor workers. The latest internal audit for legal compliance conduct on May 2021 and for the legal compliance of contractor conduct on April 2021.

2.1.3

Legal of HGU boundaries are clearly demarcated and maintained based HGU maps issued by National Land Agency as the attachment of HGU Certificate. Based on field observation on HGU poles and land demarcation in all Estates, known that HGU poles have observed were available according to the coordinates, and other boundaries such as boundary drain and road were maintained. There is no planting exceed the HGU boundary.

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

The company shows a list of stakeholders explaining the names of stakeholders, contact persons and addresses, and telephone/email numbers that can be contacted. A list of stakeholders is available for each estate. Based on the document, it is known that there are 4 local contractors working at Bekiun Estate, 3 local contractors working at Tanjung Keliling Estate, and 4 contractors working at Tanjung Keliling POM.

2.2.2, 2.2.3

Companies can show examples of cooperation agreements with contractors. The cooperation agreement has included several matters related to regulatory compliance, including:

- The contractor does not employ workers under 18 years old
- Contractors are required to include their workforce in the Jamsostek program
- Contractors comply with manpower regulations and government regulations
- Contractors provide work safety protective equipment for employees
- Prohibits any deduction of any part of the worker's wages and withholds all property, identity cards, passports or other travel documents

The cooperation agreements shown by the company include:

- Work agreement letter No.0120/LNK-BKN/SPB/III/2021 with PT Pratama Satya Citra which was agreed on March 22, 2021 for the work of transporting FFB and ending on June 30, 2021.
- Work agreement letter no. 0169/LNK-TJK/SPB/III/2021 with PT Genio Pratama Mandiri which was agreed on March 29, 2021 for the work of transporting FFB and ending on June 30, 2021.
- Work agreement with PT Mitra Agung Setia for cleaning service provider at Tanjung Keliling POM

The company shows examples of regulatory compliance, for example:

- Proof of payment of BPJS Employment PT Pratama Satya Cipta for the period April 2021
- Proof of payment of BPJS Health PT Pratama Satya Cipta for the period April 2021
- Salary slips for contractor workers for the first week of June 2021, for example on behalf of Jumrik, amounting to IDR 1,266,720

Status: Comply

2.3

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

2.3.1

The Mill received FFB from direct suppliers, that are Estate owned by PT Langkat Nusantara Kepong (LNK), but under RSPO certification scope of Stabat Mill of PT LNK (RSPO Certificate No. MUTU-RSPO/095). The company has had the record of geolocation and legality status. Those Estates are Tanjung Beringin Estate, Gohor Lama Estate, and Basilam Estate.

2.3.2

The Mill did not receive FFB from indirect suppliers

Status: Comply

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

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

3.1.1

The 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, yield improvement, expenditure to date, proportional estimate, original estimate and reasons for over/under expenditure.

The company also has financial report number : 00742/3.0357/AU.1/01/1625-1/1/XI/2020 dated 30 November 2020 by the Public Accountant office Kanaka Puradireja, Shartono for the year ended 30 September 2020 PT Langkat Nusantara Kepong . The report contains an opinion, namely that the financial statements present fairly, in all material respects, the financial position as of September 30, 2020, as well as its financial performance and cash flows for the year then ended, in accordance with financial accounting standards in Indonesia.

3.1.2

PT LNK's replanting plan is presented in the 2018-2023 Replanting Program:

year	Target (Ha)
2017/2018	1643
2018/2019	1311
2019/2020	1728
2020/2021	410
2021/2022	600

Based on the results of the document review of the realization of oil palm replanting activities, it is known that an area of 300 ha has been realized in 2018, 1191 ha in 2019 and 1293 ha in 2020.

3.1.3

The Company has carried out a management review of all operational activities based on sustainable business principles. The management review activity was conducted on January 29, 2021 which was conducted virtually. The management review should include:

1. Internal audit results;
2. Feedback from customers;
3. Process performance and product suitability;
4. Status of preventive and corrective actions;
5. Follow-up resulting from the management review;
6. Changes that may affect the management system; and
7. Recommendations for improvement.

The management review meeting discussed the corrective actions that need to be taken by the company, the person in charge and the target for completion.

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

The company showed the RSPO P&C Metrics Template shortly before the closing meeting, so the Auditor Team did not have time to verify the completeness and accuracy of the data that had been filled in the RSPO P&C Metrics Template.

In accordance with the guidelines in the RSPO P&C Metrics Template, it is stated that the RSPO P&C Metrics Template will be completed at the unit level of certification and must be submitted to the certification body prior to RSPO certification, recertification or annual surveillance audits.

In this regard, the certification unit needs to ensure that the RSPO P&C Metrics Template must be completed at the certification unit level and must be submitted to the certification body prior to the audit activity so that the data auditor can verify its completeness and accuracy along with the audit activities carried out. **OFI**

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 and 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 picking loose fruit which is carried out every 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 24 May – 03 June 2021 for Tanjung Keliling POM and it supply base. All of the findings have been fulfilled.

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 ; 3.4.3

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.

As for the results obtained from environmental parameter testing, the majority of the monitoring parameters are still below the specific quality standard, except for the noise parameter.

There are results of environmental monitoring and measurement that have exceeded the quality threshold, namely the noise level in the engine room of Tanjung Keliling POM is 96.5 dB (exceeding the threshold of 85 dB).

Based on this, the company has shown the results of its evaluations, namely the mandatory use of ear muff and there is service schedule and regular oil changes on the generator engine room. In addition, the company also schedules regularly hearing loss checks, especially for employees who work in high noise exposure areas.

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 company has compiled a social impact management plan listed in the managing plans and social monitoring are carried out based on participant from the surrounding community. Every year an evaluation is compiled. Evaluation of the managed and Social Monitoring Plan for the periode 2020-2021, PT LNK was prepared on February 15, 2021 by involving internal stakeholders (employees) and external (village). Based on the result of the evaluation, it is know that the impact that arises for example regarding the deliberation of the development plan involving surrounding villages such as : Bukit Lawang Village, Samperaya Village, Minta Kasih Village and Naman Jahe Village.

Based on interviews with representatives of Bekiun and Kutambaru 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.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

Procedures related to recruitment, selection, promotion, retirement, and layoffs are listed in the SPBP PKB with PT LNK. The document describes the acceptance of the job through a selection process and a clear consideration of its intent and purpose. Workers can get promotions and demotions. Promotions and demotions are carried out based on the performance and achievements of workers. Termination of employment can be carried out on workers who during the probationary period do not show satisfactory results, workers die, workers submit resignations, and so on.

The company also has a recruitment procedure in the Employee Management SSOP document No. 29 5th Revision dated January 13, 2021. The procedure explains that

- Employee recruitment should not be done through a third party to avoid workers having to pay recruitment fees.
- Recruitment is carried out by directly interviewing prospective workers and ensuring that there is no payment at the time of recruitment.
- HRD or administrative staff will check the minimum age of workers is 18 years and all administration.
- Candidates recommended by the Manager will be sent for medical tests.

Based on interviews with representatives of worker unions, it is known that the types of employees at PT LNK are permanent employees. The outsourced employees are security unit officers.

3.5.2

Based on document review of employee list documents and interviews with trade union representatives, it is known that there has been no employee recruitment during 2021.

The company shows examples of employee promotions, for example:

- The company shows the staff appraisal form on January 31, 2021 for harvest employees on behalf of HM. The employee was promoted to maintenance foreman starting February 21, 2020.
- Decree regarding promotion on May 1, 2020 for employees on behalf of JS. The employee was promoted to Junior Supervisor.

The company also shows examples of harvester recruitment documentation during 2020, including:

- Job vacancies for harvesters submitted to Namo Mbelin Village, Bekiun Plantation Village, Sidomakmur Village in September 2020
- List of applicants who passed the file selection on November 7, 2020
- List of applicants who passed the field test on November 17, 2020
- List of applicants who passed the medical test on November 27, 2020. Applicants who passed the medical test can start working on December 1, 2020.

Status: Comply

3.6

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

3.6.1

The company has a risk identification for each operational activity in estate and mill units. Risk identification is reviewed annually. The results of risk identification are documented in Hazard Source Identification, Risk Analysis, and Risk Control documents. The document informs about hazard identification, risk analysis, and risk control with details including identifying work activities, sources of hazards, risks/impacts, current risk control, frequency, severity/consequences, level of risk, actions to reduce risk, and the person in charge. . For example:

- Work activities heat the boiler with a hot area hazard source. The risk/impact that will occur is exposure to heat. Current risk control is a protected control room with a low risk level. Actions taken to reduce risk is allowing workers to take regular breaks.
- Fertilizing work activities with hazardous sources of exposure, inhalation, and ingestion of chemicals. The risk/impact that will occur is chemical poisoning. The current risk control is the use of PPE, training, SOPs, the provision of clean safe water with a moderate level of risk. Actions taken to reduce risks include first aid training and training on chemical hazards.

Based on interview with workers in estates and mill, they understand the potential hazard and risk of their job and how to minimize the risk.

3.6.2

The company has an OHS team that meets monthly to discuss about OHS in estate and mill. During the Covid-19 pandemic, meetings are held online. The following is an example of a meeting that has been conducted by the P2K3 team.

- The meeting on January 29, 2021, which discussed the recapitulation of workplace accidents in Binjai District in

<p>December 2020, monitoring of PPE stocks, and reviews of ISPO/RSPO/ISCC external audit findings, and other OHS discussions. A screenshot is available for the OHS team meeting.</p> <ul style="list-style-type: none"> Meeting on February 26, 2021, which discussed the recapitulation of work accidents at the Binjai District in January 2021, employee working hours, firefighting infrastructure, and other OHS discussions. 		
<p>Status: Comply</p>		
<p>3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.</p>		
<p>3.7.1, 3.7.2 The company shows the training program documents and the realization of the training for each unit, for example: <u>Training Program</u> Tanjung Keliling Estate</p> <ul style="list-style-type: none"> Training program for contractor workers in October 2020 Fertilization technical training (fertilizer SOP, HIRARC, use and violation of PPE, submission of complaints, prohibition of fertilizing in river border areas) in January 2021 Firefighter training in March 2021 Hazardous waste storage management in September 2021 <p>Bekiun Estate</p> <ul style="list-style-type: none"> MSDS fertilizer and spray training for fertilizer and spray employees in November 2020 Premix officer training in March 2021 Training on pest and disease control in oil palm plantations in June 2021 Socialization of KLK sustainability policy in June 2021 <p>Tanjung Keliling POM</p> <ul style="list-style-type: none"> December 2020 press operator training Training for warehouse officers and hazardous waste handling in March 2021 Socialization of the use of PPE in September 2021 <p><u>Training program realization</u></p> <ul style="list-style-type: none"> Emergency response training on March 13, 2021 at the Tanjung Keliling Estate Workshop attended by 17 participants. Socialization of waste disposal in residential areas on October 24, 2020 at Tanjung Keliling Estate to 29 employees of Tanjung Keliling Estate. Socialization to PT Genio Pratama's FFB transportation contractor on November 5, 2020, which was attended by 16 contractor workers. OHS training for PT MAS contractors on August 11, 2020 which was attended by 5 contractor employees. Socialization of KLK policy on February 1, 2021 to 36 employees of Tanjung Keliling POM. Operator training at the processing station on December 1, 2020 for 7 operators. Hazardous material and hazardous waste identification training for Bekiun Estate premix officers on April 14, 2021 <p>Based on interview with worker in estate and mill, it is known that they received some training about OHS or work procedure from company.</p>		
<p>3.7.3 The company conducted SCCS training for responsible personnel at Tanjung Keliling POM on 29 May 2021 which was attended by 7 participants.</p>		
<p>Status: Comply</p>		
<p>3.8 Supply Chain Requirements for Mills</p>		
<p>3.8.1, 3.8.2 The Mill implements module D (IP) and module E (MB) in its supply chain system. However, since initial certification, the Mill only received FFB from Estates that are certified, consist of own scope of certification and another scope of certification:</p>		

Estate	Entity	Scope of Certification	RSPO Certificates
Padang Brahrang Estate Bekiun Estate Tanjung Keliling Estate Bukit Lawang Estate Mayke Estate	PT LNK	Tanjung Keliling POM	MUTU-RSPO/149
Tanjung Beringin Estate Gohor Lama Estate Basilam Estate	PT LNK	Gohor Lama POM	MUTU-RSPO/095

3.8.3

Estimated certified products have been recorded in the last Assessment Report, Certificate, and was updated in the RSPO Palm Trace. Actual certified products produced have been verified during this assessment, with the result of did not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Product	Last Year Projected Certified Volume (MT)	Last 8 Months Actual Certified Volume (MT) (Oct 2020 to May 2021)	Next Year Projected Certified Volume (MT)
FFB IP	125,555	97,262	148,000
FFB MB	62,000	-	38,000
CSPO IP	32,166	23,764	37,000
CSPO MB	15,500	-	9,500
CSPK IP	5,022	3,845	6,200
CSPK MB	2,500	-	1,600

3.8.4

The Mill has registered as RSPO member under Kuala Lumpur Kepong Berhad (No. 1-0014-04-000-00), and also registered in RSPO Palm Trace as Tanjung Keliling POM – PT Langkat Nusantara Kepong with License ID CB108966, and Member ID RSPO_PO1000008641. The reporting requirements has been conducted by the Mill through RSPO Palm Trace.

3.8.5

The company has had the SOP of Supply Chain Documentation IP Model (No. 31 Rev 5 dated 2 March 2021) and SOP of Supply Chain Documentation MB Model (No. 32 Rev 1 dated 18 April 2018). The procedures established and covering all elements of the supply chain model requirements in the P&C of 2018 such as the announcement in RSPO Palmtrace not later than 3 months after dispatch, receiving and recording that identify the traceability of RSPO certified and uncertified source and products (mass balance record), FFB processing, key persons and job descriptions, internal audit, training, etc. The regular dissemination and training of the procedures has been conducted on 29 May 2021.

Based on interview with supply chain PICs, they have understood the mechanism of supply chain in IP/MB module.

3.8.6

The mechanism of supply chain internal audit has been covered in SOP of supply chain, set that internal audit will be conducted annually covering supply chain standard and the rules of market and communication and claim.

The last RSPO supply chain internal audit conducted on 24 May – 3 June 2021. All of supply chain standard and rules on market communication and claim has been assessed, and the CAR's have been complied. Management Review of RSPO supply chain implementation conducted annually, the latest management review of 2020 has been conducted on 29 January 2021. The management review has covered the discussion CAR of internal audit result, correction and corrective action.

3.8.7

The Mill has maintained the records of goods such as in the form FFB Delivery Note and Mass Balance data, that identify amount and sources of FFB certified and uncertified that received, as well as the certified products (CSPO and CSPK). The data are shown as follows:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Oct-20	5,240.98	-	5,240.98
Nov-20	12,764.28	-	12,764.28
Dec-20	14,445.97	-	14,445.97
Jan-21	13,572.93	-	13,572.93
Feb-21	11,564.52	-	11,564.52
Mar-21	9,985.00	-	9,985.00
Apr-21	15,785.43	-	15,785.43
May-21	13,903.11	-	13,903.11
Total	97,262.22	-	97,262.22

In early of March 2021, the Mill saw projected overproduction of IP products, and informed the CB to request volume extension, amount of 66,555 MT of FFB, 17,441 MT of CSPO, and 2,672 MT of CSPK.

Product	Last Year Projected Certified Volume (MT)	Last 8 Months Actual Certified Volume (MT) (Oct 2020 to May 2021)
FFB IP	125,555	97,262
FFB MB	62,000	-
CSPO IP	32,166	23,764
CSPO MB	15,500	-
CSPK IP	5,022	3,845
CSPK MB	2,500	-

Based on the table above, know that there is no FFB overproduction of against credit given during one year of license.

3.8.8

Based on documents verification, it was known that the CSPO and CSPK from the Mill were sold has met the requirements of certified product information. The selling documentations shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information of delivery date, description of product and supply chain model, product quantity, identification number (unique code), certificate number, sender name and address of the seller. For example:

Transaction ID	Shipping	Seller	Buyer	Product	Volume	Model	Status
TR-47fc1691-ccf1	19-05-2021	Tanjung Keliling POM – PT LNK	PT. Musim Mas	CSPO	998	IP	Confirmed
TR-ccb4c525-9deb	04-05-2021	Tanjung Keliling POM – PT LNK	PT. Musim Mas	CSPK	99.93	IP	Confirmed

3.8.9

The Mill outsources its products transportation to the third parties and has contractual agreements. CSPO and PK transporter handled by PT Citra Bintang Bumi Mandiri with contractual agreement No. 0171/LNK-PKS/SPA/III/2021 dated 29 March 2021.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there are clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to ensure the purity of certified product delivered during the distribution, as well as the willingness to be observed by Certification Body to verify the compliance.

3.8.10

The Mill has record the name, address, and contact person of contractor in Contractor List document.

3.8.11

There is no new contractors and transporter since Initial Certification until this ASA 1.

3.8.12

The Mill has maintained accurate, complete, and up to date records related RSPO Supply Chain implementation. The records variables cover FFB received from certified and uncertified sources, production of CPO and PK (certified, noncertified, total), products dispatch (as RSPO certified, sold in another certified scheme, sold as noncertified, total products sold), as well as balance/stock of certified products.

Based on the Mass Balance record, the Mill only sold certified products from a positive stock within the three monthly periods.

Mass Balance record of CPO

Period	All CPO Production (MT)			CSPO Dispatch (MT)				Stock of CSPO
	CSPO	Non Cert CPO	Total	RSPO	Other Scheme (ISCC)	As Non Cert	Total CSPO Dispatch	
Stock from previous month								-
Oct-20	1,340.09	-	1,340.09	-	-	-	-	1,340.09
Nov-20	3,137.90	-	3,137.90	1,742.33	-	-	1,742.33	2,735.66
Dec-20	3,483.88	-	3,483.88	4,487.67	-	-	4,487.67	1,731.87
Jan-21	3,217.10	-	3,217.10	3,800.00	-	-	3,800.00	1,148.97
Feb-21	2,911.38	-	2,911.38	2,500.00	-	-	2,500.00	1,560.34
Mar-21	2,445.95	-	2,445.95	2,809.19	-	-	2,809.19	1,197.10
Apr-21	3,863.05	-	3,863.05	3,690.81	-	-	3,690.81	1,369.34
May-21	3,364.30	-	3,364.30	3,000.00	-	-	3,000.00	1,733.64
Total	23,763.64	-	23,763.64	22,030.00	-	-	22,030.00	1,733.64

Mass Balance Record of PK

Period	All PK Production (MT)			CSPK Dispatch (MT)				Stock of CSPK
	CSPK	Non Cert PK	Total	RSPO	Other Scheme (ISCC)	As Non Cert	Total CSPK Dispatch	
Stock from previous month								-
Oct-20	217.28		217.28				-	217.28
Nov-20	464.01	-	464.01	371.92		10.21	382.13	299.16
Dec-20	549.26	-	549.26	576.90			576.90	271.51
Jan-21	567.18	-	567.18	674.79			674.79	163.90
Feb-21	468.42	-	468.42	525.21			525.21	107.11
Mar-21	409.09	-	409.09	300.00			300.00	216.20
Apr-21	626.83	-	626.83	476.44			476.44	366.60
May-21	542.86	-	542.86	423.56			423.56	485.89
Total	3,844.92	-	3,844.92	3,348.82	-	10.21	3,359.03	485.89

3.8.13, 3.8.14

The conversion rate of production of CSPO (OER) and CSPK (KER) are stated based on previous actual production data. Then the management will update the budget rate for the next license period. The actual previous budget rate, previous actual rate and budget rate for next license can be seen on table below:

Variable	Budget rate of previous license	Actual rate from 12 months data previous the audit	Budget rate for next license
OER	25.00	24.58	25.00
KER	4.00	4.04	4.20

3.8.15

The Mill has had supply chain procedures (IP & MB Modules) that arrange the RSPO certified oil palm products are kept separated from non-certified oil palm products, from the receiving verification, processing and transporting. Since the Mill obtained the RSPO Certificate, the Mill did not process the uncertified FFB.

3.8.16

Based on delivery and transaction document, it is known that the announcement was carried out regularly, not later after three months after dispatch. The supply chain PIC has known that for P&C 2018 (included supply chain standard) the announcement should be conducted within three months after the delivery date. The removing stock of certified product that sold under others scheme conducted for several amount.

Based on delivery and transaction document review, it was known that announcement is carried out less than three months after delivery date. The status of announcements has been 'confirmed' by the buyer. The stock removing of RSPO certified product which sold as conventional are properly conducted by the Mill.

For example, there was agreement of CSPO sales amount of 1,000 MT to PT Musim Mas on 12 April 2021. The dispatch conducted several times and finished on 14 May 2021 amount of 998.77. The dispatch has been announced on 20 May 2021 with transaction TR-47fc1691-ccf1 with the status of 'confirmed'.

3.8.17

There was no claimed of certified products, that was the company did not use RSPO logo on product or off product.

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1

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

4.1.1

The company has a policy to respect human rights in the KLK Sustainability Policy document which was signed by the Chief Executive Officer on 30 August 2018. One of the policy points is, among others

- Recognizing the inherent dignity of every person and supporting the Universal Declaration of Human Rights by the United Nations including the prohibition of retaliating against human rights defenders (Human Rights Defenders) in accordance with the United Nations Declaration on Human Rights
- Respect and uphold the rights of all workers, including contract workers, temporary and migrants with the core conventions of the International Labor Organization, the United Nations guiding principles on business and human rights and the principles of free and fair employment in the production of palm oil as a guide.
- Ensure compliance with ratified local, national and international laws and that international best practice is applied where a legal framework is not yet in place.

This policy has been socialized to employees, for example

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

Based on the results of interviews with workers in estate and mill, it is known that workers have understood the policy. In addition, there were no complaints related to human rights violations.

4.1.2

In terms of conflict resolution, the company has a dispute resolution policy described in the Land dispute resolution procedure No SSOP-6 No revision 1 dated 3 June 2018. It is explained that in the process of resolving land conflicts, it 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 should also be avoided in dispute resolution.

Based on the results of interviews with representatives of Bekiun and Kutambaru villages, it is known that there is no conflict between the company and the village. The Company does not use violence or intimidation in handling conflicts or complaints.

Status: Comply

4.2

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

4.2.1; 4.2.2

The company has SOP of Requests and Providing Information, Communication and Submission of Complaints (No. 1 Rev 3 dated 24 April 2020). The procedure has set the dispute resolution in an appropriate manner, ensuring the anonymity of complainants, protecting the Human Rights Defenders, community spoke persons, and whistle blowers where requested. The system ensures that there is no risk of reprisal or intimidation to the complainants. If no deal achieved, every party might deliver the case to the lawsuits or RSPO complaint panel. The PIC to address the grievance are respective heads of relevant division, and will be communicate to complainant in collaboration with Company's Spokesman.

Based on interview to the workers and Village Officials surrounding the company, was known that the workers and stakeholders understood the procedure. If there are complaints or grievance, 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.

4.2.3

Based on document review and interview with workers, labor union, gender committee, and other external stakeholder, is known that a year previous the audit there is no official complaint or grievance submitted by the stakeholder.

4.2.4

In the procedure of complaint mechanism has been set that the complaint resolution is address in deliberation in advance. If no deal achieved, every party might deliver the case to the lawsuits or RSPO complaint panel.

Status: Comply

4.3

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

4.3.1

The company has identified the presence and need of the surrounding community by conducting a participatory social impact study with the community which is compiled in the Social Impact Assessment (SIA) document based on an assessment dated January 30 – February 9, 2016 by a third party Aksenta. The document describes the impact of the company's operations that have positive and negative impacts on society. These negative issues are, for example, related to aspects of environmental pollution (air, water, smell, sound), loss of livelihood, or decreased income.

Efforts to overcome negative issues and maintain/enhance positive aspects are outlined in the Social Impact Management and Monitoring Plan and evaluated regularly in a participatory manner with the community. The document has regulated the type of activity, the implementation timetable, the parties involved, and the PIC from the company.

This management and monitoring plan was later reduced to a smaller program, namely the annual Corporate Social Responsibility (CSR) program, which covers aspects of education, health, infrastructure, economic empowerment, socio-culture, religion, etc. The company has demonstrated its annual CSR program for the period 2020 and 2021.

One of the ways to minimize negative impacts is to recruit local workers, use local contractors and local purchases, as well as other aspects that are included in the CSR program.

The results of interviews with stakeholders revealed that the company in general has made efforts to improve the quality of life and the environment that is beneficial for employees and the surrounding community, recruiting local workers, local contractors, local purchasing, and implementing CSR programs.

	Status: Comply	
4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).		
4.4.1 <p>The plantation area is an <i>erfpacht</i> rights (from Dutch colonialism) converted into <i>HGU</i> by the Agrarian Law No. 5 year 1960. The company managed a total 11,454.50 ha area and all of them has had land title of HGU totaled 11,454.49 ha. The variance is due to the differentiation of measurement method by Land Agency and by the company. HGU covering an area of 11,454.49 ha consist of:</p> <ul style="list-style-type: none"> • 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 1,417.00 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, 3 and 4. • 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. • Maryke Estate with total area are 2,703.60 Ha based on Decree of Head of Land National Agency No. 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 1. <p>The company has had Plantation Business Permit (for estates) dated 4 October 2016 and Industrial Business Permit (for Mill) dated 6 August 2019 issued by government Online Single Submission (OSS) body. Current plantation business permit including industrial business permit do not cover the information of plantation area and mill's capacity.</p> <p>The Padang Brahrang HGU has expired in December 2020. Currently, the HGU extension is being processed. The latest step of extending HGU was field inspection on 23 July 2020, and the letter of Land Agency of North Sumatera Province to Land Agency of Jakarta dated 9 November 2020 regarding the covering letter/recommendation of HGU issuance.</p> <p>4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6 Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then 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 Tittle based Basic Agrarian Law (Agrarian Law No. 5 tahun 1960). Therefore, can be concluded that the lands not came from any community land acquisition.</p>		
	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 Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then 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 Tittle based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands not came from any community land acquisition. The company also has no plan to conduct any new plantation development.		
	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

Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then 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 Title based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands did nor came from any acquisition from community land or customary land.

Status: Comply

4.7

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.

4.7.1, 4.7.2, 4.7.3

Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then 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 Title based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands did nor came from any acquisition from community land or customary land.

Status: Comply

4.8

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

4.8.1

From the initial certification until ASA 1, there are some areas that still in disputed. Nowadays, the land disputes covering 8 ha in Padang Brahrang Estate, and 247 ha in Bekiun Estate. From land legality documents including the HGU maps, interview with management and stakeholder, can be concluded that the land disputes were the lack of boundary control from previous management.

The HGU areas have been established since the Dutch colonial era. Then 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 Title based on Agrarian Law No. 5 of 1960.

4.8.2

The land disputes resolution has been made through negotiation and compensation. The company has documented the compensation process of land dispute area of 8 ha in Padang Brahrang Estate, and 247 ha in Bekiun Estate. Based on interview with Village Head of Bekiun, has obtained information that the land disputes resolution process is being processed with negotiation of land compensation and without any coercion and violence.

4.8.3

In terms of conflict resolution, company have a dispute resolution policy explained in the SOP on land dispute resolution No SOP-26 dated 1 August 2013. Resolutions submitted includes 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).

4.8.4

The land disputes have been participatory mapped including has been informed in operational maps. Based on field observation of land dispute area in Block 1994 A of Bekiun Estate, it is showed that the land demarcation between disputed land and company's operational area has been set in the field and mapped accordingly in operational maps.

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 5.1.7

The company does not receive 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.

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 ;5.2.2; 5.2.3; 5.2.4;& 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

The company has a KLK Sustainability policy which was signed by the Chief Executive Officer on 30 August 2018 which one of the points is related to equal employment opportunities. The company ensures equal opportunities in the workplace. There is no discrimination based on ethnic origin, caste, disability, nationality, religion, gender, union membership, and so on. This policy has been socialized to employees, for example on February 1, 2021 to Tanjung Keliling POM workers. Based on interviews with representatives of worker unions, it is known that there are no complaints of worker discrimination. In addition, from the results of interviews with representatives of Bekiun and Kutambaru villages, it is also known that the company provides work opportunities for villagers.

6.1.2

Based on review of the employee list document, it is known that the majority of the workers come from the surrounding villages. There are no foreign workers in the company, except at the manager level.

Based on interviews with workers in estates and mills, it is known that it is true that many workers come from villages around the company. In addition, from the results of interviews with the Bekiun and Kutambaru village administrators, it is known that the company provides opportunities for villagers to work in the company by share the job vacancies to surrounding village.

6.1.3

The company shows examples of harvest employee recruitment documentation during 2020, including:

- Job vacancies for harvesters submitted to Namo Mbelin Village, Bekiun Plantation Village, Sidomakmur Village in September 2020
- List of applicants who passed the file selection on November 7, 2020
- List of applicants who passed the field test on November 17, 2020
- List of applicants who passed the medical test on November 27, 2020. Applicants who passed the medical test can start working on December 1, 2020.

6.1.4

Based on the Sustainability Standard Operating No. document. 29 Worker Management 5th revision dated January 13, 2021, it is known that there is no pregnancy test as a standard or work requirement. For female workers who are pregnant, they are not allowed to work related to chemicals. Based on the results of interviews with female workers and the management of the gender committee, it is known that the company has implemented the policy. Pregnant women workers will be temporarily reassigned to jobs that are not related to chemicals.

6.1.5

The company has a gender committee structure consisting of a coach, chairperson, and is divided into 4 sub-commissions, namely the sub-committee on monitoring sexual violence and harassment, sub-commission on education and spirituality, sub-commission on skills and women's empowerment, and sub-commission on women's health and welfare. The company also shows work programs for 2021, for example:

- Disseminate the structure of the gender committee
- Provision of vitamins for female employees
- Counseling on how to process healthy and nutritious food at the *posyandu*
- Counseling on the health of pregnant women
- And so on.

However, no program has been realized yet because the Covid-19 pandemic is still ongoing.

Based on the results of interviews with female workers in the plantations, it is known that they are aware of the existence of a gender committee.

6.1.6

The company has a circular letter regarding the determination of wages at the level of PT LNK's employees No. 117.A/Dir.SDM/SE/III/2020 dated February 28, 2020. The letter explains that the company uses the Decree of the Governor of Sumatera Utara Province No. 188.44/16/KPTS/2020 concerning the sectoral minimum wage of Langkat Regency in 2020 as a reference for wages. Sectoral minimum wage of Langkat Regency in 2020 is IDR 2,752,000.

The company shows the same pay for the same scope of work, for example:

- Boiler operator with employee number 29 in April 2020 gets a basic salary of IDR 2,397,000 and a fixed allowance of IDR 355,000.
- Boiler operator with employee number 83 in April 2020 gets a basic salary of IDR 2,397,000 and a fixed allowance of IDR 355,000.

Status: Comply

6.2

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

6.2.1, 6.2.2, 6.2.3

The company has a circular letter regarding the determination of wages at the level of PT LNK's employees No. 117.A/Dir.SDM/SE/III/2020 dated February 28, 2020. The letter explains that the company uses the Decree of the Governor of Sumatera Utara Province No. 188.44/16/KPTS/2020 concerning the sectoral minimum wage of Langkat Regency in 2020 as a reference for wages. Sectoral minimum wage of Langkat Regency in 2020 is IDR 2,752,000. The company also showed a copy of the Decree of the Governor of North Sumatra No. 188.44/579/KPTS/2020 concerning the Determination of the Langkat Regency Minimum Wage in 2021, which is IDR 2,711,000. The minimum wage of Langkat Regency in 2021 is still smaller than the sectoral minimum wage of Langkat Regency in 2020, so each company refers to the 2020 Langkat UMSK for wages.

The company shows examples of wage documents for the May 2020 period, including:

- Bekiun Estate harvester salary slip with NIK 0003P02616 which informs the value of basic salary of Rp.2,675,923, fixed allowance of Rp.355,000, harvest premium, harvesting equipment costs, harvest incentive premium, and harvest rickshaw premium

- Bekiun Estate mechanic salary slip with NIK 0002H02616 which informs the value of basic salary of Rp. 2,457,000, fixed allowance of Rp. 355,000, overtime, and technical premium.
- Boiler operator salary slip with employee number 26 informing the value of basic salary of Rp.2,397,000, fixed allowance of Rp.355,000, overtime, Rp.739,699, and house rent allowance of Rp.599,250.

The payroll document give accurate information, such as the basic salary, overtime payment, incentive premium, house rent allowance, or others also deduction if any. The provision about deduction for harvesting activity is written on circular letter No. 188/Pres-Dir/LNK/IX/2013 issued on 2 September 2013. Based on interview with harvester, they know about the deduction or the detail of deduction.

Based on interviews with workers, it is known that there are no complaints related to payment of wages. In addition, the payment of overtime has also been in accordance with applicable regulations. For example, a boiler operator in May 2021 works overtime for 46.5 hours and gets an overtime wage of IDR 739,699. Workers also get 12 days annual leave in 1 year if they have worked in the company for 12 months.

The terms of employment are stated 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 and the Union. Plantation Union Workers (SPBP) PT LNK on January 31, 2019 and valid for 2 years since it was legalized in January 2019.

The company shows PT LNK's CLA Extension Notice for the 2018-2021 Period No. 13/Dir.SDM/LNK/II/2021 dated January 12, 2021, which explained that the negotiations on the latest CLA draft (period 2021 – 2023) were postponed due to the Covid-19 pandemic. In this regard, the 2018-2021 PKB can still be used. The letter is an agreement between PT LNK and the United Plantation Workers Union of PT LNK.

This CLA explains the rights and employees as well as other rules that have been agreed upon by both parties in 48 articles, for example: Recognition of the Rights of Employers, Workers, Acceptance of Workers, Probation, Transfers, Promotions, Demotions, Working Days and Hours of Work, Leave, Permits, Absenteeism, Overtime, Wage System, Wages, Work Performance, Benefits, Health Care and Medical, Occupational Safety, Facilities and Social Assistance, Service Period Awards, Cooperatives, Bipartite cooperation, Workers' Obligations, Handling Complaints, Layoffs, Pensions, Compensation, CLA Validity Period.

6.2.4, 6.2.5

Based on field observation to employee housing in each estate, it is known that the company has provided facilities and infrastructure for employees, including:

- Employee housing
- School bus
- Clinic
- Sports facilities
- Place of worship
- Final garbage dump

For employees who do not choose to live in company housing, they will be given a house rental allowance. For clean water facilities, drilled wells are available for employees and electricity already comes from PLN. Management also gives freedom to sell basic needs in residential areas. In addition, the distance from housing to the nearest market is ± 10-15 minutes. There are also many vendors who enter residential areas to sell basic needs. The company's location is also quite close to Binjai City, so employees have access to meet basic needs

6.2.6

The company has a circular letter regarding the determination of wages at the level of PT LNK's employees No. 117.A/Dir.SDM/SE/II/2020 dated February 28, 2020. The letter explains that the company uses the Decree of the Governor of Sumatera Utara Province No. 188.44/16/KPTS/2020 concerning the sectoral minimum wage of Langkat Regency in 2020

as a reference for wages. Sectoral minimum wage of Langkat Regency in 2020 is IDR 2,752,000. The company also showed a copy of the Decree of the Governor of North Sumatra No. 188.44/579/KPTS/2020 concerning the Determination of the Langkat Regency Minimum Wage in 2021, which is IDR 2,711,000. The minimum wage of Langkat Regency in 2021 is still smaller than the sectoral minimum wage of Langkat Regency in 2020, so each company refers to the 2020 Langkat UMSK for wages.

The company shows examples of wage documents for the May 2020 period, including:

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- Boiler operator salary slip with employee number 26 informing the value of basic salary of Rp.2,397,000, fixed allowance of Rp.355,000, overtime, Rp.739,699, and house rent allowance of Rp.599,250.

The company has also calculated the prevailing wage which takes into account the costs of housing, electricity and water, education, daycare, health facilities, sports and recreation as well as the average monthly wage of workers, which is IDR 5,273,368.

6.2.7

Based on the employee list document, permanent work, such as harvesting and processing activities at the mill, is carried out by permanent workers. There are no casual daily workers in the company. Based on interviews with workers in each estate and mill, it is known that the workers have the status of permanent employees.

Status: Comply

6.3

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

6.3.1, 6.3.3

The company has a KLK Sustainability policy which was signed by the Chief Executive Officer on 30 August 2018 which one of the points is to recognize and respect the right of employees to form and join trade unions. This policy has been socialized to employees, for example on February 1, 2021 to Tanjung Keliling POM workers. Based on interviews with workers in estates and mills, it is known that workers can become union members voluntarily. There is no coercion or intervention in the selection of trade union officers. Trade union officials are elected by deliberation by union members.

6.3.2

Based on interviews with the Tanjung Keliling Estate and Tanjung Keliling POM workers unions, during 2021 there has been no official meeting with company management due to the Covid-19 pandemic. However, meetings are still held when necessary to submit complaints. During 2020, there was 1 meeting with the union, which was on November 6, 2020, discussing the Job Creation Act, payment of house rent allowances, review of premium rates, medical personnel in employee housing, and other things. The meeting discussion and follow-up have been documented in the minutes of the meeting.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1, 6.4.4

The company has a KLK Sustainability policy which was signed by the Chief Executive Officer on 30 August 2018, one of the points of which is the prohibition of employing child labour. This policy has been socialized to employees, for example on February 1, 2021 to Tanjung Keliling POM workers. Based on the review of employee list documents, there are no employees under 18 years of age. Then from the field observation to operational activities at the estate and POM, no child labor was found. There is also a sign regarding the prohibition of employing children in employee housing areas or estate offices and POM.

Policies related to the prohibition of employing children are also written in the work agreement with contractors, for example in the Wholesale Agreement between PT LNK and PT Pratama Satya Citra No. 0120/LNK-BKN/SPB/III/2021 the contractor's obligation section states that it is not permissible to employ workers under the age of 18 years.

6.4.2, 6.4.3

Based on the review of employee list documents, it is known that there are no workers under the age of 18 years. In addition, for job vacancies submitted to surrounding villages, one of the requirements is a minimum age of 20 years. Based on field visits to operational activities in estate and mill, no child labor was found.

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 complaint handling procedure in the SOP No.1 Request and Provision of Information, Communication, and Submission of Complaints dated August 10, 2017. Based on the SOP, complaints can be submitted verbally or in writing. Complaints can also be submitted via the complaint logbook, worker union, suggestion box, or foreman. In addition, based on KLK's Sustainability Policy, it is stated that there is zero tolerance for any form of harassment, intimidation or violence. This policy has been socialized to employees, for example on February 1, 2021 to Tanjung Keliling POM workers. Based on interview with worker, they understand the mechanism to submit complaint.

6.5.2

The company has a policy related to reproductive rights which is contained in the KLK Sustainability Policy which was approved by management on August 30, 2018. The policy describes Equal Employment Opportunities in Diversity, including:

- Ensure equal opportunities at work. All decisions relating to hiring, remuneration, access to training, 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 that are in line with state law must be respected

This policy has been socialized to employees, for example on February 1, 2021 to Tanjung Keliling POM workers.

The results of interviews with representatives of the gender committee and female workers, it is known that the company has given permission to leave H1 (menstruation) and H2 (maternity) as a form of protection for reproductive rights.

6.5.3

Based on interviews with company doctors, female workers or employees' wives who have just given birth will be given vitamins by the company and post-natal health checks. *Posyandu* is also available in each estate.

6.5.4

The company has a complaint handling procedure in the SOP No.1 Request and Provision of Information, Communication, and Submission of Complaints dated August 10, 2017. Based on the SOP, complaints can be submitted verbally or in writing. Complaints can also be submitted via the complaint logbook, union, suggestion box, or foreman. The identity of the whistleblower and victim will be kept confidential.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1, 6.6.2

Based on the Worker Management SSOP document No. 29 The 5th Revision dated January 13, 2021, it is known that there is no employee recruitment fee. In addition, based on job vacancies submitted to surrounding villages, it is known that there is no coercion or requirement to pay for recruitment. Based on interviews with workers in plantations and factories, there is no indication of forced labour. Overtime for PKS employees is also carried out without coercion.

The company shows examples of work agreement documents for Bekiun Estate employees, including:

Letter of Work Agreement for Specific Time No. 77/LNK/SPKWT/XI/2020 signed on 30 November 2020 between PT LNK

and workers on behalf of JI. The agreement letter explains the agreement period, scope of work, wages, days and hours of work, rights and obligations of workers, and dispute resolution.

This work agreement document has been submitted to the Manpower Office of Langkat Regency on July 5, 2021.

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 company has an OHS organization which has been approved by the Sumatera Utara Provincial Manpower Office based on the Decree of the Head of the Regional I Labor Supervision Unit No. KEP.04-7/DTK-UPT PK.WIL.I/2020 dated January 14, 2020. The composition of the OHS team consists of a coach, chairman, secretary, and members for the Padang Brahrang, Bekiun, Tanjung Keliling, Maryke, and Bukit Lawang estate. Secretary of OHS team on behalf of H. Abdul Rahman and has an Appointment as General OHS Expert. The company shows the Decree of the Minister of Manpower of the Republic of Indonesia No. KEP.P.1428/NAKER-BINWASK3/III/2019 concerning Appointment of General OHS Expert on behalf of H. Abdul Rahman which was issued on March 29, 2019 and is valid for 3 years.

The company also shows the minutes of OHS team meetings that were conducted online due to the Covid-19 pandemic. For example:

- The meeting on January 29, 2021, which discussed the recapitulation of workplace accidents in Binjai District in December 2020, monitoring of PPE stocks, and reviews of ISPO/RSPO/ISCC external audit findings, and other OHS discussions. A screenshot is available for the P2K3 meeting.
- Meeting on February 26, 2021, which discussed the recapitulation of work accidents at the Binjai District in January 2021, employee working hours, firefighting infrastructure, and other K3 discussions.

The minutes of the meeting are documented in the OHS Team First Quarter of 2021 and have been submitted to the Sumatera Utara Provincial Manpower Office on April 14, 2021.

6.7.2

The company has Occupational Health and Safety SOP No. 24 2nd Revision dated December 1, 2019. The procedure explains matters relating to:

- OHS includes work accidents, OHS team, HIRARC, OHS Training, SIO, PPE, Health checks, pregnant and lactating women, and others
- Emergency response includes emergency response, chemical spill emergency response, natural disaster emergency response.

Policies related to OHS have been socialized to employees, for example:

- Socialization on February 5, 2021 to 39 employees of Tanjung Keliling POM
- Socialization on April 7, 2021 to 34 employees of Tanjung Keliling Estate
- Socialization on March 9, 2021 to 27 employees of Bekiun Estate

Based on interviews with the foreman, it is known that the first aid officer in the field is the foreman. The foreman brought the first aid kit to the field and understood how to use the medicine or the contents of the first aid kit. Based on interviews with workers and union officials, it is known that there were no fatal work accidents during 2021. Every work accident that occurs is recorded in the Monthly Work Accident Report. Based on field observation to mill and estate, it is known that there are signs for evacuation in mill and estate.

6.7.3

Based on field observation to operational activity in estate and mill, it is known that all workers wear PPE. For example, spraying workers wear PPE such as helm, apron, mask, gloves, boots, and face shield. And worker in mill also use earplug or earmuff, according to the station work. Based on interview with workers, it is known that PPE is from company and for free. Company will replace the PPE if it is broken or damage because of the work.

Company also provide the spraying worker with cleansing house located in each estate. There also a storage to keep the clean clothes of the worker and the PPE.

6.7.4

The company shows proof of payment of BPJS Manpower and Health contributions for the May 2021 period along with details of workers participating in the BPJS Manpower and Health program. The following is the payment details of BPJS for Manpower and Health.

- Payment of BPJS Health for the period of May 2021 on June 9, 2021 for a total of 2419 PT LNK employees and their dependents.
- Payment of BPJS Employment for the period of May 2021 on June 16 for a total of 2,419 PT LNK employees

The details of the number of employees are as follows

- Bekiun Estate. The total number of employees registered by BPJS for Manpower and Health is 243 people.
- Tanjung Keliling Estate. The total number of employees registered by BPJS for Manpower and Health is 276 people.
- Tanjung Keliling POM. The total number of employees registered by BPJS for Manpower and Health is 79 people.

In addition, the company provides clinic in each estate and workers can go to clinic for free. There is no claim for work accident during 2021.

6.7.5

The company shown Calculation of working hours - cases of occupational accidents using lost time accident analysis. LTA analysis period 2019/2020 (Oct 2020 – May 2021) for each unit, as follows:

- Tanjung Keliling POM : Fatality Rate 0, frequency rate: 0, Severity Rate 0
- Tanjung Keliling Estate: Fatality Rate 0, Frequency rate: 2.7 Severity Rate 8.2
- Bekiun Estate: Fatality Rate 0, frequency rate: 9,1, Severity Rate 15.1

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.

The company has also shown documents from the results of the pest and disease census conducted in each estate as part of the implementation of its procedures. The examples are as follows:

- Report on attack and control of caterpillars and caterpillars at Maryke Estate for the period of May 2020. It is known that there was no attack of caterpillars that eat oil palm leaves so that no control was carried out.
- Recapitulation of census data of Oryctes Division II Padang Brahrang Estate for the period March 2021. Based on the results of the census, it is known that attacks are below 1%.

Based on the results of field visits at Maryke Estate, it was found that there were no signs of caterpillar attacks. In addition, the results of the field visit in the 2020 D Bekiun Estate block, there were no oryctes attacks found. In this block also found the use of Pheromone traps as one of the implementations of biological pest control. In addition, the company also planted useful plants such as Turnera subulata and Antigonon leptosus along the main road as a breeding ground for sycanus sp which is a natural enemy of caterpillars..

7.1.2

Based on the analysis of owl monitoring documents and planting beneficial plants, it is known that the company does not use invasive species for biological pest control. The types of useful plants used are the *Turnera subulata* species and the *Tyto alba* is used for controlling rat pests, both of which are not included in the invasive species category according to the applicable regulations in Indonesia.

7.1.3

Based on the results of the study of census documents and pest and disease control, interviews with workers, interviews with relevant government agencies, and the results of field visits, it was found that there were no pest and disease control activities using fire.

Status: Comply

7.2

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

7.2.1

The company has shown a list of pesticides used by PT Langkat Nusantara Kepong. The document explains the name of the pesticide, active ingredient, registration number, distribution permit period. LD50, as well as the target of the pesticide. Based on the document, it is known that there are 15 types of registered pesticides used by the company. One example is the PrimaUp 480 SL pesticide with the active ingredient Glyphosate isopropyl amine with an Indonesian registration number. 01030120031779, oral LD50 > 2000mg/Kg and dermal > 4000mg/kg distribution permit period is until October 6, 2022 and the target of the pesticide is broadleaf weeds *Ageratum conyzoides*, *Borreria alata*, *Synedrella nodiflora*, *Mikania micrantha*, narrow leaf weeds *Ottochloa nodosa*.

7.2.2

The company has shown the pesticide use document for the last 1 year for each plantation which is contained in the pesticide monitoring and use document for the 2020 period. An example is the use of Prima Up pesticide with active Glyphosate at Bekiun Estate. Based on the document, it is known that the use of pesticide prima up for 1 year is 7,709.5 Liters with pesticide use per hectare of 2.59 liters/ha and the content of active ingredients per hectare is 1.24 Liters/ha.

7.2.3

The company has shown documents on pesticide use in the last 3 years for each estate. An example is the use of Bekiun Estate pesticides. In 2019 there were 11,576.75 (liters/Kg) pesticide uses, in 2020 there were 7,024 pesticide uses, 16 (liters/Kg) pesticides. Based on the document, it is known that there are 4,552.59 (liter/Kg) pesticide use. In addition, the company no longer uses pesticides with the active ingredient paraquat

7.2.4

Based on the results of the study of pest and disease observation and control documents, it is known that the use of pesticides for pest control has been based on observations/census results. Based on the results of interviews with company management, it is known that the company does not condone the use of pesticides to control plant-disturbing organisms. In addition, based on the list of pesticides used, it is known that there are no post-growing pesticides. In SOP 17 on Integrated Pest Management dated August 10, 2017, revision 2, where in points of control with chemicals it can be done if the census results have exceeded the economic threshold value. The company has also used natural enemies as a pest control method, for example the use of *Tyto alba* as a pest control for rats.

7.2.5

The company has shown a list of pesticides used documents and documents on the use of pesticides for the last 1 year. Based on the document, it is known that there are no pesticides that are included in the WHO class 1A and 1B categories. The company also has a sustainability policy in which it explains that pesticides with the active ingredient paraquat are no longer used for weed control

7.2.6

The company has had procedures for mitigating the use of pesticides as stated in SSOP 18. Safety of the use and storage of Chemicals Including Hydrocarbons, second revision dated March 25, 2020. The matters discussed in the procedure are:

1. Selection of pesticides used
2. Harmonizing the use of agrochemicals (pesticides)
3. Receipt of goods
4. Goods inspection
5. Warehouse
6. Use of chemicals and Personal Protective Equipment
7. Mixing agrochemicals in premix area
8. Spraying technique
9. Personal hygiene, PPE and work equipment
10. Monitoring the dosage of the use of chemicals
11. Emergency response plan in chemical warehouse
12. Health checks for officers dealing with chemicals
13. Training.

Based on the results of interviews with spray workers at Tanjung Keliling Estate, it is known that workers are not allowed to do spray work if they do not use full PPE such as helmets, rubber gloves, shoes, glasses, masks, and aprons. Besides, the worker also explained that the mixing of the solution was done in the premix warehouse. During the application of spraying in the field, it was explained that there was a shelter in the form of a bucket to prevent the spill of the solution when filling the work tool. From the results of the interview, it was also known that since the Covid-19 pandemic, the company did not carry out training activities for employees but in the morning before the activity was carried out, the supervisor always gave directions regarding the technical implementation of spray activities to workers.

7.2.7

The company has had procedures for mitigating the use of pesticides as stated in SSOP 18. Safety of the use and storage of Chemicals Including Hydrocarbons, second revision dated March 25, 2020. The matters discussed in the procedure are:

1. Selection of pesticides used
2. Harmonizing the use of agrochemicals (pesticides)
3. Receipt of goods
4. Goods inspection
5. Warehouse
6. Use of chemicals and Personal Protective Equipment
7. Mixing agrochemicals in premix area
8. Spraying technique
9. Personal hygiene, PPE and work equipment
10. Monitoring the dosage of the use of chemicals
11. Emergency response plan in chemical warehouse
12. Health checks for officers dealing with chemicals
13. Training.

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 documents related to the handling of pesticide waste in the following documents:

SOP for the Management of Hazardous and Toxic and Non-hazardous and toxic waste (SOP 23 revision 4 dated May 2, 2020). 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 company shows evidence that each pesticide package has been stored and is not used for other purposes, for example monitoring the entry and exit of used pesticide packaging for the period of 2021. The document explains the number of pesticide packages that leave the central warehouse and those that enter (after field application) to the Hazardous Waste Warehouse. Pesticide packages that go in and out are recorded based on each type of pesticide from each farm.

The results of field observations in residential areas showed no indication of using used pesticide packaging for other uses. The results of field observations at Hazardous Waste Warehouse at Tanjung Keliling Estate, Tanjung Keliling POM, Bekiun Estate, Maryke Estate, Bukit Lawang Estate and Padang Brahrang Estate show that used packaging has been stored in Hazardous Waste Warehouse.

Based on the foregoing, it is known that the certification unit has sufficiently good documentation regarding the storage of pesticides with recognized best practices so that this is declared to have been fulfilled.

7.2.9

Based on the results of interviews and field observations in each estate, it is known that the company does not carry out airborne pesticide application activities.

7.2.10

Based on the results of interviews with company doctor, periodic and special health checks for workers for the 2020 period were canceled due to the Covid-19 pandemic. The company showed a letter of postponement from the Health Manager of PT LNK with letter number 09/Mgr.Kes/LNK/II/2021. Regarding the postponement of the 2020 medical examination, a health examination is scheduled in 2021 which will be carried out in stages, starting from July - December 2021. The health examination is scheduled for Audiometry, Spirometry, Cholinesterase examinations, periodically checks for clinic staff, TPA, canteen staff, and office.

7.2.11

Based on interviews with spraying and manuring workers, there were no pregnant women working. The company also has a policy to prohibit pregnant and lactating women from working in contact with chemicals.

Status: Comply

7.3

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

7.3.1

The company has a record of identification of waste sources listed in the 2020 environmental aspect list and evaluation document which has been approved by the Mill Manager and the Manager of each plantation. Besides that, the company also has several procedures related to waste management and utilization, including:

SOP Waste Management No.18 which describes waste management, where one form of waste management is to utilize the waste. The details of the procedure are as follows :

- POME : managed using a pond system before being utilize to the Land Application for application as liquid fertilizer.
- Empty Fresh Bunch (EFB) : EFB is sent back to the plantation as organic fertilizer to reduce the use of chemical fertilizers, improve soil structure and reduce soil erosion.
- Fiber and shell : Palm fiber and shells are used as fuel for boiler.
- Emissions : emission level must follow the threshold set by the government, and in accordance with the environmental management matrix (UKL-UPL) of Mill, it is known that air quality monitoring is carried out every six months.
- Boiler ash : boiler ash is applied to plantation in certain areas.
- Domestic waste : domestic waste must be disposed of in a landfill not less than 500 meters from water sources, burning it is prohibited.

The company has a permit for temporary storage and / or utilization of hazardous waste from the Government for Tanjung Keliling POM based on Langkat Regency Decree No. 660-09/K/2014 dated June 30, 2014 and valid for five years (until June 2019). At the time of this assessment, it has already a permit issued through the OSS system. The company shows a

printout of the hazardous waste management operational permit for Producer-Tanjung Keliling POM which was issued on February 25, 2020 by the OSS system on behalf of the Langkat Regency.

Regarding the management and transportation of Hazardous waste, the company collaborates with the official hazardous waste collection contractor, namely PT Sumatra Deli Lestari Indah and PT Indostar Cargo. The company can show the cooperation agreement and licensing requirements that have been owned by PT SDLI and PT Indostar Cargo as the waste carrier.

The company has and can show documents for storage and handling of hazardous waste in accordance with the SOP for storage and handling of waste and Government Regulation Number 101 of 2014.

These documents include a balance sheet, logbook and manifest / festronic of hazardous waste. Based on the results of the document review by comparing the balance sheet and logbook, it can be seen that the delivery of waste to the hazardous waste warehouse for April and May 2021 has been appropriate and there is no difference in the amount submitted. Likewise, the comparison between the balance sheet and the waste transportation Festronic carried out on May 5, 2021 shows that the balance document shows that the amount of hazardous waste in the month after transportation (June 2021) starts from empty. Thus, it can be concluded that there are no recording errors and differences based on the Balance Sheet, Logbook and Festronic documents, this shows that the company has documented the storage and handling of Hazardous waste properly. The festronic document is data on the results of transportation from all TPS owned by PT LNK that are within the scope of certification include Tanjung Keliling Estate, Bukit Lawang Estate, Padang Brahrang Estate, Maryke Estate and Bekiun Estate. The company has kept records well so that waste management data can be traced easily and there are no discrepancies in the recording.

The company also has supporting documents, including:

- Hazardous waste recording document shown in the hazardous waste logbook document. For example, based on the hazardous waste logbook study for the period January - March 2021 signed by the Daily Implementation and the Trustees, it is known that the shelf life of Hazardous waste does not exceed 180 days.
- Report on the Implementation of Hazardous waste Management for quarter 1 of 2021 dated April 6, 2021.
- A quarterly hazardous waste balance report contains a waste balance and hazardous manifest, the company has sent a hazardous waste management report for the first quarter of 2021 to the Environment of Langkat Regency on April 6, 2021.
- Minutes of submission of hazardous waste dated May 5, 2021 signed by the carrier, namely PT SDLI and PT IC and the party producing hazardous waste, namely PT LNK.

Based on the results of field visits to all hazardous waste storage warehouses, no discrepancies were found. All compulsory components that must be fulfilled are available such as MSDS, Logbook, Alarm, PPE, eyewash, fire extinguisher, and others that fully available and functioning properly. In addition, the certification unit also manages domestic waste by dumping it into landfills. The company does not incinerate domestic waste, there are several warning boards on residential, factory and estate locations to prohibit burning waste. The results of the field visits also show that the company has managed domestic and hazardous waste quite well. not found the location of the burn marks around the housing. as well as placing hazardous waste based on the classification of the type of waste in a licensed hazardous waste warehouse.

7.3.2

Based on interviews with company management and the Head of Hazardous Warehouse at Tanjung Keliling Estate, Padang Brahrang Estate, Bekiun Estate, Bukit Lawang Estate. It is known that they already understand the handling of waste disposal, especially Hazardous Waste and non-hazardous waste as well as waste management in accordance with the procedures owned by the management unit. In addition, respondents also stated that these regulations were strictly enforced and that there were sanctions for violators. All waste disposal facilities have also been provided by the company such as organic and non-organic waste bins as well as transportation of domestic waste.

Respondents understanding of the management of hazardous waste is the result of regular and consistent socialization. Based on the results of field observations to housing employees, there was no found waste of used hazardous waste packaging.

7.3.3

The company does not carry out open burning for waste culling, this can be proven from a field visit to the final garbage disposal site where there are no encounters of incinerated waste. The results of interviews by factory and housing employees also stated that there was no burning of rubbish, because they were aware of the prohibition on burning activities and the sanctions they would receive if burning incidents. Organic waste from housing is managed by burial, while inorganic trash is disposed of in the space provided, and dumped into landfill and then buried when the landfill is full.

The results of field observations in the employee housing area also showed that there were no traces of burning activities, besides that there were also many warnings to prohibit waste burning activities as well as the dangers that could arise from burning activities. Interviews with employees who live in the housing estate also stated that they had never burned waste due to sanctions.

Status: Comply

7.4

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

7.4.1

The company has SOPs regarding Germination, Planting and Plant Maintenance which are listed in Sustainability SOP no. 7 dated 10 August 2017, revision 2 of section C regarding Plant Maintenance. The SOP explains, among other things, fertilization based on the results of soil and leaf analysis.

The factors that are considered in determining the dose of fertilizer are:

- Soil (Type, physical and chemical properties of soil)
- Climate (rainfall, rainy days and spread)
- Fertilization research results
- Plant age
- Achieved crop productivity
- Results of leaf and soil nutrient analysis. The period of leaf and soil analysis is carried out every year.
- Visual observations in the field.

Based on the results of interviews with fertilizing workers, it is known that workers have understood the implementation of fertilization activities, workers also explained that fertilization is not carried out in water bodies because it can pollute the environment.

7.4.2, 7.4.3, and 7.7.4

The company has shown the document of the results of the soil analysis and the results of the analysis of leaf samples as the basis for formulating fertilizer recommendations. Soil sample analysis and leaf sample analysis were carried out by PT Applied Agricultural Resources Indonesia. The examples are:

Soil analysis results

- The results of the Tanjung Keliling Estate soil analysis with a test date of July 13, 2019. The test parameters are soil pH, organic content of C, N, P, and cation exchange capacity.
- The results of the Bekiun Estate soil analysis with a test date of July 13, 2019. The test parameters are soil pH, organic content of C, N, P, and cation exchange capacity.

Leaf sample analysis results

- The results of the analysis of the leaves of Padang Brahrang Estate on July 18, 2019 with test parameters, namely nutrients N, P, K, C, Mg as Major Elements and nutrient B as Minor Elements.
- The results of the analysis of the leaves of Tanjung Keliling Estate on July 13, 2019 with test parameters, namely nutrients N, P, K, C, Mg as Major Elements and nutrient B as Minor Elements.

The company has also shown PT Langkat Nusantara Kepong Fertilization Recommendation document for each Estate issued by PT Applied Agricultural Resources Indonesia. An example is the Palm Oil Fertilization Recommendation 2020/2021 Bekiun Estate PT Langkat Nusantara Kepong. In point 6.1 Leaf Nutrient Status it is explained that the details of the 2019 leaf analysis

results are available in Appendix 2. Leaf sampling was carried out on 8 blocks for analysis. In pound 6.2 Hara Rachis status explained that the 2019 sample of rachis was taken from 2 blocks.

The company has shown the application documents for empty bunches and POME as one of the nutrient recycling strategies. One example is the realization of POME for the June 2021 period of 12,125 M3.

The company has shown the documentation for the implementation of fertilization activities. The examples are as follows:

- The realization of Kiesertite fertilizer in block 2007 A Padang Brahrang Estate is 17.64 tons
- Realization of TSP fertilizer in block 2009 C division IV Bekiun Estate as much as 2.42 tons
- Realization of NK fertilizer (17:30) in block 2018 A division 1 Bekiun Estate as much as 23,680 tons

Status: Comply	
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7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company has a soil suitability map report issued by AARI (Applied Agricultural Resources Indonesia) which included a description of 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 map is available on a 1:60,000 scale.

The company has a strategy related to planting for an area with a certain slope in SOP No. 15 on erosion control and optimal soil fertility management for productivity on 10 August 2017 which describes technical actions related to the management of high erosion areas, for example making sure that ground cover crops are prioritized before planting oil palm, use of empty bunches, making conservation terraces for slopes above 15-22 °, and prohibition of planting oil palms on slopes above 40 °. From the results of the document review and field observations, no indication of peatlands was found.

7.5.2

Until the audit activity was carried out in 2021, the management unit had carried out replanting activities in the Bekiun Estate Blok 2020 D-F and Tanjung Keliling Estate block 2020 D Division II. Based on field visits on the replanting area of Bekiun Estate and Tanjung Keliling Estate, it is known that replanting activities have been carried out with zero burning system. Besides that, the management of Immature Plants area has been managed according to procedures, for example cover crops planting.

7.5.3

From the results of the document review and field observations, no indication of peatlands was found. Based on the field observation on Tanjung Keliling 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	
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7.6

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

7.6.1, 7.6.2, 7.6.3

Based on the results of the study of area statement documents, information of soil maps, interviews with company management and the results of field visits to each estate, it was found that there were no new planting activities in the areas managed by the company.

Status: Comply	
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7.7

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

7.7.1 until 7.7.7

The Company 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 Dystrypepts, Dystrandepsts, Haplorthox, Tropudults, Throporthents, Eutropepts, Tropaquepts,

Fluvaquents, Tropohemists, Tropofluvents. Hence, there is no peat nor other fragile soil in place.

Based on the results of the field visit, it is known that there is no peatland in the area managed by the company.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Based on the results of interviews and field observations on the housing estates, information was obtained that clean water facilities for employee housing were obtained from bore wells provided by the company as well as from the reservoirs that were processed at the WTP. Meanwhile, the need for drinking water is obtained from refill drinking water and water from drilled wells that have been tested to be fit for drinking. The certification unit has consistently had a water management plan for mills and plantations that is stated in the document on managing and monitoring the environment as well as the management program for river boundaries and other water sources. While the results of well water quality testing conducted at Bukit Lawang Estate employee housing and Tanjung Keliling Estate employee housing note that parameters such as pH, taste, odor, lead and sulfate are still below the quality standards of Minister of Health Regulation No. 32 of 2017.

7.8.2

The company has implemented riparian management in accordance with its SOP, namely not applying chemicals to locations near water bodies, as well as marking chemical application boundaries on river boundaries. The determination of the riverbank area is based on the results of the HCV study carried out in 2016. The certification unit can also show documents related to river bank management records as an effort to conserve water sources in the RKL-RPL document and the management of the HCV area, including:

- Marking of the spray limit on the riverbank with red paint, 50 meters from the riverbank.
 - Outreach to the community and employees about the river border protection policy
 - Maintenance of warning boards that are carried out for the border of the rivers.
- Monitoring of endangered, threatened and protected species.

Based on the results of field visits to Blok 2007 A Divisi II Tanjung Keliling Estate, namely the Bendo River border which is an HCV area, it can be seen that the company has committed to managing the riparian area by providing signboards related to the protection of riparian areas such as logging, hunting, burning, and marking area boundaries and chemical application limits. For several HCV locations in the form of river boundaries, succession has been seen with the natural growth of local plants. In addition, the company also implements vetiver plantations along the canals to prevent landslides and erosion and maintains the canals with a washing / dredging program to protect them from silting.

Based on the results of interviews with DLH, information was obtained that the company had managed the riverbank properly and in accordance with the recommendations from the results of the HCV study. There has never been any issue regarding river pollution. Interviews with the community and workers also did not reveal any complaints or issues related to river pollution.

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 July-December 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 first quarter (January - March) 2021 to the Environmental Agency of Langkat Regency on April 6, 2021.

The permit for the utilization of POME in Tanjung Keliling POM is still in the process of issuing a permit. Currently, the process is still based on a permit for the assessment of the use of waste water. Extension of the permit for the study of the POME utilization of Tanjung Keliling POM on plantation land in PT LNK Tanjung Keliling with letter number 660-834/DLH LKT/2020 dated September 16, 2020 from the Agency of Environmental Langkat Regency and is valid for 1 year.

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 October 2020 – May 2021 was 0.79 m³ / Metric tonne of FFB and was still in accordance with the set budget, while the water use budget was 1.50 m³ / metric tonne FFB.

Status: Comply

7.9

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

7.9.1

The company has maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, the use of shells and Fiber in September 2020 is 2,811.07 metric tonnes which produces 334.850 kWh of electricity from the turbine with FFB Processed 18,379.19 metric tonnes. The use of renewable energy per tonne of palm product at the mill is 0.58 metric tonnes / metric tonne of FFB.

Status: Comply

7.10

Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1

Tanjung Keliling POM has calculated GHG emissions. The Tanjung Keliling POM supply base, namely Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate, Maryke Estate and Bukit Lawang Estate, has calculated the resulting GHG emissions for the 2020 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 PT LNK. Tanjung Keliling POM has conducted GHG emission calculations period 2020 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".

report which calculation option is applied "Apply full Version".

Production	ton/year
FFB processed	174,368
CPO produced	43,293
PK produced	6,836

Summary Emissions:

Emission per product	tCO ₂ e/tProduct
CPO	1.30
PK	1.30

Extraction	%
OER	24.83
KER	3.92

Land use	Ha
Planted area on mineral soil	18,957
Planted on peat	0.00
Total oil palm planted area	18,957
Conservation Area (Forested)	417.60
Conservation Area (Non Forested)	0.00
FFB Production per hectare	18.40 t/ha

Estate/Plantation field emission and Sinks

Description	Own	Group	3 rd Party	Total
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Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	
Land conversion	100,627.27	0.58	0.00	0.00	0.00	0.00	100,627.27
CO2 emissions from fertilizer	10,730.32	0.06	0.00	0.00	0.00	0.00	10,730.32
N2O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O from Fertilizer	8,502.19	0.05	0.00	0.00	0.00	0.00	8,502.19
Fuel consumption	1,361.05	0.01	0.00	0.00	0.00	0.00	1,361.05
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks							
Crop sequestration	-94,026.81	-0.54	0.00	0.00	0.00	0.00	-94,026.81
Sequestration in Conservation area	-2,708.58	-0.02	0.00	0.00	0.00	0.00	-2,708.58
Total	24,485.44	0.14	0.00	0.00	0.00	0.00	24,485.44

Mill Emissions and Credits

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

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

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

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 NO2, CO2, SO2 and CH4. 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.

Status: Comply

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 D,E,F, and Tanjung Keliling Estate replanting area in block 2020 B Divisi II 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 March 13, 2021 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 April 20, 2021 to 15 Employees as a firefighting squad at Padang Brahrang Estate
- on November 11, 2020 to 17 Employees as a firefighting squad at Bukit Lawang Estate.
- on February 18, 2021 to 15 Employees as a firefighting squad at Maryke 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 Bekiun Village and Kutambaru Village, it was stated that the company's policy regarding the prohibition of burning had been known by the community. In addition, the certification unit has also installed a signboard for prohibiting burning of land as a form of appeal to the village community.

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, Basilam 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, Basilam, 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:

- Installation of a signboard for notifications and prohibitions. For example marking the boundaries of protected species areas, managing protected species image banners, prohibiting illegal hunting, and completing basic information on the distribution of animals.
- 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.

The certification unit has implemented the 2019-2021 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 HCV assessment report carried out by Aksenta consultants in 2014, it was found that there was no peatland as HCV and no community rights were identified as HCV. The types of HCV areas identified in the PT LNK area are HCV 1 and HCV 4.

7.12.6

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

7.12.7

The company has implement the management and monitoring plan. The existence of protected species is maintained and is still found in the plantation area.

There are no disturbances in the HCV area where monitoring is carried out regularly, for example by installing camera traps by the sustainability team on September 22 to October 6, 2021 in Division 3 Maryke Estate and observing the discovery of the long tailed monkey (*Macaca fascicularis*).

The result of HCV monitoring become feedback to the HCV management plan. The follow up from evaluation of HCV monitoring is:

- Maintain to carry out HCV management activities in accordance with SOPs.
- Repairing warning boards and other HCV attributes that have been damaged and that are not in accordance with the SOP and update the status of animal protection on the protected animal poster according to Permen LHK No. 106 of 2018.
- Inserting rehabilitation plants
- Conducting socialization on HCV to staff, estate and mill employees, and the community regularly.

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.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

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

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 27 October 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>Auditor verification There are internal audit that has been conducted for management units of:</p> <ul style="list-style-type: none"> - PT Anugrah Jaya Mandiri - PT Putra Bongan Jaya - PT Bumi Makmur Sejahtera Jaya - PT Menteng Jaya Sawit Perdana - Butaw and Palm Bay Estate.
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>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>Auditor verification 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 st 2010 must comply with the RSPO New Plantings Procedure.	<p>The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted prior to development. There is new planting after Jan 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p>Auditor verification There is new planting after 2010 in PT Putra Bongan 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>Auditor verification 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>Auditor verification 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>Auditor verification 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. These companies was planned to be certified in the end of 2021 and 2022.</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

There is no NC during Initial Certification

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

There is no NC during Initial Certification

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Progress of Land Application Permit
2	3.2.2	<p>The unit of certification shows the RSPO P&C Metrics Template one day before the closing meeting, so the Auditor Team does not have time to verify the completeness and accuracy of the data that has been filled in the RSPO P&C Metrics Template.</p> <p>In accordance with the guidelines in the RSPO P&C Metrics Template, it is stated that the RSPO P&C Metrics Template will be completed at the unit level of certification and must be submitted to the certification body prior to RSPO certification, recertification or annual surveillance audits.</p> <p>In this regard, the certification unit needs to ensure that the RSPO P&C Metrics Template must be completed at the certification unit level and must be submitted to the certification body prior to the audit activity so that the data auditor can verify its completeness and accuracy along with the audit activities carried out.</p>

3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1		Commitment toward sustainable palm oil

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues	Auditor Verification
Desa Bekiun <p>There are no environmental or labor issues. The company has made efforts to develop the surrounding community through CSR programs, recruitment of local workers, etc. For community occupation areas in the HGU, the company has tried to resolve it through deliberation and without pressure, therefore, there are no conflicts in the field.</p>	<p>For the occupation area, the company has shown evidences of the process of completing the community occupation area.</p>
Desa Kutambaru <p>There are no negative issues related to land, environmental, and labor disputes. The village hopes that more villagers can be accepted to work in the company.</p>	<p>The company has presented labor data showing that most of the employees are local residents. Regarding the number of job vacancies, it depends on the needs of the company.</p>
Department of Agriculture and Food Security of Langkat Regency <ul style="list-style-type: none"> • The company has reported its business activities to the Plantation Office every semester. • There are no changes to the permits owned by the company • There are no environmental issues related to the company's operational activities. • The company has adequate and functioning fire fighting facilities and infrastructure. • No negative issues such as fire. • When there is a request for information from the agency, the company has received a pretty good response. 	<p>There are no negative issues that need to be verified. The company has fulfilled obligations such as licensing and mandatory reporting which have been described in the related indicators.</p>
Local Contractors (PT Mitra Agung Setia dan PT Pratama Satya Citra) <ul style="list-style-type: none"> • Contractors have received socialization related to SOPs and policies owned by the company, for example related to the policy on prohibiting child labor. • There are no problems with payment • Workers have been registered by BPJS • PPE provided by the contractor • Contractors' performance is monitored by company supervision. • There is no practice of bribery, corruption, and gratification between contractors and companies. 	<p>There are no negative issues that need further verification. This has been explained in the related indicators.</p>

Public Issues	Auditor Verification
<p>Environmental Agency of Langkat Regency</p> <p>The agency considers that the company has carried out its obligations related to compliance with environmental regulations, such as reporting on RKL RPL and UKL UPL every semester, hazardous waste and liquid waste every quarter.</p> <p>Fulfillment of permits such as temporary storage of hazardous waste (<i>TPS LB3</i>) Tanjung Keliling Estate is still valid until this assessment (S-1). Meanwhile, the process of extending the permit for the assessment of the utilization of Tanjung Keliling POM liquid waste has been extended for 1 year from the date of issued (September 2021). Meanwhile, the Land Application permit issuance process will be processed to fulfill PT LNK Environmental Approval in accordance with the latest regulations in PP No.22 year 2021.</p> <p>In addition, there are no reports from company stakeholders regarding the issue of environmental pollution from PT LNK operational areas.</p>	<p>Currently the company is in the process of waiting from the agency for the issuance of the Tanjung Keliling POM Land Application permit. The ongoing process has reached a technical extension which ends in September 2021. There is still unfinished field work, namely the construction of a ditch to drain waste from the WWTP on the ground. This makes OFI in 2021 (referring to indicator 2.1.1).</p>
<p>Gender Committee (Tanjung Keliling POM and Tanjung Keliling Estate)</p> <p>The Gender Committee is still active in the company. It has program includes socialization on sexual harassment, procedures for submitting reports of decency violations, reproductive health in general and so on. However, during the covid-19 pandemic in 2020-2021 the realization of activities has not been fully fulfilled. Female workers have the right to get leave for menstruation (H1) and maternity leave (H2).</p> <p>There are no issues related to sexual harassment and discrimination of female workers.</p> <p>Regarding the needs of pregnant women, new mothers, and breastfeeding mothers, the company provides supporting facilities for young mothers to give their reproductive rights in the midst of their work activities. For example, health facilities for health checks, childbirth; breastfeeding rooms and posyandu activities to monitor the health and nutrition of mother and children. However, there is no information explained by employees that there has been an information collection activity from the company to identify the needs of young mothers.</p>	<p>The company has facilitated women workers with the same rights such as the right to work opportunities, reproductive health, work and others. However, regarding the request for RSPO indicators about the company efforts to identify the needs of young mothers. Further clarification is needed from the auditor to see other supporting evidence.</p>
<p>Worker Union of Tanjung Keliling Estate and Tanjung Keliling POM</p>	

Public Issues	Auditor Verification
<ul style="list-style-type: none"> - There are no casual daily worker or contract worker. All workers are permanent workers. - The minimum wage still refers to the 2020 Sectoral Minimum Wage of Langkat Regency. - Calculation of overtime is in accordance with applicable regulations. The shortest working day at mill is Saturday. - Worker union did not held meetings between management or with company management during 2020 – 2021 due to the Covid-19 pandemic condition. - There were no complaints from worker related to wages, discrimination, or immoral acts. - Worker feel that they do not need a worker cooperative because the location of the estate is near the city, making it easy to meet the needs of daily life. - The company provides PPE for employees. 	<p>There are no negative issues. The fulfillment of employment aspects such as the implementation of minimum wages, overtime payments, or employee complaints have been verified by the auditor.</p>
<p>Manpower Agency of Langkat Regency</p> <ul style="list-style-type: none"> - There are no issues related to industrial relations that have reached the Agency. - Regarding the minimum wage, Langkat Regency has the Langkat Regency Minimum Wage in 2021 with a value of IDR 2,711,000 per month. However, if the company in 2020 uses the Sectoral Minimum Wage of Langkat Regency and the value is bigger than the 2021 Minimum Wage of Langkat Regency, then the company is allowed to use the 2020 Minimum Wage of Langkat Regency. - The company is advised to immediately negotiate the formulation of a new CLA. 	<p>There are no negative issues. The fulfillment of employment aspects such as the implementation of minimum wages, overtime payments, or employee complaints have been verified by the auditor.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Langkat Nusantara Kepong Management Representative</p>  <p>MD Nasrudin Ismail Wednesday, 7 July 2021</p>  <p>MD NASRUDIN ISMAIL PRESIDENT DIRECTOR</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Arif Faisal Simatupang Wednesday, 7 July 2021</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	Department of Agriculture and Food Security of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
2	Environmental Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
3	Land Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	-	✓
4	Manpower agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	-	✓
5	Local Contractor (PT Pratama Satya Citra)	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
6	Local Contractor (PT Mitra Agung Sejati)	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
7	Nambiki Village	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	-	✓
8	Bekiun Village	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
9	Kutambaru Village	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	✓	-
10	Worker union of Tanjung Keliling POM and Tanjung Keliling Estate	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
11	Gender Committee (Tanjung Keliling POM and Tanjung Keliling Estate).	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	✓	-
12	Tanjung Keliling POM: <ul style="list-style-type: none"> - 1 Grading worker - 1 Boiler operator - 1 power house operator - 1 press station operator - 1 WTP Operator - 2 Workshop worker - 3 security - 1 chemical storage officer - 1 WWTP worker - 1 Hazardous waste storage officer 	Langkat Regency, Sumatera Utara	-	Observation and Interview	6 & 7 July 2021	✓	-
13	Bekiun Estate: <ul style="list-style-type: none"> - 5 spraying workers - 6 manuring workers - 4 harvesters - 2 storage operators 	Langkat Regency, Sumatera Utara	-	Observation and Interview	6 July 2021	✓	-
14	Tanjung Keliling Estate: <ul style="list-style-type: none"> - 4 spraying workers 	Langkat Regency, Sumatera Utara	-	Observation and Interview	6 July 2021	✓	-

	<ul style="list-style-type: none"> - 2 harvesters - 2 trunk injection worker - 5 manuring worker - 1 storage officer 						
15	Bukit Lawang Estate: <ul style="list-style-type: none"> - 4 harvesters - 4 spraying workers - 2 storage operators - 3 workshop workers 	Langkat Regency, Sumatera Utara	-	Observation and Interview	3 July 2021	✓	-
16	Maryke Estate: <ul style="list-style-type: none"> - 2 harvester - 7 spraying workers - 1 storage officer 	Langkat Regency, Sumatera Utara	-	Observation and Interview	3 & 5 July 2021	✓	-
17	Sawit watch	-	info@sawitwatch.or.id	Email	25 June 2021	-	✓
18	WWF	-	Wwf-indonesia@wwf.or.id	Email	25 June 2021	-	✓
19	AMAN	-	rumahaman@cbn.net.id	Email	25 June 2021	-	✓
20	WALHI	-	informasi@walhi.or.id	Email	25 June 2021	-	✓

Appendix 2. Assessment Program

Date	28 – 30 June, 1 – 8 July 2021	
	Clauses To Be Audited	Auditor / PIC
Monday, 28 June 2021		
10.30 – 13.30 13.30 – 17.00	Flight from Jakarta to Kualanamu Traveling from Kualanamu to PT Langkat Nusantara Kepong	All Auditor
Tuesday, 29 June 2021		
08.00 – 09.00	Opening Meeting (virtual) <ul style="list-style-type: none"> • Presentation of unit of certification profile • Presentation of audit process and audit plan 	Company's Representatives
09.00 – 12.00	Document review Virtual consultation of stakeholders with: Government agencies (referring to the consultation letter), local communities, local contractors, scheme smallholder, gender committee, worker union, worker cooperative, etc	Lead Auditor All Auditor All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review Continue Virtual consultation of stakeholders	All Auditor
Monday, 05 July 2021		
08.00 – 12.00	Field Observation of Maryke Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	Faisal, Johan Faisal, Johan Tasya, Dwi Tasya, Dwi Faisal, Johan
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review	All Auditor
Tuesday, 06 July 2021		

08.00 – 12.00	Field Observation of Bukit Lawang Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	Faisal, Johan Faisal, Johan Tasya, Dwi Tasya, Dwi Faisal, Johan
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review	All Auditor
Wednesday, 07 July 2021		
08.00 – 12.00	Field Observation of Tanjung Keliling Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	Faisal, Johan Faisal, Johan Tasya, Dwi Tasya, Dwi Faisal, Johan
12.00 – 14.00	Break /	All Auditor
14.00 – 17.00	Field Observation of Tanjung Keliling POM <ul style="list-style-type: none"> • Observation of supply chain (FFB receiving, weighbridge) • Observation of FFB grading, processing activity, product despatch • Observation of chemical storage, hazardous waste storage, fire control simulation, etc • Observation of WWTP, WTP, EBA 	Faisal, Johan Faisal, Johan Tasya, Dwi Tasya, Dwi
Thursday, 08 July 2021		
08.00 – 12.00	Field Observation of Bekiun Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	Faisal, Johan Faisal, Johan Tasya, Dwi Tasya, Dwi Faisal, Johan
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review	All Auditor
Friday, 09 July 2021		

09.00 – 10.30	Closing Meeting (Virtual) Presentation of audit result (NCR, OFI), conclusion and recommendation.	All Auditor
10.30 – 15.00 16.30 – 19.00	Traveling from PT Langkat Nusantara Kepong to Kualanamu & Rapid Test Flight from Kualanamu to Jakarta	All Auditor