

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[✓] Surveillance

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

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

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

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

Date of Certificate Issue : 11 November 2019 Date of License Issue : 11 December 2021

Date of Certificate Expiry : 10 November 2024 Date of License Expiry : 10 November 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	11 to 15 October 2021	Hasiholan Sihombing (Lead Auditor), Rindu Galih Rezza R, Rahmat Abdiansyah, Fritz Agustinus H	Ardiansyah	Octo H.P.N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	13 November 2021

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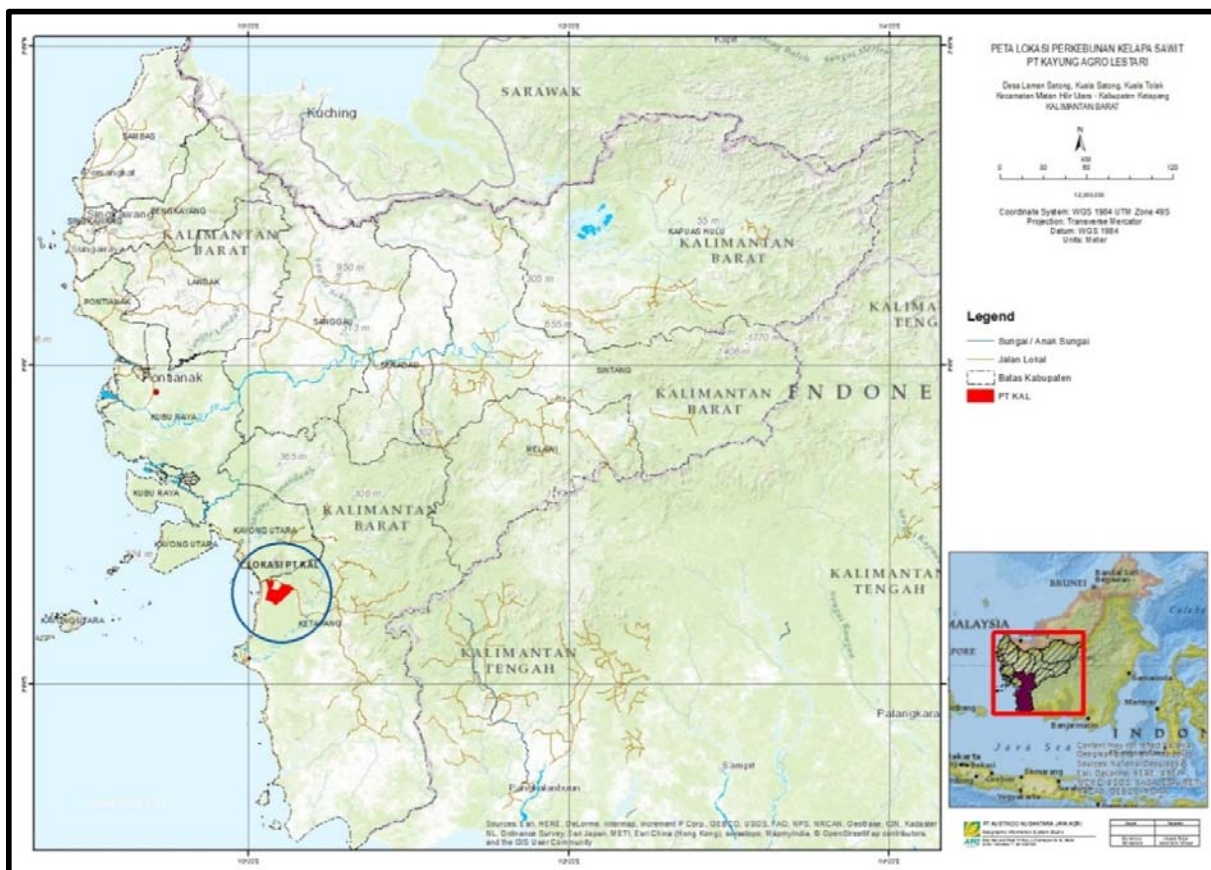
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Figure 1. Location Map of PT Kayung Agro Lestari



Abbreviations Used

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

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

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 • RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri.	
1.2.2	Contact person	Antoperis Tarigan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: Sinarmas Land Plaza, Lantai 7, Jalan Pangeran Diponegoro No.18 Medan 20152, Sumatera Utara • Liaison Office: Menara BTPN Lantai 40 Jalan Dr. Ide Anak Agung Gde Agung Kav 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950 T: +62 21 2965 1777 F: +62 21 2965 1788 	
1.2.4	Telephone	+62-61 453 7480	
1.2.5	Fax	+62-61 453 8366	
1.2.6	E-mail	antoperis.tarigan@anj-group.com	
1.2.7	Web page address	www.anj-group.com	
1.2.8	Management Representative who completed the application for certification	Antoperis Tarigan	
1.2.9	Registered as RSPO member	1-0032-07-000-00, 27 February 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	There is an extension in the scope of supply based, previously in ASA-1 consist of 5 estates namely Gemilang Teduh 1, Sungai Gemilang Teduh 2, Gunung Sejahtera Tumbuh 1, Gunung Sejahtera Tumbuh 2 and Mitra Estate (Laman Mayang Sentosa 1,991.97 Ha). On ASA-2, there is additional area in Mitra Estate (Bina Satong Lestari 446.83 Ha).	
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
			Latitude Longitude
	Kayung Agro Lestari POM	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 26' 56" E 110° 13' 44"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Gunung Sejahtera Tumbuh (GST-1)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 25' 13" E 110° 12' 34"

	Gunung Sejahtera Tumbuh (GST-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 26' 25"	E 110° 13' 26"				
	Sungai Gemilang Teduh (SGT-1)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 24' 16"	E 110° 14' 13"				
	Sungai Gemilang Teduh (SGT-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 25' 39"	E 110° 09' 59"				
	Mitra Laman Mayang Sentosa (624 Smallholders)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 25' 54"	E 110° 13' 26"				
	Mitra Bina Satong Lestari (738 Smallholders)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 26' 25"	E 110° 13' 22"				
1.5	Description of Area Statement							
1.5.1	Tenure							
	• State			13,095.44 Ha				
	• Community			424.35 Ha				
1.5.2	Area Statement							
	Description	Own Estates	Smallholders	Total				
	• Total area	11,080.99	2,438.80	13,519.79 Ha				
	• Mature area	9,133.15	2,185.75	11,318.90 Ha				
	• Immature area	444.10	19.95	464.05 Ha				
	• Mill	14.30	-	14.30 Ha				
	• Infrastructure (warehouse, Emplacement)	146.33	-	146.33 Ha				
	• Occupation / others area	360.03	93.19	453.22 Ha				
	• HCV	983.08	139.91	1,122.99 Ha				
1.6	Planting Year and Cycles							
1.6.1	Age profile of planting year							
	Planting Year	Hectarage (Ha)						
		GST 1	GST 2	SGT 1	SGT 2	Mitra LMS	Mitra BSL	Total
	2010	7.55	395.76	108.37	-	-	-	511.68
	2011	1,092.59	1,323.73	818.53	-	962.84	-	4,197.69
	2012	1,270.69	475.94	1,414.08	556.09	440.31	288.71	4,445.82
	2013	35.13	79.42	122.89	1432.38	392.03	101.86	2,163.71
	Sub Total Mature	2,405.96	2,274.85	2,463.87	1,988.47	1,795.18	390.57	11,318.90
	2012	-	53.82	-	-	-	-	53.82
	2013	-	24.28	-	245.39	-	19.95	289.62
	2016	-	-	-	120.61	-	-	120.61
	Sub Total Immature	-	78.10	-	366.00	-	19.95	464.05
	TOTAL	2,405.96	2,352.95	2,463.87	2,354.47	1,795.18	410.52	11,782.95

1.6.2	New Planting area after January 2010	11,782.95 Ha					
1.6.3	Planting Cycle	1 st Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	KAL POM	90	281,563.22	60,213.91	21.39	9,579.30	3.21
	<i>Production data source from October 2020 to September 2021</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/yea r)	Supplied to Mill	
						FFB (tonnes/year)	%
	GST 1	2,405.96	2,405.96	55,671.79	23.14	55,671.79	100
	GST 2	2,352.95	2,274.85	42,722.13	18.78	42,722.13	100
	SGT 1	3,806.98	2,463.87	52,760.65	21.41	52,760.65	100
	SGT 2	2,515.10	1,988.47	29,644.39	14.91	29,644.39	100
	Mitra Laman Mayang Sentosa (624 Smallholders)	1,991.97	1,795.18	38,602.95	21.51	38,602.95	100
	TOTAL	13,072.96	10,928.33	219,401.91	19.69	219,401.91	100
	<i>Production data source from October 2020 to September 2021</i>						
1.7.3	FFB description from other source						
	Name of sources/ Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	PT. SKM	Independent supplier	-		19,541.90		
	CV. Cahaya Sejati	Independent supplier	-		20,394.06		
	CV. Abadi Log Jaya	Independent supplier	-		12,961.06		
	CV. Desy Cahaya Mandiri	Independent supplier			504.10		
	Mitra Laman Mayang Sentosa (SKT)	Associate smallholders	53	113.49	2,019.45		
	Mitra Lestari Abadi Bersama	Associate smallholders	On process in government	298	1,343.54		
	Mitra Bina Satong Lestari	Associate smallholders	768	446.83	3,434.70		
	Propose Kemitraan	Associate smallholders	-	5.83	138.99		
	TOTAL					60,337.80	
	<i>*Production data source from October 2020- September 2021</i>						
	<i>*all FFB from other sources are non-certified RSPO product</i>						
	<i>** there are discrepancy between FFB received and FFB Process covering 1813 MT its due to mill breakdown and under maintenance in September 2021 and its confirmed during interview with management unit</i>						
1.7.4	Product categories			FFB, CPO, PK			

1.8	Tonnage of Product			
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (October 2020 to September 2021) (MT)	
	FFB Estate Processed	181,201	219,401.91	
	FFB Scheme or associate Smallholders Processed	46,101		
	CPO Production	50,801	47,174.27	
	Palm Kernel (PK) Production	7,800	7,084.13	
1.8.2	Product selling			
	Type of selling product	Actual selling product for last year (October 2020 to September 2021) (MT)		
	CSPO sold as RSPO certified product	3,000		
	CSPK sold as RSPO certified product	5,560.73		
	CSPO sold under other scheme	0		
	CSPK sold under other scheme	0		
	CSPO sold as conventional	38,492		
	CSPK sold as conventional	0		
1.8.3	Estimate of Certified FFB Claim			
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)
				Yield (tonnes/ha/year)
	GST 1	2,405.96	2,405.96	60,000
	GST 2	2,352.95	2,274.85	46,000
	SGT 1	3,806.98	2,463.87	57,000
	SGT 2	2,515.10	1,988.47	32,000
	Mitra Laman Mayang Sentosa (624 Smallholders)	1,991.97	1,795.18	40,000
	Mitra Bina Satong Lestari (738 Smallholders)	446.83	390.57	5,000
	TOTAL	13,519.79	11,318.90	240,000
				21.20
	<i>*Projected FFB production for 12 months of certificate</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
	KAL POM	90	240,000	51,600
				21.5
				7,800
				3.25
				MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>			
1.9	Other Certifications			
	ISO 9001:2008	-		
	ISO 14001: 2004	-		
	OHSAS 18001:2007	-		
	ISCC	-		
	Others	Sertifikat ISPO dengan periode 2018 - 2023		

1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara	2014	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	Certified
			Lembah Subur Selatan	2014		
			Binasari Cooperative	2021		-
	Jangkang (PT Sahabat Mewah Makmur)	2009	Jangkang	2009	Belitung Timur District, Bangka Belitung Province, Indonesia	Certified
			Balok	2009		
			Ladang Jaya	2009		
			Sari Bunga	2009		
			Air Ruak	2009		
			Mitra Lestari Cooperative	2019		Certified
			Mitra Anugerah Cooperative	2019		Certified
			Sambar Jaya Makmur Cooperative	2019		Certified
			Lindong Raya Cooperative	2020		Certified
			Berhimpun Sejahtera Cooperative	2020		Certified
			Tiong Sejahtera Cooperative	2021		-
			Gunung Nyerudong Cooperative	2021		-
			Bumdes Tebing Tinggi Cooperative	2021		-
	Binanga (PT ANJ Agri)	2012	Estate Wilayah Timur	2012	Padang Lawas Utara District, Sumatera Utara Province, Indonesia	Certified
			Estate Wilayah Tengah	2012		
			Estate Wilayah Barat	2012		
	KAL POM (PT.Kayung Agro Lestari)	2019	Sungai Gemilang Teduh 1 (SGT-1)	2019	Ketapang District, Kalimantan Barat Province, Indonesia	Certified
			Sungai Gemilang Teduh 2 (SGT-2)	2019		
			Gunung Sejahtera Tumbuh 2 (GST-2)	2019		
			Gunung Sejahtera Tumbuh 1 (GST-1)	2019		
			Mitra Estate (Laman Mayang Sentosa)	2020		
			Mitra Estate (Bina Satong Lestari)	2021		
			Mitra Estate (Lestari Abadi Bersama)	2022		
		PT Galempa Sejahtera Bersama	2022	Empat Lawang District, Sumatera Selatan Province, Indonesia	-	
	PMP POM (PT PPM)	2020	PT Putera Manunggal Perkasa	2021	Sorong Selatan District, Papua Barat Province, Indonesia	IC

		PT.Permata Putera Mandiri	2021	Sorong Selatan District, Papua Barat Province, Indonesia	IC
		PT. Austindo Nusantara Jaya Tbk (Ex. PT PAM)	2024	Sorong Selatan District, Papua Barat Province, Indonesia	Not yet development
<p>TBP is updated May 2021 signed by Chief Executive Officer</p> <p>Document of revision of certification time-bound statement of PT ANJA and its subsidiaries on May 2021, with justification i.e:</p> <ul style="list-style-type: none"> - RSPO certification of scheme smallholder in PT ANJA Siais, which was originally targeted to be obtained in 2020, has been changed to 2021 because the land legality still on process. - RSPO certification of PT GSB, which was originally targeted to be obtained in 2018, has been changed to 2022 (previously 2020) because the land compensation process has not been completed so planting and factory construction were also delayed. PT GSB's palm oil mill is planned to be built in mid-2020 (previously 2018) and is expected to start operating in by 2022. RSPO certification will take place after the mill is operational. - PT Permata Putera Mandiri (PMM) and PT Putera Manunggal Perkasa (PMP), the land compensation process due to conflicts between clans has not been completed and is still ongoing so that the construction of plantations and mill is postpone. - PT ANJT is ex PT Pusaka Agro Makmur, on 2017 not registered as ANJA subsidiary has been reported on ACOP to be certified on 2024, PT PAM legally become PT ANJT on 2015, for further activities will be use entity as PT ANJT. 					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	<p>Management has had 3 KUD which supply the FFB to the mill which are KUD Laman Mayang Sentosa, KUD Bina Satong dan KUD Lestari Abadi. KUD Laman Mayang Sentosa has been certified, while for KUD Bina Satong has been audited in this ASA-2 and KUD Lestari Abadi Bersama Prepared to be certified in 2022.</p>				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 2	<ol style="list-style-type: none"> Hasiholan Sihombing (Lead Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012.. During the audit, he verified Legality, Social, TBP and Partial certification. Rindu Galih Rezza Rachmansyah (Auditor). Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, ISO 45001, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP and NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of legality, environment, Best Management Practices (BMP), social, worker welfare and OHS. During assessment, he assigned to verification towards Worker Welfare and Transparancy. Rahmat Abdiansyah (Auditor). Indonesian citizen. Bachelor of Forestry from the Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&C in 2019 and 2020. During assessment, he assigned to verification towards environment, HCV, Social, and GHG Aspects. Fritz Agustinus Hutasohit (Trainee Auditor). Indonesian citizens. Bachelor of Accounting, STIE Tribuana Bekasi. Associate Degree of Oil Palm Plantation, Bogor Agricultural University. He has experience working as agronomic staff and Sustainable Officer in several Oil Palm Plantation Companies for 8 years since 2009. The training he has participated in is the Basic Plantation Management Program, General K3 Expert Training, Awareness ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, ISO 17021: 2012, ISO 17065: 2015, ISO 19011: 2018. During this audit it was conducted as an trainee auditor under supervised by Moh. Arif Yusni to verify Best Management Practices and OHS.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 3 auditor and 1 Auditor trainee Number of days for ASA-2 at site : 5 days Number of working days for ASA-2 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kayung Agro Lestari to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>Previously during the ASA-1, the scope of certification is 13,072.96 Ha which divided 11,080.99 Ha own estates and 1,991.97 Ha fully managed smallholders (Mitra Laman Mayang Sentosa). On this assessment (ASA-2) there is an additional area covering 446.83 Ha in Mitra Estate for area on behalf of Cooperative Bina Satong Lestari. Based on the explanation above the total scope of certification is 13,519.79 Ha.</p>

	<p>The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.</p> <p>Public Stakeholder Notification was made on Mutu International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.</p> <p>Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.</p> <p>Some opportunities for improvement of the results ASA-2 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). Improvement of findings from main assesment findings were observed by auditors at this ASA-1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2</p> <p>The assessment program please find Appendix 2</p>
<p>2.2.3</p>	<p>Locations of Assessment</p>
<p>ASA-2</p>	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>KAL POM</p> <ul style="list-style-type: none"> • Chemical Warehouse Observation of chemical warehouse facilities and OHS facilities. • Workshop. Observation and interviews of officers related to OHS and procedures • WWTP. observations regarding the condition of WWTP and the digital flowmeter • Water Treatment Plan. Observation of water management in Mill both for processing and domestic activities • POME Land Application Block F48 Observation for POME management as nutrient cycle by land application, as well as environmental and OHS aspects. • Hydrant Simulation. Observation regarding the readiness of officers and infrastructure for fire emergency

response

- **Sortation and Grading.** Observations and interviews regarding work procedures, OHS aspects, and aspects of employment
- **Sterilizer.** Observations and interviews regarding work procedures, OHS, and aspects of employment
- **Boiler.** Observations and interviews regarding work procedures, OHS, and aspects of employment
- **Engine Room.** Observations and interviews regarding work procedures, OHS, and aspects of employment
- **Press Station.** Observations and interviews regarding work procedures, OHS, and aspects of employment
- **Weigh bridge.** Observation and interview related SCCS implementation and employment.

GST1

- **FFB Harvesting. Block F23.** Observations and interviews regarding harvesting procedures, wage systems, OHS aspects and Environment.
- **Manual Weeding Block E26,** Observation and interview regarding works procedures, worker welfare and OHS Aspect
- **Piezometer and Pole Subsidence, Block F28.** Observations related to water management in peat area
- **Empty Bunch Application Block E27,** Observation and interview regarding works procedures, worker welfare and OHS Aspect
- **Fire Monitoring Tower, Block E29,** Observation related fire monitoring system as well as emergency respond preparedness
- **Boundary Pole 138 Block I 33/34 Division 12.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Boundary Pole 137 & 139 Block F 32/33 Division 12.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Kepayang River Block G38 Division 12.** Observations related to conservation area management.
- **Biantang Hill and Berumbang Hill Block I 29 Division 12.** Observations related to conservation area management.

GST 2

- **Boundary Pole 13 & 14 Block E 64 Division 15.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Fire Monitoring Tower Block E 60/61.** Observation related fire monitoring system as well as emergency respond preparedness
- **HCV Area Essential Ecosystem Area (KEE).** Observation of HCV management in areas outside HGU.
- **Load TBS Block D50/51 Division 14.** Observation and interview regarding works procedures, worker welfare and OHS Aspect.
- **FFB Harvesting. Block F55 Division 15.** Observations and interviews regarding harvesting procedures, wage systems, OHS aspects and Environment.
- **Boundary Pole 48. Block F46 Division 13.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Circle and Path Spraying, Block F49 Division 14.** Observation and interviews with spray workers regarding spraying activities, OHS and Manpower aspects and the environment aspects.
- **Hazardous Waste Storage.** Observation related to the fulfilment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary storage, wages and complaint mechanism.
- **Spare Part and Oil Storage.** Observation minimum stock of PPE's and housekeeping implementation.
- **Chemical Storage.** Observation related to management of chemical material and waste, MSDS, emergency response facilities and the types of chemicals used.
- **Fertilizer Storage.** Observation related to management of fertilizer material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Solar Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **PPE Storage and Rinse House for Sprayer.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.

	<ul style="list-style-type: none"> • Housing Complex. Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism. • Child Daycare. Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism. • Clinic. Observation about public facilities and clinic waste management. <p>SGT 1</p> <ul style="list-style-type: none"> • FFB Harvesting. Block B26 Division 2. Observations and interviews regarding harvesting procedures, wage systems, OHS aspects and Environment. • Fertilizing. Block D33 Division 3. Observations and interviews regarding fertilizing procedures, wage systems, OHS aspects and Environment. • Fire Monitoring Tower Block B 30/31. Observation related fire monitoring system as well as emergency respond preparedness • Manuring. Block D30 Division 3. Observations and interviews regarding manuring procedures, wage systems, OHS aspects and Environment. • Boundary Pole 72, block B22 Division 2. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency. • Boundary markers BPN KAL 066 Division 1, block K05. Observation for Boundary Markers management. • Boundary markers BPN KAL 067 Division 1, block A04. Observation for Boundary Markers management. • Boundary markers BPN KAL 068 Division 1, block A04. Observation for Boundary Markers management. • HCV of Essential Ecosystem Area. Observation for HCV management. • Animal Corridor. Observation for HCV management. <p>SGT 2</p> <ul style="list-style-type: none"> • Satong Kanan River blok A46 Observations related to conservation area management • Landfill blok G51 Observation regarding management of domestic waste • Piezometer and Pole Subsidence, Block B43 Division V. Observations related to water management in peatlands <p>Mitra Estate</p> <ul style="list-style-type: none"> • Manuring, Block K06 Division 7. Observation and interviews related spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment. • FFB Harvesting, Block K09 Division 7. Observation and interviews related FFB quality, harvesting round, OHS, and employment. • Boundary markers BPN PL KAL 026 Division 7, block K05. Observation for Boundary Markers management. • Boundary markers BPN PL KAL 025 Division 7, block K09. Observation for Boundary Markers management.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Summary of stakeholder consultation process Consultation of stakeholders for PT kayung Agro Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on MUTU website on 24 September 2021 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch 05 October 2021 • Public consultation meeting with government institution 12 October 2021 • Public consultation meeting with communities on 12 October 2021 • Public consultation meeting with internal stakeholders and contractor 12 October 2021 <p>Numbers of input from stakeholders were clarified by PT Kayung Agro Lestari</p>
2.3.2	Stakeholder contacted
	Please find appendix 1

2.4 Determining Next Assessment	
	The next visit (ASA-3) will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of KAL POM – PT Kayung Agro Lestari, PT Austindo Nusantara Jaya Agri operation consisting of one (1) mill, four (4) oil palm estates and Mitra LMS Estate (1,392 smallholders).

During the assessment, there were one (1) Nonconformity towards Minor Compliance Indicator and two (2) opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that KAL POM – PT Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification 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>1.1.1</p> <p>The company has a SOP for communicating and providing information that is approved and signed by the External Affairs Director, with document no. SOP-Leg-02 revision 01 and has been in effect since April 1, 2013. Based on the SOP, it has been explained that communication and information sharing is divided into 2:</p> <ul style="list-style-type: none"> • Internal communication and information sharing • External communication and information sharing <p>The SOP explains the types of information that may be accessed/provided in general and information that is confidential and requires approval from company management. The SOP also explains the person responsible for providing information both internally and externally, namely the Human Resources Officer or External Affairs Officer. The documents that can be accessed by the public are documents with general categories and with approval from management such as AMDAL, Employee data, accidents, Social Security, Land Application permits, Policies, HCV Documents, HGU Documents, Procedures, CSR, HIRAC, etc.</p> <p>OHS Program</p> <p>The Work Program for the Implementation of the OHS Management System for the 2021 period made by the P2K3 Secretary (OHS Expert) and approved by the P2K3 Chair including: monthly P2K3 meetings, safety training for all employees and foreman, monthly fire extinguisher and hydrant inspections, Monthly PPE inspections, Fire drill & emergency evacuation plan once a year, periodic employee health checks, maintenance of OHS signs every month, inspection of chemical storage areas and hazardous waste every month, EHS induction of new employees, contractors and guests, P2K3 safety meetings, safety week, PPE check/checklist every month, mile workplace inspection every month, first aid training.</p> <p>1.1.2</p> <p>The company has also reported several mandatory reports on environmental aspects, for example:</p> <ul style="list-style-type: none"> • The report on the implementation of the RKL-RPL semester 2 of 2020 is reported to the Department of Public Housing for the Settlement and Environmental Areas of Ketapang Regency on January 13, 2021. 		

- The report on the implementation of the RKL-RPL semester 1 of 2021 is reported to the Public Housing Service for the Settlement and Environmental Areas of Ketapang Regency on July 14, 2021.
- Report on the Management of Hazardous and Toxic Materials in the Fourth Quarter of 2020 is reported to the Department of Public Housing for the Settlement and Environmental Areas of Ketapang Regency on January 13, 2021.
- Report on the Management of Hazardous and Toxic Materials in the First Quarter of 2021 to be reported to the Public Housing Service for the Settlement and Environmental Areas of Ketapang Regency on April 12, 2021.
- Report on the Management of Hazardous and Toxic Materials in the Second Quarter of 2021 to be reported to the Department of Public Housing for the Settlement and Environmental Areas of Ketapang Regency on July 14, 2021.
- The liquid waste monitoring report that is reported every month, for example for the period August 2021, has been reported to the Public Housing Service for the Settlement and Environmental Areas of Ketapang Regency on October 1, 2021.
- Reporting of Employment Report for PT Kayung Agro Lestari in 2020 via online on 21 December 2020 and must be reporting back on 21 December 2021.
- Firefighting Prevention and Management unit reports for the 1st Semester of 2021 which have been reported to the Regional Disaster Management Agency (BPBD) of Ketapang Regency on 05 July 2021.
- Firefighting Prevention and Management unit reports for the 1st Semester of 2021 which have been reported to the Regional Disaster Management Agency (BPBD) of Ketapang Regency on 05 July 2021.
- Firefighting Prevention and Management reports for the 1st Semester of 2021 which have been reported to the Police Station of Matan Hilir Sub-District on 05 July 2021.
- Firefighting Prevention and Management reports for the 1st Semester of 2021 which have been reported to the Ketapang Regent on 05 July 2021.
- Firefighting Prevention and Management reports for the 1st Semester of 2021 which have been reported to the Agriculture, Livestock and Plantation Agency of Ketapang Regency on 05 July 2021.
- Firefighting Prevention and Management reports for the 1st Semester of 2021 which have been reported to the Military District 1203 of Ketapang Regency on 05 July 2021.
- Firefighting Prevention and Management reports for the 1st Semester of 2021 which have been reported to the Civil Service Police of Ketapang Regency on 05 July 2021.
- Progress of Plantation Business License Implementation reports for the 2nd Quarter of 2021 which have been reported to the Agriculture, Livestock and Plantation Agency of Ketapang Regency on 15 July 2021.
- Progress of Plantation Business License Implementation reports for the 2nd Quarter of 2021 which have been reported to the National Land Agency of Ketapang Regency on 15 July 2021.
- Investment Activity reports for the 3rd Quarter of 2021 which have been reported to the Capital Investment Coordinating Board (BKPM) for Plantation Business PT Kayung Agro Lestari on 11 October 2021.
- Investment Activity reports for the 3rd Quarter of 2021 which have been reported to the Capital Investment Coordinating Board (BKPM) for Industry Business PT Kayung Agro Lestari on 12 October 2021.
- Registration of 27 Contract Workers to the Manpower and Transmigration Agency of Ketapang Regency on 06 October 2021.

1.1.3

The Company has shown a record of requests for information and responses given that are listed in the Log Book of external communications and information giving. The document provides information regarding the date and number of the letter, sender, destination, subject of the letter, responses, date of response, and information. The following are examples of incoming letters regarding requests for information and responses:

- Incoming letter dated August 12, 2021 from the Kuala Satong Village Government with letter number 542/04/Pem regarding a copy letter for the community who was confirmed positive for Covid-19 and Sutarno with a response received and has been forwarded to the Covid 19 Task Force PT KAL on August 12 2021 with Closed status.
- Incoming letter dated February 24, 2021 from Demong Indigenous Manjau with letter number 01/DAM/2021D for the purpose of CID (Community Involvement Development) regarding the invitation to the Ngebaru traditional event with a response to the invitation being attended on February 27, 2021 with the status Closed.
- Incoming letter dated March 2, 2021 from the Kuala Satong Village Head with letter number 122/04/CID Destination Government regarding the submission of the Kuala Satong Village KTPA patrol assignment letter and the addition of 4 members with a response received on March 3, 2021 with the status Closed.

Based on an interview with the Laman Satong Village Representative, it was found that the company had conducted socialization to the Village regarding the mechanism for requesting information from the company. If there is a request for information, the village will send a letter to the company and the company will respond to it.

1.1.4

The company has a SOP for communicating and providing information that is approved and signed by the External Affairs Director, with document no. SOP-Leg-02 revision 01 and has been in effect since April 1, 2013. The SOP also explains the following:

- If there is a proposal / request for information on company participation obtained from external parties, the external relations officer within 3 days of receiving the proposal must be followed up by submitting the information to the general manager and external relations manager in charge of each region.
- Within no later than 3 months after submitting information from external parties to management and have not received a response, external relations will directly state that the company's proposal/application for participation is rejected by the company.
- External relations officer is responsible for communicating to external parties regarding the acceptance and/or rejection of the company's participation both verbally and in writing, as well as updating the status in the communication log book and providing external information.

Based on the results of interviews with trade unions and the gender committee, it is known that the company has conducted socialization related to SOPs for communication and providing information. This is evidenced by the representatives of the trade unions and the gender committee understanding and explaining the procedure.

1.1.5

The company has shown the PT Kayung Agro Lestari Stakeholder Register document, updated September 2021. Based on this document, there are 139 stakeholders related to PT Kayung Agro Lestari which include government stakeholders (province, district, sub-district and village), the authorities (TNI/POLRI), the board of directors adat, partner cooperatives, village organizations, corporations, mass media and NGOs, internal stakeholders, contractors, and FFB suppliers. The stakeholder register explains the name, agency/position, location, category and contact person number.

Status: Comply

1.2

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

1.2.1

The certification unit has a policy related to the code of ethics and business behavior as stated in the document "Code of Ethics and Business Conduct of PT Austindo Nusantara Jaya" on 01 January 2014. In the document it is stated that the company upholds the values of integrity, respect for fellow human beings, the environment and continuous improvement. It is also stated that the company builds trust and a good reputation for and for stakeholders by referring to the principles of transparency, accountability, objectivity and fairness, all of which are the embodiment of the company's code of business conduct. In addition, there is also a commitment from the Founder of PT Austindo Nusantara Jaya which states that "In business, the factors of trust, honesty, determination, ability to fulfill promises and solidarity are dominant. This is part of strong business ethics. If someone violates business ethics, the person will fail". This means that the certification unit has stated its commitment to always apply the code of ethics and good business behavior from the beginning until now.

This policy covers all operational activities of PT Austindo Nusantara Jaya and its subsidiaries, including the prohibition of corruption, bribery and fraud in the use of funds and resources as well as compliance with reasonable business practices. Based on the results of interviews with workers in the sampling units such as Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate who stated that all of them had received socialization related to the company's code of ethics which includes prohibition of corruption, bribery and fraud in the use of funds and resources and adherence to reasonable business practices in all operational areas.

1.2.2

The certification unit has a procedure to monitor compliance and the implementation of overall ethical business policies and practices, namely the Whistle Blowing System (WBS) which was established on 19 May 2016. In the system it is stated "If you see, know or experience a violation of business ethics, immediately report it to us". This system ensures that the identity of the information provider will be kept confidential and also as a consistent and it is also continuous implementation of Good Corporate Governance in all operational areas. Reports of violations of the code of ethics can be made via email at wbs@anj-group.com or via Phone Number 08119993553. If later there is an incoming report, then this will be followed up by the Internal Audit Group which is the PIC of the Whistle Blowing System.

Based on the results of interviews with workers in the sampling units such as Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate who stated that all of them was aware of Whistle Blowing A system that has been implemented and can be accessed by all workers, including contract workers. In addition, there are statements from third parties (PT Jasa Mandiri Agro, CV Abadi Log Jaya and CV Cahaya Sejati) in collaboration with the certification unit, namely that they have been given socialization related to the code of ethics and the Whistle Blowing System before ratifying the cooperation agreement. This is done to ensure that before collaborating with the certification unit, his party does not commit a violation or can report a violation when a certification unit commits a violation during the collaboration.

During the past year there have been no reports related to violations committed by internal/external parties and this is evidenced by the results of a document review related to reporting documentation for the Whistle Blowing System via email or telephone indicated by the Group Internal Audit.

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

Compliance with Manpower Regulation

Certification unit in general has complied with manpower regulation, including:

- Reporting of Employment Report for PT Kayung Agro Lestari in 2020 via online on 21 December 2020 and must be reporting back on 21 December 2021.
- The implementation of the minimum wage in 2021 is in accordance with the Plantation and Industrial Minimum Wage Decree of the Ketapang Regency established by the Governor of Kalimantan Barat in 20 November 2020.
- The implementation of contract worker (PKWT) in accordance with Decree of the Minister of Manpower No. 102 of 2004 and Government Regulation No. 35 of 2021.
- Registration of 27 Contract Workers to the Manpower and Transmigration Agency of Ketapang Regency on 06 October 2021.
- Payment of overtime wages to workers in accordance with Decree of the Minister of Manpower No. 102 of 2004.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.
- Implementation related to the protection and prohibition of employing minors (less than 18 years) in accordance with Law no. 13 of 2003, Law no. 20 of 1999 and Law no. 35 of 2014.

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

OHS Aspect

1. The company has carried out periodic inspections of the machines in the factory, such as Compressor number 3; serial number 10029564 has been granted a feasibility permit from the West Kalimantan Manpower Office on December 21, 2020 which is valid until December 21, 2022.
2. Have a licensed operator as required in the regulations, for example:
 - Has 6 lift and transport aircraft operators who already have SIO and are still valid until the audit is carried out, for example on behalf of Taufik with license number: 169828-OPK3-LT/PAA/IV/2020, valid until April 15, 2025.
 - Has 4 steam aircraft operators who already have SIO class 1 and are still valid until the audit is carried out, for example on behalf of Herro Cristanto with license number: 158492-OPK3-PUBT-B.1/XI/2002, valid until October

30, 2025.

- Have 2 welders who have certificates. For example, on behalf of Alek Sandar Firga with certificate number S/627/JL/BINWASK3-PNK3/VII/2018 issued on July 13, 2018.
- Have 3 electricians who already have an electrical OHS technician license and are still valid until the audit is carried out, for example on behalf of Supriyadi with license number 23043/TK3-LIST/VI/2019-PO, valid until 26 June 2022.
- Has 34 licensed firefighters, for example in the name of Joliandi with No: Ser.005175/PeranK3-Keb/XI/2016, valid until 23 November 2022.

Environment Aspect

- Permit for Temporary Storage of Hazardous and Toxic Materials. The company can show a statement letter that has fulfilled the commitment to the operational permit for the management of hazardous and toxic waste for the producer of PT Kayung Agro Lestari with the number 660.1/181/DPMPSTSP-D/2020 dated 18 June 2020 from the Head of the Modan Planting Service and One Stop Integrated Service, Ketapang Regency. Operational permit for the management of hazardous and toxic waste for producers is valid for 5 years.
- Permit to use POME. The company already has a waste water utilization permit in accordance with the Ketapang Regent Decree No. 399/PERKIMLH-C/2017 concerning the permit for the use of wastewater for application to the land for the oil palm plantation of PT Kayung Agro Lestari covering an area of 326.09 Ha located in Matan Hilir Utara District, Ketapang Regency with a validity period of 5 years.
- Environmental permits. The company already has an Environmental Permit in accordance with the Decree of the Regent of Ketapang No. 466/DPMPSTSP-D/2020 concerning Environmental Permits for plantation activities and palm oil processing mills by PT Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency on December 14, 2020.
- Water use permit. The company already has a water resources exploitation license number 503/07/SDA/DPMPSTSP-C.1/2021 in accordance with the Decree of the Head of the West Kalimantan Province One Stop Integrated Service and Investment Service regarding the Granting of a Water Resources Concession Permit to PT. Kayung Agro Lestari in Ketapang Regency, West Kalimantan Province with a validity period of 5 years.

BMP

In best management practices, it is known that plantation and mill management has implemented some compliance with Indonesian laws and regulations. For example, not using the burning method in the land clearing process, reporting peat characteristics to the government, and implementing integrated pest control.

Legal Aspect

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

2.1.2

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

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

Monitoring and evaluation results are listed in form of list regulations and act that was renewed in April 2021. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental. furthermore, a list of relevant laws has been included the latest law that is relevant for example Onibus Law Act, ISPO regulation and etc. To ensure compliance with law or regulations, the company conducts an internal RSPO audit. Internal audits have been conducted continuously and are documented and reviewed in the management review activities, latest 14 – 16 April 2021 that carried out by the Sustainability compliance department.

2.1.3

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

Boundaries pole maintenance and monitoring carried out twice a year in accordance with work instruction No. IK-SOP Leg 001-001 valid 1 Jan 2019 about demarcation, maintenance, and mitigation of boundaries Poles. the realization report for the period 2021 verified during ASA-2 Audit. Field observations were conducted to ensure that the poles are available on a place and maintained, the positions were checked using GPS

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

In monitoring the use of contractors for plantation and mill activities, the certification unit has well documented the list of contractors, contact persons, work agreements, business permit, taxpayer number, deed of incorporation, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 1 transporter for CPO/PK, 11 contractors and 4 FFB suppliers. In managing the contractor, the certification unit has a copy of the cooperation agreement for each activity. For example, for agreement between two parties such as:

- Work Agreement No. 031/SPKB/3000080/14/0421 for plantation upkeep (manual weeding) in PT Kayung Agro Lestari (Gunung Sejahtera Tumbuh 2 Estate) with PT Jasa Mandiri Agro dated 20 March 2021 which is valid for one month (20 March 2021 – 20 April 2021).
- Work Agreement No. 017/KAL/COM/CPO/II/2021 dated 02 January 2021 for the transportation of CPO from PT Kayung Agro Lestari with CV Abdi Log Jaya which is valid for one year (02 January 2021 – 31 December 2021).
- Work Agreement No. 018/KAL/COM/CPO/II/2021 dated 02 January 2021 for the transportation of PK from PT Kayung Agro Lestari with CV Abdi Log Jaya which is valid for one year (02 January 2021 – 31 December 2021).
- Sale and Purchase Agreement No. 0201/COM/KAL/2020 dated 31 January 2020 for the transportation of PK from PT Kayung Agro Lestari with CV Cahaya Sejati which is valid for two years (31 January 2020 – 02 January 2022).

The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

2.2.2

In each work agreement between the certification unit and the contractor, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to the registration of BPJS (Government Insurance Scheme), the provision of minimum wages, the obligation to use PPE, other permits such as tax payment (NPWP), vehicle licenses (STNK), driver license (SIM) and others. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results interviews with transporter CPO/PK, FFB supplier and contractor (CV Cahaya Sejati, CV Abadi Log Jaya dan PT Jasa Mandiri Agro) revealed that workers had received wages above the minimum wage, registered in the BPJS for Business Entity, have a vehicle license (STNK), driving license (SIM) and the worker understood about his status as a permanent worker. This result is in line with the results of the document review which proves that the wages of contractor workers are above the minimum wage, have vehicle / driver license, fulfilling tax payments, and other requirements. For example, fulfillment includes:

- Proof of withholding tax upon payment of third-party work completion (CV Cahaya Sejati, CV Abadi Log Jaya dan PT Jasa Mandiri Agro) in September 2021.
- Proof of payment of wages for ten (10) contractor workers (PT Jasa Mandiri Agro) in September 2021 (upkeep and harvesting) who received wages from per day is IDR 200,000 – 233,333 (above the minimum wage).
- Proof of payment of wages for nine (9) transporter workers (CV Abadi Log Jaya) in September 2021 (driver) who received wages from per day is IDR 180,000 (above the minimum wage).
- Proof of payment of wages for two (2) transporter workers (CV Cahaya Sejati) in September 2021 (driver) who received

- wages from per day is IDR 346,154 (above the minimum wage).
- BPJS registered for CV Cahaya Sejati, CV Abadi Log Jaya dan PT Jasa Mandiri Agro.

In addition, the certification unit has carried out an evaluation of each contractor every month and routine inspections every year to see the performance of the contractor. There are several important indicators in the monthly and annual evaluation including quality, OHS implementation, payment, legality for business entity and any others. The last evaluation carried out was on October 30, 2019 and the last inspection was on September 2021.

The company has a partnership with a third party in 2021 as a contractor, transporter and supplier of FFB. Every cooperation carried out has a cooperation agreement that explains the rights and obligations of each party including the obligation to comply with the laws and regulations in Indonesia (legality, employment, OHS and others). Based on the results of the review of evaluation documents for compliance with third party regulations (CV Cahaya Sejati, CV Abadi Log Jaya and PT Jasa Mandiri Agro) for the September 2021 period, where the legality of legal entities, wages, OHS, age requirements, and others have been met. However, the fulfillment of the obligation to register their workers in the BPJS program has not been fully fulfilled because the third party has just entered the BPJS registration stage on behalf of the business entity. This is in line with the results of interviews with third parties (CV Cahaya Sejati, CV Abadi Log Jaya and PT Jasa Mandiri Agro) it is known that the fulfillment of BPJS for workers has not been recognized because they have just registered and paid BPJS contributions on behalf of the business entity. The plan is for BPJS registration for its workers to be carried out in stages and for now it has covered the medical costs of his work while working at the company.

The company in evaluating the compliance with laws and regulations by third parties refers to Internal Memorandum No. 11/GMO/KAL/GM/V/2020 dated May 05, 2020 regarding the Volume Labor Reporting Mechanism, which explains the reporting of third parties who cooperate in providing labor for plantation operational activities in accordance with the Regulation of the Minister of Manpower No. 19 of 2012. The report includes the list of workers, work agreements between contractors and companies and between contractors and their employees. As the implementation of the Internal Memorandum, the company conducts regular monthly evaluations to ensure compliance with the laws and regulations implemented by the third party. However, in the IOM the mechanisms that regulate are related to:

- Details of the evaluation and monitoring are not yet available
- Plans/targets to third parties to ensure compliance with relevant laws and regulations are not yet available.

Based on this explanation, the company has the opportunity to develop a mechanism that regulates this matter. **(OFI)**

2.2.3

In each work agreement between the certification unit and the third parties (transporter/contractor/supplier), there are Contract/Agreement or Integrity Principles related to statement fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the third parties. Some of these obligations are related to compliance with laws and regulations in Indonesia, disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the sustainability policy has included a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of the document review of the list of contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of interviews stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The certification unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

Status: Comply

2.3

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

2.3.1

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

1. Direct Supplier
 - PT Sinar karya Mandiri
 - Scheme Smallholders
2. Indirect supplier / middle man
 - CV Cahaya Sejati
 - CV Abadi Log Jaya
 - CV Deas Cahaya Mandiri

Related to the traceability of the origin of FFB, the unit of certification can present the requirements of directly sourced FFB as follows the Information on geo-location of FFB origins and Proof of the ownership status or the right/claim to the land by the grower. For example for PT SKM the mill can present maps of PT SKM including forest status and related the proof of land ownership can be shown the Decree from Ministry of Agraria and Land Spatial / Head of National Land Agency no 29/HGU/KEM-ATR/BPN/2015 regarding Granting of Land to Cultivate on behalf of PT Sinar Karya Mandiri for Land in Ketapang Regency, Province of Kalimantan Barat, Business Identification Number B120111041872 dated 17 October 2018 and Taxpayer Registration Number 01.406.565.0-703.000

2.3.2

Even though this indicator not yet Applicable on this assessment. As mentioned in Annex 4: Implementation Procedure For Indicator 2.3.2 for existing RSPO certified mills, the time requirement to fulfil this Criterion for all their smallholder suppliers is three years from 15 November 2018 or will be applicable on 2021, the unit of certification has been carried out traceability audit to all indirect suppliers with the purpose to trace all FFB that accepted by mill. Based on traceability audit can be known the numbers of farmers, locations, coordinate, status area as well as legal documents as described below:

- CV Cahaya Sejati : 440 farmers point
- CV abadi loc jaya : 82 farmers point
- CV Desi Cahaya mandiri : 17 titik farmers point

Furthermore, traceability documents can be shown related to evidence that FFB from indirect suppliers from legal sources, for example Farmer code : 00001, FID, 509, Farmer Name: Agus, Farmer Code B10100001, Land Area: 1.00 Ha, Soil Type: Mineral, Location Banyu Abang, Sub District: Batang Bay, Kayong Utara Regency, agent name: CV Cahaya Sejati, area status : APL, location coordinates X 369124.53; Y : 9896375,254 and land certificate: SKT

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 Company has a long-term plan document for all Estates which is valid for 5 years. The document is listed in the 5-Year Financial Projection 2021 – 2026 PT Kayung Agro Lestari Statement of Operation Projection. The documents include the total planted area, production of fresh fruit bunches, the value of Extraction Rate (CPO and PK), CPO production, PK production, estimated prices of CPO and PK and estimated income.

3.1.2

Based on the results of interviews with company management, there are no differences from previous audit activities related to the replanting program at PT KAL. the management also stated that one cycle of oil palm planting is 25-30 years and replanting will be carried out with several considerations such as history of FFB production per hectare, plant height, and plant age.

Based on the explanation above, at least in the next 10 years the company will not carry out any replanting activities.

3.1.3

The company has conducted a management review every year, such as the annual evaluation for the 2020 working year which was conducted on April 21, 2021. The Management Review Meeting document discusses the results of the internal audit, evaluation of regulatory arrangements, internal and external communications/issues from related external parties including complaints and responses from the company, the performance of the organization's EMS, changes in both operational and system conditions and recommendations for improvement, and needs regarding matters directly related to sustainability.

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

PT Kayung Agro Lestari has new innovation activities for continuous improvement every year from 2020 to 2021. The following are the innovations developed by the certification unit, namely:

- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Department of Public Housing for the Settlement and Environmental Areas of Ketapang Regency.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to the Public Housing Service for Settlement Areas and the Environment of Ketapang Regency.
- Management and monitoring of groundwater through testing the quality of ground water and reporting it to the Public Housing Service for the Settlement and Environmental Areas of Ketapang Regency.
- Hazardous waste management through Hazardous and Toxic Waste Storage and Hazardous and Toxic Waste management and monitoring.
- Greenhouse Gas (GHG) Management. Implement a zero burning policy, utilization of EFB, shells and fiber as renewable energy, regular engine maintenance, and regular emission quality tests.
- The company has managed HCV well and collaborated with BKSDA for the management of the Essential ecosystem, especially in the management of orangutan habitat.
- Innovation on BMP aspects is carried out with the aim of increasing the efficiency and effectiveness of the work carried out. An example is the EPMS (Electronic Plantation Mobile Solution) system for the transportation and delivery of FFB.
- Pollination drum project in March 2020, where the activity was made to support pollination of oil palm plantations in the block. The innovation was made to facilitate pollination by insects and to increase oil palm production in general. The pollination drum is made to be able to be moved mobile in order to reach the entire plantation area.
- Creation of an online database and biodiversity website in 2021. This innovation was made to make it easier for companies and related stakeholders to access information on PT Kayung Agro Lestari's biodiversity online at the website <http://10.10.10.91/pendaki/main.php>
- Barcode system for identification of flora species in the conservation area of PT Kayung Agro Lestari in 2021. This innovation has been applied in conservation areas for as many as 30 types of flora species and is likely to increase gradually from year to year.

3.2.2

Unit of certification shows RSPO metric template during the time of audit. As checked properly, it was known that all data provided were match with actual situation.

Base on document verification, for The RSPO metric template known annual data 12-month periods use (January to December 2020) for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Based on the results of document reviews and interviews with the company's management, there are no changes related to the applicable SOPs at PT. KAL. The company shows a collection of Agronomy SOPs ranging from road construction procedures and plantation layouts to rejuvenation procedures approved by the Estate Director (Alysius D'Cruz) and effective August 1, 2013. These procedures describe:

- SOP-AGR-01 Road construction and plantation layout

- SOP-AGR-02 Development area
- SOP-AGR-03 LC and zero burning
- SOP-AGR-04 Peat soil
- SOP-AGR-05 Soil and water conservation
- SOP-AGR-06 Management of marginal land
- SOP-AGR-07 Oil palm nursery
- SOP-AGR-08 Planting beans
- SOP-AGR-09 Oil palm planting
- SOP-AGR-10 Sampling and fertilizer conversion
- SOP-AGR-11 Fertilizer and fertilization
- SOP-AGR-12 Fertilizing in immature and LCC
- SOP-AGR-13 Principal settlement
- SOP-AGR-14 Census and key identification
- SOP-AGR-15 Harvest preparation
- SOP-AGR-16 Production potential and rainfall
- SOP-AGR-17 Pest control
- SOP-AGR-18 Pesticides and their management
- SOP-AGR-19 Chemical safety instructions
- SOP-AGR-20 Integrated pest control
- SOP-AGR-21 Rat control with owls
- SOP-AGR-22 Harvest fresh fruit bunches
- SOP-AGR-23 Unit of leaf samples
- SOP-AGR-24 mouse control with rat bait
- SOP-AGR-25 Black bunch census
- SOP-AGR-26 Soil sampling
- SOP-AGR-27 Termite control
- SOP-AGR-28 Oil palm replanting

The company also shows the Mill Operation Engineering Department SOP, the procedures are:

- FFB Reception Station no. ST 01/ ENG-STR June 2011
- Sterilizer Station no. ST 02/ ENG-STR June 2011
- Threshing Station no. ST 03/ ENG-STR June 2011
- Pressing Station no. ST 04/ ENG-STR June 2011
- Depericarper Station no. ST 05/ ENG-STR June 2011
- Kernel Station no. ST 06/ ENG-STR June 2011
- Clarification Station section 1no. ST 07/ ENG-STR June 2011
- Boiler Station no. ST 08/ ENG-STR June 2011
- Power Station no. ST 09/ ENG-STR June 2011
- Water treatment no. ST 10/ ENG-STR June 2011
- Boiler water management no. ST 11/ ENG-STR June 2011
- Waste treatment no. ST 12/ ENG-STR June 2011
- Grading no. ST 13/ ENG-STR June 2011
- Delivery of Palm Oil no. ST 14/ ENG-STR June 2011
- Factory inventory system no. ST 15/ ENG-STR June 2011
- Procedure for CPO Stock Sounding no. ST 16/ ENG-STR June 2011
- Palm kernel stock procedure no. ST 17/ ENG-STR June 2011
- Factory security system no. ST 18/ ENG-STR June 2011
- Washing of oil storage tank no. ST 19/ ENG-STR June 2011

Based on the results of field visits on harvest work in block F55 division 15 GST 2, workers can demonstrate related to harvest standards such as criteria for ripe FFB, harvesting procedures and preparation of midribs, as well as the use of PPE when doing harvest work. Besides, the results of interviews with several Mill workers, it is known that the workers have understood the work procedures they have, for example in the FFB sorting section, workers can explain related to the sorting process up to administrative filling.

3.3.2

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

Last internal audit carried out in 14- 16 April 2021 by Sustainability compliance department. Based on internal audit there is no non conformity related record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. All internal audit has been following up by unit of certification prior external audit carry out

3.3.3

Based on interview with the company management, the company has conducted a management review every year. One example is that the company has shown the Internal Audit Report 18 / GIA-REG / KAL / IV / 2020 Palm Oil Harvest Review and the implementation of PT Kayung Agro Lestari - Estate's Electronic Plantation Mobile Solution (EPMS) published on January 30, 2020. Based on internal reports in the audit, it is known that there are 6 observational findings and it has also been explained regarding feedback from customers, process performance and product suitability, status of prevention and improvement actions, follow-up actions resulting from management reviews, changes that can affect the management system, and recommendations for improvement.

Last internal audit carried out in 14- 16 April 2021 by Sustainability compliance department. Based on internal audit there is no non conformity related record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. All internal audit has been following up by unit of certification prior external audit carry out

Status: Comply

3.4

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

3.4.1

The company has several documents related to social and environmental impact studies which are carried out independently and participatively by involving affected stakeholders. Some of the documents owned by the company include:

Environmental Aspect

PT KAL showed the AMDAL Document consisting of the Environmental Impact Analysis Main Report (AMDAL), Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The document was prepared by PT KAL in collaboration with PT Edutama Jasindo as a Consultant for AMDAL Drafting, carried out in 2010 and has been approved by the Governor of West Kalimantan through Governor Decree No. 123/BLHD/2010 dated March 1, 2010 concerning the Environmental Feasibility of Plantation Activities (Area : ± 18,754.9 Ha) and Palm Oil Processing Factory (Factory Capacity : 85 Ton FFB/Hour) by PT Kayung Agro Lestari in Matan Hilir Utara District, Kabupaten Ketapang, West Kalimantan Province.

In 2019, the Company made changes to the environmental permit, namely by compiling the Addendum and RKL-RPL documents for the plantation and Palm Oil Processing Factory and has obtained environmental feasibility and environmental permits from the Ketapang Regency Government, namely through Decree Number 576/DPMPTSP-D/2019 dated November 8, 2019 regarding environmental feasibility and Decree Number 577/DPMPTSP-D/2019 dated November 8, 2019 regarding environmental permits. The change was due to the addition of factory capacity from 85 Tons of FFB/Hour to 90 Tons of FFB/Hour and additional activities such as watergate management, groundwater level monitoring, conservation area management, implementation of Land Applications, Treatment Centers, Composting, Biogas Plants, Handling of Hazardous Waste and control of estate and land fires.

In 2020 the company again made changes to the environmental permit in accordance with PP 27 of 2012. The changes were made because there were additional activities, namely facilities for preventing and overcoming forest and land fires, namely the construction of reservoirs and reservoirs, construction of pump houses and their facilities, construction of access roads, maintenance of canals, and construction of stop bunds. The company can show the Amdal Addendum and RKL-RPL Type C documents for the construction of dams and reservoirs, construction of pump houses and their facilities, construction of access roads, maintenance of canals and construction of stopbunds for plantation activities and PT Kayung Agro Lestari's oil palm processing mill and a factory with a factory capacity of 90 tons FFB/Hour. The company can also show an Environmental Permit in accordance with the Decree of the Ketapang Regent Number 466/DPMPSTSP-D/2020 concerning Environmental Permits for plantation activities and palm oil processing mills by PT Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency on December 14, 2020.

Based on document verification, it is known that the scope of the environmental impact assessment has covered all plantations that are the scope of certification, including additional areas that are the scope of certification. In addition, the location of the factory and the processing capacity of the factory have been included and are in accordance with the scope of the study of the environmental documents owned.

The company can show an overlay map between the HGU and the Environmental Document study with a scale of 1:100,000. The results of document verification show that the company's HGU and Mill's location have been covered in the study of their environmental documents.

Social Aspect

The company has conducted a Social Environmental Impact Assessment (SEIA) in collaboration with the Faculty of Forestry, IPB in 2013. The study activities were carried out in October-December 2013. The involvement of the parties in the implementation of the study was carried out through the implementation of Focus Group Discussions (FGD) both with employees which was conducted on October 19, 2013 which was attended by 31 participants, FGD with residents of Kuala Tolak Village was held on October 20, 2013 which was attended by 13 participants, FGD with residents of Laman Satong Village on October 21, 2013 which was attended by 12 participants, FGD with residents of Desa Kuala Satong on October 22, 2013 which was attended by 8 participants, FGD with PT. KAL employees on October 23, 2013 which was attended by 37 participants (Estate North, South and Estate West).

The strategic issues obtained in the social impact assessment are as follows:

- Tenure Issues; conflict with the community of Kuala Tolak Village related to compensation for the village land; there is still land for the residents of Laman Satong Village which has been compensated by the mining company (overlapping the Mining Permit with the PT KAL Location Permit); There is still global land belonging to Kuala Satong Village which is included in the PT KAL Location Permit area which has not been compensated.
- Environmental Issues; reduced availability of ground water in the village of Laman Satong; Indications of water pollution of the Siduk river, air pollution (dust) during the dry season; an area designated as a conservation area by a company whose location, benefits for the community, regulations and institutions that manage it are not yet clear; there are indications of increasing flood volume in Kuala Tolak Village.
- Socio-Economic Issues; The boundaries of the villages of Kuala Tolak and Laman Satong are not clear and have not been agreed upon; The people of Kuala Tolak ask that there be Public Relations in companies that represent the villagers of Kuala Tolak; It is necessary to increase the CSR program; Recruitment of local workers for higher levels of work, Kuala Tolak Village has not yet approved the partnership program proposed by the company and has not formed a Cooperative.

Based on document verification, it is known that the scope of the social impact assessment has covered all villages, farmers, and has involved internal workers. In addition, based on the results of interviews with representatives of the village of Laman Satong, it is known that the social impacts of the existence of companies such as CSR and employment have been covered in the SIA document.

3.4.2

Environmental Aspect

The company has an Environmental management and monitoring plan in accordance with environmental documents, namely the 2020 Amdal Addendum that it has, namely:

1. Construction of dams and reservoirs, construction of pump houses and their facilities, construction of access roads, maintenance of canals and construction of stop bunds:
 - There are work and business opportunities
 - Occupational Health and Safety (OHS)
2. Labor Recruitment
 - Employment and Business Opportunities
 - Increasing people's income
 - Public unrest
3. Maintenance of Mature Crops
 - Decline in surface water quality
 - Potential for land fires
 - Disease pattern
4. Harvesting and Transporting FFB
 - Decreased air quality
 - Noise enhancement
5. FFB Processing
 - Decreased air quality and emissions
 - Noise enhancement
 - Decline in surface water quality
6. Composting Operations
 - Decreased air quality
 - Attitudes Changes and Public Perception
 - There are job and business opportunities
 - Occupational Health and Safety
7. Biogas Plant
 - There are job and business opportunities
 - Occupational Health and Safety
8. Operation of water gate
 - Potential for disturbance and flooding
 - Potential forest and land fires
9. Transportation of CPO and PK
 - Decreased air quality
 - Noise Enhancement

In addition, the Company also has an Environmental management and monitoring plan in accordance with its Environmental Document, namely the 2010 Amdal, namely:

- Ambient Air Quality Monitoring, Vibration and Odor
- Emission Air Quality Monitoring
- Pond Wastewater Quality Monitoring
- Monitoring Well Quality Monitoring
- River Water Quality Monitoring
- Potential Fire Monitoring
- Disturbed Flora and Fauna
- Public unrest
- Employee Health

Social Aspect

Based on document verification and interviews, the following evidences were obtained:

As a form of social management, the company has developed/compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. The first social impact assessment was

conducted in 2013 by the Faculty of Forestry, IPB. As one of the efforts to improve and pay attention to the existing situation in 2019, the company carried out a Social Impact Review and Update for external aspects, but the results of the review only discussed:

1. Social aspects related to external (external) parties where the results are stated in the CID (Community Involvement Department) Program document, but the results of the previous SIA plan and management have not been shown including evaluation of compliance, impact management carried out including social management programs especially those that have a negative impact that need to be managed for the next period.
2. The impact of internal operational activities has not been discussed, for example from the operational activities of plantations and mills, OHS and Employment including from the existence of conservation areas that intersect with the community.

Then in 2021 the company is in the process of conducting a review for social impact assessment both internally and externally however:

1. The external stakeholders involved in the preparation of the management plan and social monitoring are not known which parties are involved and have not paid attention to the broadly affected parties such as women, migrants, local residents, youth leaders, contractors and other affected parties.
2. It can be shown that the evaluation of PT KAL's 2021 social monitoring and management plan matrix for internal purposes has not yet been provided but there is no basic information on the management plan that has been reviewed, and furthermore it cannot be shown that internal stakeholders have been involved in the management plan and social monitoring.

Furthermore, the results of the document review and interviews with management and stakeholders (internal and external) revealed that the company had implemented a social management and monitoring plan, which was carried out partially by the relevant departments, so that the reports on activities carried out were not comprehensive and integrated, for example:

- Employment and OHS impacts are managed by HR and EHS.
- Environmental Impact and HCV managed by EHS and Conservation.
- External Impact managed by CID (Community Involvement Department).
- Plantation and mill operations are managed by the plantation and mill operations team.

By doing it partially by the relevant departments, there are potential impacts that arise but are not managed in a comprehensive and integrated manner on several issues that are developing now and in the future, for example, but not limited to:

- Attention to the impact of the company's operational activities and efforts to minimize it.
- The potential for social jealousy among Plasma Cooperatives regarding the amount of RSPO premium price given by the company.
- Potential social jealousy from plasma cooperatives that are not yet included in the scope of certification.
- Potential jealousy between plasma cooperatives and contractors regarding job opportunities that can be outsourced / work contracts.
- Attention related to labor issues (centralization of housing, transportation of workers, changes in the number of workers, terms of employment, workers' income and the existence of trade unions).
- Compliance issues related to laws and regulations for third parties (contractors).

Based on this evidence, the management and monitoring of the SIA carried out by the company has not been carried out comprehensively by integrating between sections/ departments covering all impacts and representative samples of affected parties. This becomes **Non-Conformity No 2021. 01 with Minor Category**.

3.4.3

Environmental Aspect

The company has implemented an environmental management and monitoring plan for the first semester of 2021. The environmental management and monitoring plan is in accordance with its environmental documents. The results of the verification of the implementation of the environmental management and monitoring plan for the first semester of 2021 are in accordance with the directions of the AMDAL environmental documents owned. There are several impacts that have not been carried out in accordance with the AMDAL Addendum document for 2019 and 2020. This is because the development of

activities as planned in the AMDAL Addendum document have not been implemented, such as the construction of Composting and Biogas Plants. In general, the results of environmental monitoring are in accordance with provisions such as the results of air quality testing, emission testing of boilers and generators, and liquid waste. For testing the quality of surface water (rivers) there are several test parameters that are not in accordance with the provisions. This is due to the condition of the company's area of peat so that the pH level of the river water becomes acidic. The company has also taken action by protecting the river by not applying chemicals on the river border, making an appeal to workers and the community and making signboards prohibiting damaging the river.

Social Aspect

The company has implemented a social management and monitoring plan, for example:

- Employment and OSH impacts related to the use of additional labor for harvesting, related to work accidents.
- Environmental and HCV impacts related to the management of HCVs that intersect with community land, the impact of Mill management.
- External Impact is managed by CID (Community Involvement Department) related to CSR and community relations.
- Operational activities of plantations and mills.

The auditor has verified OFI on previous assessments related to mining activities, possible interactions or conflicts between employees and wildlife and housing centralization. The results of document review and interviews with company representatives and employees revealed that the impact has been managed and monitored by the company, for example in relation to mining areas, the company has communicated with mining companies, related to animal conflicts with company employees, has conducted socialization to employees and routinely patrols the presence of HCV and Wildlife areas. The management and monitoring of these impacts is carried out by the relevant departments.

3.4.2 Status: Non-Confirmity No 2021. 01 with Minor Category.

3.5

A system for managing human resources is in place.

3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Company Regulation period 2020-2022 written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.
- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

In addition to being publicly listed in Company Regulation, the certification unit has other procedures in the form of Policies, SOPs, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Company Regulations on 8, 10, 11, 20, 22 February and 2, 5 March 2021. For example, some procedures that are owned by the certification unit is Procedure No. 018/HR&GA/CP/05-2009 concerning Employee Recruitment, Acceptance, Promotion & Transfer/Mutation and Procedure No. IK-HRD-001 concerning Pay Salary

The results of interviews with workers (harvesting, spraying and mill operators) in Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate note that workers have a sufficient understanding of the procedures related to recruitment, promotion, retirement and factors causing termination of employment. Workers explain that in the acceptance process carried out in accordance with the terms / conditions according to ability / expertise, promotion is based on an assessment of the performance of each employee each year, and one of the causes of termination of employment can occur if the worker has committed a serious violation. Based on this explanation, certification unit has explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process

The certification unit still have workers with contract status for upkeep worker (PKWT) in Gunung Sejahtera Tumbuh 1 Estate and Gunung Sejahtera Tumbuh 2 Estate. For the other employee status is Regular Workers (worker class NS A-D) and Staff (above worker NS class). All the rights for each employment status have been distinguished. For workers with contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Ketapang Regency in 06 October 2021 for 27 upkeep workers.

Based on the explanation and description above, it can be concluded that the certification unit has documented procedures for recruitment, selection, acceptance, promotion, retirement and termination of employment and is available to workers and their representatives in accordance with applicable laws such as Law No. 13 of 2003, Law no. 11 of 2020 and other regulations related to employment.

3.5.2

The certification unit always documented all labor procedures that have been carried out properly such as recruitment, promotion, performance assessment, pension and others. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- The certification unit has a worker recruitment document from the start until the worker becomes a permanent worker. For example, a worker with an employee number KA/KA21/0520/470 (upkeep) who has recruitment documents such as a job application letter, identity card, family card, recruitment selection results, employment contract documents for contract workers (PKWT), medical check-up results and others. The worker started working as a contract worker (PKWT) on 20 April 2020, in 2020 the worker received a performance appraisal with a good result and was promoted to permanent employment (NS A) in accordance with Decree No. 037/HRO/SP-KAL/VIII/2020 on 31 August 2020.
- The certification unit has a worker recruitment document from the start until the worker becomes a permanent worker. For example, a worker with an employee number KA/KA21/1020/478 (FFB helper) who has recruitment documents such as a job application letter, identity card, family card, recruitment selection results, employment contract documents for contract workers (PKWT), medical check-up results and others. The worker started working as a contract worker (PKWT) on 20 April 2020, in 2020 the worker received a performance appraisal with a good result and was promoted to permanent employment (NS A) in accordance with Decree No. 002/HRO/SM-KAL/II/2021 on 31 December 2020.
- There is a pension document for workers with employee number KA/KA21/0414/75 who have worked since 01 April 2014 and retired on 01 July 2021 according to Decree No. 185/HR&CM/KAL/IM/PHK/VIII/2021 dated 06 August 2021. In addition to the decree, there are also other supporting documents such as calculation of pension payments, labor documents of workers since they first worked, etc. All procedures and documents shown are in accordance with existing procedures and in accordance with applicable laws.

The results of interviews with workers (harvesting, spraying and mill operators) in Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate note that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion and retirement procedures in accordance with existing regulations, as well as all The application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received promotion / class promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During 2020 and 2021 there were no labor issues that occurred at PT Kayung Agro Lestari, this was strengthened by the results of consultations with the Labor Union in every unit, the Manpower and Transmigration Agency of Ketapang Regency which stated that the application of existing labor procedures is in accordance with the regulations and since 2020 until now there have been no labor issues.

Based on the description above, it can be concluded that the certification unit already has labor procedures implemented and records are maintained for each worker.

Status: Comply

3.6

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

3.6.1

Consistent with the previous audit assessment, the company has conducted a risk assessment and its control in the form of a HIRARC document. Furthermore, as part of mitigating OHS problems, the certification unit compiled the Personal

Protective Equipment Management Procedure (SOP-EHS-041) edition 1 effective from July 1, 2019. The procedure includes the following:

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

Furthermore, related to the type of personal protective equipment used by the certification unit, it has been regulated in the 2021 Personal Protective Equipment Needs Matrix which explains the type of work and the type of PPE used, for example for spraying activities the PPE used is boots, chemical masks, rubber gloves, apron, and goggles/face shield.

Based on the results of field visits for spraying activities in block F49 Division 14 GST-2, the use of PPE is complete and in accordance with the 2021 Personal Protective Equipment Needs Matrix set by the company.

OHS Program

The Work Program for the Implementation of the OHS Management System for the 2021 period made by the P2K3 Secretary (OHS Expert) and approved by the P2K3 Chair including: monthly P2K3 meetings, safety training for all employees and foreman, monthly fire extinguisher and hydrant inspections, Monthly PPE inspections, Fire drill & emergency evacuation plan once a year, periodic employee health checks, maintenance of OHS signs every month, inspection of chemical storage areas and hazardous waste every month, EHS induction of new employees, contractors and guests, P2K3 safety meetings, safety week, PPE check/checklist every month, mile workplace inspection every month, first aid training.

Hazard Identification and Risk Assessment

The company already has a HIRA SOP (Hazard Identification and Risk Assessment) with No. Document SOP-EHS-028 effective March 10, 2015. This procedure explains knowing the sources of hazards in the workplace as well as making efforts to prevent and control the risk of accidents to an acceptable level.

The updated Hazard Identification, Risk Assessment and Risk Control document (2021) contains information on activities, hazards, potential hazards, potential risks/impacts, risk assessment, control hierarchy, score after control, risk status.

The company shows the Hazard Identification Risk Assessment Risk Control (HIRARC) document / Hazard Identification, Risk Assessment and Control:

- Document No. IBPPR/KAL/Mill/06 HIRA Mill, updated on December 3, 2020.
- Document No. IBPPR/SMM/ESTATE/02 HIRA Estate, updated on April 11, 2021.

Periodic Health Checkup

The last Periodic Health Examination was held in November 2019, the health examination included complete hematology, complete urine, liver function, kidney function, and a general physical examination.

Health examination activities for 2020 and 2021 have not been carried out, this is in accordance with the direction of the relevant officials, for example through the appeal for the postponement of Periodic Employee Health Check Activities: In accordance with the Circular Letter of the Minister of Manpower of the Republic of Indonesia Number M/7/AS.02.02/V/2020 dated 20 May 2020 regarding Business Continuity Plans in Facing the Corona Virus Disease (Covid-19) Pandemic and the Covid-19 Transmission Prevention Protocol in companies stating that they will temporarily postpone the health checks of workers until the occupational safety and health aspects are met or until the covid-19 pandemic ends and Medical Ethics Honorary Council Decree Number: 016/PB/K.MKEK/04 2020 dated April 11, 2020 which states a reduction to temporarily eliminate non-critical/emergency activities.

As a form of handling Covid-19, the company has created a Covid-19 virus vaccination program for all workers at PT. KAL. As of August 2021, it is known that the progress of Covid-19 vaccination has reached 97% of the total staff and workers, while the rest are known to have comorbidities, so vaccination will be carried out if the condition of the worker is declared ready.

OHS Socialization and Training

Socialization activities regarding the implementation of OHS have been routinely carried out which are delivered during the morning circle of employees at least once a month; Check the completeness of PPE before working for factory and garden employees carried out by each foreman; Warnings about OHS such as the obligation to use PPE, types of PPE, and hazard risk analysis installed in strategic areas.

3.6.2

To monitor the effectiveness of the OHS plan, there is a P2K3 report which is routinely sent quarterly by the certification unit to the authorized official. The discussions shown, for example, are contained in the P2K3 report for the second quarter of 2021 for PT Kayung Agro Lestari, such as;

- HIRA socialization & refreshment
- Ambient air sampling
- OHS Inspection on Estate and Factory
- Establishment of an EHS representative
- Installation of the Covid 19 OHS Poster
- OHS socialization at CWT

Status: Comply

3.7

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

3.7.1

Certification unit has training identification and program for workers for period of 2021 for operational training, OHS training, and policy socialization. In the program and identification training in 2021 have 55 activities in mill and estate, some of training program, namely:

- Training for manuring, harvesting and spraying activity
- Socialization of company's policy
- First aid training.
- Training for Environment and hazardous waste handling.
- Simulation of emergency responses and firefighting management

In addition, the certification unit has seven (7) activity for a training/socialization for relevant stakeholders (contractors, suppliers, local communities, firefighting communities and smallholders) in 2021. These programs include the following:

- Socialization of PPE and OHS.
- Socialization of company policies such as code of conduct, human rights, no child worker and others.
- Socialization of emergency response.
- Socialization for land legality
- Socialization for best management practices (spraying, harvesting, manuring and others).

The certification unit has properly documented every training activity and socialization that has been carried out to workers and related stakeholders. The following is an example of training/socialization documentation that has been carried out, namely:

- Socialization of PPE and OHS on February and August 2021 for relevant stakeholders (contractors, suppliers, local communities, firefighting communities and smallholders) which was attended by 19 participants.
- Socialization of company policies such as code of conduct, human rights, no child worker and others on August 2021 for relevant stakeholders (contractors, suppliers, local communities, firefighting communities and smallholders) which was attended by 13 participants.
- Socialization of emergency response on August 2021 for relevant stakeholders (contractors, suppliers, local communities, firefighting communities and smallholders) which was attended by 3 participants.
- Company policy socialization for workers on January and June 2021 which was attended by 615 participants.
- Emergency response simulation and first aid for workers on May 2021 which was attended by 35 participants.

Based on field observations and interviews with workers (harvesters, sprayers and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties

and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of work each. Meanwhile, the results of interviews with representatives of third parties (transporter, contractor, supplier) and their workers in field and the surrounding community (Laman Satong Village) revealed that they had received routine socialization related to company policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the company's operational area.

Based on the foregoing, it can be concluded that the certification unit has a training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

3.7.2

Certification unit has training identification and program for workers for period of 2021 for operational training, OHS training, and policy socialization. In the program and identification training in 2021 have 55 activities in mill and estate, some of training program, namely:

- Training for manuring, harvesting and spraying activity
- Socialization of company's policy
- First aid training.
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Based on the foregoing, it can be concluded that the certification unit has a training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

3.7.3

Documents verifications the unit of certification can present the realization of SCC training that carry out 05 September 2020 with the participants are administration officer, weighbridge, laboratorial officers and security. The training topics is awareness of RSPO SCC, traceability and mass balance

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1; 3.8.2

SCSS module used in KAL Mill is Mass Balance (MB), because the mill receives FFB certified by RSPO and non-certified RSPO. Source or supplier of FFB received by the mill can be classified into three categories: own estates, smallholder and independent suppliers / third parties. The Mill has been recorded well the separation of FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

3.8.3

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

Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (October 2020 to September 2021) (MT)	Estimate Production next 12 months (MT)
FFB Estate	181,201	219,401.91	240,000
FFB Scheme or associate Smallholders	46,101		
CSPO	50,801	47,174.27	51,600
CSPK	7,800	7,084.13	7,800

Based on table above there are overproduction if compared with projected. Regarding this matter the unit of certification can present evidence that been informed to CB about proposing additional volume of CSPO, CSPK and FFB in the Palm Trace through email on 12 October 2021 with the volume:

- FFB: 39,182 MT
- CSPO: 9,381 MT
- CSPK: 721 MT

3.8.4

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

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

License Information	
License ID	CB109416
Issued By	PT Mutuagung Lestari
Issued On	06-11-2020
Start Date	11/11/20
End Date	11/10/21
License Status	Active

All transaction has been announced to RSPO IT Platform and confirmed shipped. The Mill has conducted SCCS mechanism such as announcement in Palm Trace of RSPO CSPO and CSPK sold as certified and confirming the shipping announcement, as well as remove of certified stock for products sold as other scheme or as non-certified/conventional as described in indicator 3.8.8 and 3.8.16

3.8.5

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

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

Related to the material traceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Oct 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnel involves and their responsibility:

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

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

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

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

3.8.6

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

Last internal audit carried out in 14- 16 April 2021 by Sustainability compliance department. Based on internal audit there is no non conformity related record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. All internal audit has been following up by unit of certification prior external audit carry out

3.8.7

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

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

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Oct-20	19,349.52	24,487.42	43,836.94
Nov-20	19,729.10	23,654.79	43,383.89
Dec-20	16,946.90	21,051.23	37,998.13
Jan-21	14,149.66	18,912.93	33,062.59
Feb-21	13,221.13	18,453.76	31,674.88
Mar-21	19,949.43	25,661.17	45,610.59
Apr-21	20,016.10	25,696.28	45,712.38
May-21	17,733.96	23,298.96	41,032.92
Jun-21	21,209.98	27,488.06	48,698.04
Jul-21	19,084.08	23,880.66	42,964.74
Aug-21	21,138.94	25,787.09	46,926.03
Sep-21	16,873.12	21,377.43	38,250.55
Total	219,401.91	279,749.77	499,151.67

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

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

Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (October 2020 to September 2021) (MT)
FFB Estate	181,201	219,401.91
FFB Scheme or associate Smallholders	46,101	
CSPO	50,801	47,174.27
CSPK	7,800	7,084.13

Based on table above there are overproduction if compared with projected. Regarding this matter the unit of certification can present evidence that been informed to CB about proposing additional volume of CSPO, CSPK and FFB in the Palm Trace through email on 12 October 2021 with the volume:

- FFB: 39,182 MT
- CSPO: 9,381 MT
- CSPK: 721 MT

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

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

3.8.8

The CSPO and CSPK from the Mill were sold has met the requirements of certified product information. Supporting documents shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing

card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name and address of the seller.

Based on documents verifications, interview with management as well as verification through Palm Trace it was known during period during October 2020 – September 2021 there are 3000 MT CSPO and 5,560.73 MT CSPK Sold under RSPO Certified, that described in the table below:

Documents verification and interview during remote audit it was known if claim related CSPK products is no longer than 3 months since the product delivered. The unit of certification can present the supporting documents were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name and address of the seller. Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, as presented in sample below:

1. CSPK
Shipping announcement with transaction id TR-0061192e-92bd volume of CSPK 501.18 MT, module of SCCS MB, dated 24 August 2021, the mill can present
 - Delivery/shipping Order Letter No 020/KAL/VII/2021 dated 14 July 2021 regarding order to deliver CSPK Product (RSPO MB Certificate MUTU-RSPO/137) to PT Sumber Indah Perkasa,
 - Minutes of Kernel Dispatch to PT Sumber Indah Perkasa on 03 August 2021 in accordance with contract no 021/KAL/PK/VII/2021 (RSPO MB Certificate MUTU-RSPO/137) covering 501.18 MT
2. CSPO
Shipping announcement with transaction id TR-2910acdf-65d2 volume of CSPO 3000 MT, module of SCCS MB, dated 16 August 2021, the mill can present
 - Delivery/shipping Order Letter No 021/KAL/VII/2021 dated 15 July 2021 regarding order to deliver CSP) Product (RSPO MB Certificate MUTU-RSPO/137) to PT Synergi Oil Nusantara
 - Minutes / records loading of CPO on 24 July – 04 August in accordance with contract no 019/KAL/CPO/VII/2021 (RSPO MB Certificate MUTU-RSPO/137) covering 3000 MT

3.8.9

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

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

3.8.10, 3.8.11

Based on documents verifications interview with management obtained information if there are one (1) contractors that used for physical handling of RSPO certified oil palm product namely CV Abadioc Jaya with address in Streets of MT Haryono No 122, Ketapang Kalimantan Barat. Based on review list of transporters verified on Initial Assessments with this ASA-2, there is no new contractor added. There are one contractors which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor.

3.8.12

PT KAL have maintained accurate, complete and up-to-date for the FFB receives, process and CPO & PK production from its supply bases. The record keeping saves in "Mass Balance Report" for example periods October 2020 – September 2021. Within this record, the certificate holders maintain the FFB's sources based on monthly bases.

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Oct-20	19,349.52	24,487.42	43,836.94
Nov-20	19,729.10	23,654.79	43,383.89
Dec-20	16,946.90	21,051.23	37,998.13
Jan-21	14,149.66	18,912.93	33,062.59
Feb-21	13,221.13	18,453.76	31,674.88
Mar-21	19,949.43	25,661.17	45,610.59

Apr-21	20,016.10	25,696.28	45,712.38
May-21	17,733.96	23,298.96	41,032.92
Jun-21	21,209.98	27,488.06	48,698.04
Jul-21	19,084.08	23,880.66	42,964.74
Aug-21	21,138.94	25,787.09	46,926.03
Sep-21	16,873.12	21,377.43	38,250.55
Total	219,401.91	279,749.77	499,151.67

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

CPO production and Dispatch for PT KAL

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)		
	Cert	Non Cert		RSPO	Other scheme	Non Cert
Oct-20	4,265.65	1,151.44	5,417.10	-	-	-
Nov-20	3,983.20	795.88	4,779.09	-	-	5,508.00
Dec-20	3,412.51	817.15	4,229.66	-	-	-
Jan-21	2,899.07	964.19	3,863.26	-	-	8,184.00
Feb-21	2,895.98	1,195.13	4,091.11	-	-	1,000.00
Mar-21	4,420.36	1,261.99	5,682.35	-	-	-
Apr-21	4,631.21	1,311.12	5,942.33	-	-	7,000.00
May-21	3,822.97	1,203.01	5,025.98	-	-	4,800.00
Jun-21	4,618.99	1,355.89	5,974.89	-	-	-
Jul-21	4,000.36	1,010.70	5,011.06	-	-	6,000.00
Aug-21	4,609.54	1,008.25	5,617.80	3,000.00	-	6,000.00
Sep-21	3,614.42	964.88	4,579.30	-	-	-
Total	47,174.27	13,039.63	60,2013.93	3,000.00	-	38,492.00

PK production and Dispatch for PT KAL

Period	PK production (MT)		Total	Cert PK Dispatch (MT)		
	Cert	Non Cert		RSPO	Other scheme	Non Cert
Oct-20	646.85	174.36	821.21	750.73	-	-
Nov-20	631.17	125.84	757.01	-	-	-
Dec-20	535.55	128.17	663.72	1,251.63	-	-
Jan-21	439.14	142.22	581.36	501.27	-	-
Feb-21	402.88	165.72	568.59	400.53	-	-
Mar-21	633.43	180.17	813.60	250.58	-	-
Apr-21	641.68	181.50	823.18	250.60	-	-
May-21	552.40	174.28	726.68	500.28	-	-
Jun-21	670.10	197.55	867.65	250.00	-	-
Jul-21	604.01	153.18	757.19	-	-	-
Aug-21	728.56	159.33	887.89	501.18	-	-
Sep-21	598.36	159.45	757.81	903.93	-	-
Total	7,084.13	1,941.77	9,025.89	5,560.73	-	-

3.8.13; 3.8.14

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

3.8.15

The Mill only applying RSPO SCC Module of Mass Balance.

3.8.16

Based on documents verifications, interview with management as well as verification through Palm Trace it was known during period during October 2020 – September 2021 there are 3000 MT CSPO and 5,560.73 MT CSPK Sold under RSPO Certified, that described in the table below:

Documents verification and interview during remote audit it was known if claim related CSPK products is no longer than 3 months since the product delivered. The unit of certification can present the supporting documents were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name and address of the seller. Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, as presented in sample below:

1. CSPK
Shipping announcement with transaction id TR-0061192e-92bd volume of CSPK 501.18 MT, module of SCCS MB, dated 24 August 2021, the mill can present
 - Delivery/shipping Order Letter No 020/KAL/VII/2021 dated 14 July 2021 regarding order to deliver CSPK Product (RSPO MB Certificate MUTU-RSPO/137) to PT Sumber Indah Perkasa,
 - Minutes of Kernel Dispatch to PT Sumber Indah Perkasa on 03 August 2021 in accordance with contract no 021/KAL/PK/VII/2021 (RSPO MB Certificate MUTU-RSPO/137) covering 501.18 MT
2. CSPO
Shipping announcement with transaction id TR-2910acdf-65d2 volume of CSPO 3000 MT, module of SCCS MB, dated 16 August 2021, the mill can present
 - Delivery/shipping Order Letter No 021/KAL/VII/2021 dated 15 July 2021 regarding order to deliver CSP) Product (RSPO MB Certificate MUTU-RSPO/137) to PT Synergi Oil Nusantara
 - Minutes / records loading of CPO on 24 July – 04 August in accordance with contract no 019/KAL/CPO/VII/2021 (RSPO MB Certificate MUTU-RSPO/137) covering 3000 MT

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

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-c8873c6f-267a	14-12-2020	CSPO	Mass Balance	Credit Allocation	3,000
ST-TR-a3ffcfeb-4f4e	12-01-2021	CSPO	Mass Balance	Credit Allocation	3,000
ST-TR-1f7de377-b23f	28-01-2021	CSPO	Mass Balance	Credit Allocation	5,000
ST-TR-cc9443b1-ad77	01-04-2021	CSPO	Mass Balance	Credit Allocation	10,000
ST-TR-8a499898-cd1f	16-07-2021	CSPO	Mass Balance	Credit Allocation	10,000

**Volume in MT*

3.8.17

The products are claims as mass balance. The Mill does not use RSPO trademark on product or off product.

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1, 4.1.2

The company shows the document of the Policy on Respect for Human Rights, human trade and forced labor of PT ANJ-Group in which it explains that PT ANJ-Group recognizes the human rights of employees throughout its operations and strives to create a safe and healthy work environment for allemployees. This document was approved on August 4, 2016 by the president director. furthermore on those policy also described about prohibiting retaliation against Human Rights Defenders (HRDs) as well as prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.

4.1.2

During the audit carried out, the team auditor has been trying to ensure this policy has been communicated and implemented through stakeholder consultation. Based on interviews with workers, the surrounding community (village head, community leaders, smallholder's representative), and contractors known that the company has socialized company policies regularly including policies on human rights.

Until this assessment, there were no conflicts and land disputes within the PT KAL. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were

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

Mechanism for consultation and complaints is listed in some procedure, such as:

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

The procedure above has explained about the person in charge of receiving and resolving complaints (external and internal officers including HRD), response timeframe (between 14 - 28 days), confidentiality of the reporter and whistleblower, until further handling of complaints is possible to a tripartite level. (Mediation and settlement by government). Procedure is available in Bahasa Indonesia and if there is any complaints/grievances that the resolution that has not found mutually, the complainants can brought that compliance to RSPO Complaints System.

Based on interview with Statutory Bodies in Ketapang Regency, it is known that they understand how to communicate and consult with PT Kayung Agro Lestari. However, the results of interviews with representatives of surrounding communities (Laman Satong Village), the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators. However, certification unit can show the documentation of socialization of Consultation and Communication Procedure to contractors and surrounding village on 22 August 2020 attended by 33 participants.

Based on the review of complaints / complaints documents from the surrounding community, it was not found that there were complaints. However, there are several internal complaints as follows:

- The complaint that was reported on 22 July 2021 relates to the reporting of workers drinking alcoholic beverages in the housing estate. The result is that the company immediately responded by calling and admonishing the workers who did this on the same date.
- The complaint that was reported on 24 May 2021 is related to the reporting of the spread of COVID-19 in housing. The result was that the company responded immediately by tracing all workers who had close contact with workers affected by COVID-19 on the same date.

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4.2.3

Mechanism for consultation and complaints is listed in some procedure, such as:

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- SOP for communication and information provision with document no. SOP-Leg-02 with the effective date of September 1, 2015
- Internal Memo No. 034 / GMO / KAL / IM / IX / 2016 dated 8 September 2016. Based on this mechanism, it is explained that complaints can be submitted to direct superiors or higher superiors or to the HRD department.
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The procedure above has explained about the person in charge of receiving and resolving complaints (external and internal officers including HRD), response timeframe (between 14 - 28 days), confidentiality of the reporter and whistleblower, until further handling of complaints is possible to a tripartite level. (Mediation and settlement by government). Procedure is available in Bahasa Indonesia and if there is any complaints/grievances that the resolution that has not found mutually, the complainants can brought that compliance to RSPO Complaints System.

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Status: Comply

4.3

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

4.3.1

The company has carried out community development around the plantation as indicated in the 2021 Donation Brief document. The following is an example of the development around the plantation that has been carried out by the company:

- Assistance for Pastor Fransiskus Mba'a OSA's inaugural mass at the Catholic Church of Christ the Redeemer Manjau Station on May 10, 2021.
- Assistance for the traditional ritual activities of the Kuala Tolak Village Village on June 2, 2021.
- Assistance for the participation of BUMDes management in Kuala Satong and Kuala Tolak Villages in the BUMDes Discussion Forum activity in Pontianak on June 2, 2021.
- Assist with painting the traditional house of Kepayang Hamlet, Laman Satong Village on May 20, 2021.
- Fund assistance for facilities and infrastructure at SDN 08 MHU Laman Satong Village on May 20, 2021.

Based on the results of the interview with the village of Laman Satong, it is known that the CSR assistance provided by the company is considered quite good by the village community. In addition, there are many people in the village of Laman Satong who work for the Company.

Status: Comply

4.4

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

4.4.1

Previously during the initial assessment, the scope of certification is 13,072.96 Ha which divided 11,080.99 Ha own estates and 1991.97 Ha fully managed smallholders (Mitra Laman Mayang Sentosa). On this assessment (ASA-2) there is an additional area covering 446.83 Ha in Mitra Estate under Cooperative Bina Satong Lestari. Based on the explanation above the total scope of certification is **13,519.79 Ha**.

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

1. PT KAL:

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

2. Scheme Smallholders (Laman Mayang Sentosa Cooperative – fully managed under Mitra Estate) – 1991.97 Ha:

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

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

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

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

3. Scheme Smallholders (Bina Satong Lestari Cooperative- fully managed under Mitra Estate) – 446.83 Ha:
 Scheme smallholders of PT KAL (Bina Satong Lestari Cooperative) has obtained land use title covering **446.83 Ha**, consisting of 3 certificates as follows:

- Certificate No. 145 dated 01 November 2016 covering an area of 145.87 Ha valid until 15 August 2051
- Certificate No. 146 dated 01 November 2016 covering an area of 113.52 Ha valid until 15 August 2051
- Certificate No. 147 dated 01 November 2016 covering an area of 187.44 Ha valid until 15 August 2051

4.4.2; 4.4.3; 4.4.4; 4.4.5; 4.4.6

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

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

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

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

Status: Comply

4.5

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

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

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

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

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

Status: Comply

4.6

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

4.6.1; 4.6.2; 4.6.3; 4.6.4

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

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Status: Comply

4.7

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

4.7.1; 4.7.2; 4.7.3

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

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

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

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

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

Based on verification on the compensation documents, shows that the landowner has been represented through an institution or representative of their choice, the recipient of the compensation and the one who signed the agreement and statement was the land owner himself witnessed by Sub Village Head, Village Head, and Sub District Head. This is consistent with the results of interviews with community representatives / ex-landowners during public consultations

Status: Comply

4.8

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

4.8.1; 4.8.2; 4.8.3

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

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

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

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

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1 & 5.1.2

Based on the document review, it is known that the company receives fruit from suppliers/third parties and plasma. The pricing includes the following:

Plasma FFB

The company has shown a price fixing document by the West Kalimantan Provincial Plantation Office, while the FFB price fixing for plasma farmers has referred to the document, for example the FFB price fixing for period II in August 2021 by the West Kalimantan Provincial Plantation Office. The lowest price (plant age 3 years) with a price of Rp. 1,926.61.

Based on the results of interviews with the Chairperson of the Laman Mayang Sentosa Cooperative and the Chairperson of the Bina Satong Lestari Cooperative, it is known that the FFB price determination has referred to the price fixing of the West Kalimantan Provincial Plantation Service.

FFB Third Party

The company has shown the Sales and Purchase Agreement for Fresh Fruit Bunches between PT KAL and CV Cahaya Sejati, CV Abadi Log Jaya and CV Deasy Cahaya Mandiri. The agreement has discussed the Object of Sale and Purchase, Term of Agreement and Quality/Criteria of FFB. In addition, regarding the Purchase Price and Payment Method for FFB, it is regulated in article 5 which explains:

- The parties agree that the FFB purchase price refers to the FFB purchase price determined or informed based on written notification (email or SMS) and informed H-1 before the FFB is sent.
- The purchase price of FFB is the franco price at the POM, the cost of transporting FFB from the second party to the loading ramp of the POM is the full responsibility of the second party.
- The parties agree that the payment of the second party's FFB will be made by the first party to the second party within no later than 14 working days after the first party receives the original complete and correct invoice document.

The company has also shown the PT Kayung Agro Lestari FFB Price Determination Evaluation document for the September 2021 period where the document is a reference for FFB payments for third parties. The pricing for the September 2021 period is Rp. 2.425/Kg.

5.1.3

Pricing for third party suppliers is determined by the company and will be informed to third parties via email. The determination of the FFB price has been agreed in the cooperation contract between the company and the supplier.

Meanwhile, for FFB pricing for Plasma Smallholders, FFB pricing is based on the price set by the West Kalimantan Provincial Plantation Service.

Based on the results of interviews with the Plasma Farmers of the Laman Mayang Sentosa Cooperative, it is known that the company has given a premium from the sale of RSPO certified products to the Cooperative. Premiums are given once a year. The company can show an agreement to give a premium price to the cooperative Laman Mayang Sentosa on February 13, 2021 which has been agreed by both parties.

Companies can show and explain the mechanism for determining the amount of premiums given to cooperatives. The mechanism is based on the percentage of FFB production from the cooperative area compared to the total FFB production from PT KAL. In addition, the premium determination is also based on the results of the TBS certified products sold. The determination and provision of premiums is also stated in the Cooperation Agreement with the Laman mayang sentosa Cooperative. Based on the results of interviews with company representatives, it is known that the premium value to cooperatives will fluctuate depending on production results and the number of certified products sold.

5.1.4

The results of the interview with the Laman Mayang Sentosa cooperative revealed that the proceeds from the sale of FFB will be received by farmers by 10% of the total sales and 90% will be deducted for credit payments at the bank and the company's operational costs in managing plasma plantations. The percentage has been known and approved by the cooperative and the company.

5.1.5

The company has an agreement with the FFB seller for suppliers outside of plasma/partners, for example:

- Fresh Fruit Bunches Sale and Purchase Agreement (No.: 0201/COM/KAL/2020) between PT KAL and CV Cahaya Sejat dated 31 January 2020 which is valid until 02 January 2022.
- Fresh Fruit Bunches Sale and Purchase Agreement (No.: 0203/COM/KAL/2020) between PT KAL and CV Abadi Loc Jaya dated 31 January 2020 which is valid until 02 January 2022.
- Sale and Purchase Agreement of Fresh Fruit Bunches (No.: 020//COM/KAL/2020) between PT KAL and CV Desy Cahaya Mandiri. January 31, 2020 valid until January 02, 2022.

Based on document verification, it is known that the cooperation agreement that has been made has been in accordance with the law, is transparent, and has a period of time and has been agreed upon by each party.

The company can also show a cooperation agreement between PT Kayung Agro Lestari and the plasma cooperative, for example as follows:

- Cooperation Agreement between PT Kayung Agro Lestari and Laman Mayang Sentosa Plantation Cooperative Number 011/KAL/SM.mp/VIII/2014 on August 19, 2014 with a validity period of 30 years and can be extended.
- Cooperation Agreement between PT Kayung Agro Lestari and the Plantation Cooperative Bina Satong Lestari with Number 010/KAL/SM.mp/VIII/2014 on August 19, 2014 with a validity period of 30 years and can be extended.

Based on the verification of the agreement document, it is known that the cooperation agreement has complied with the provisions and laws, has a period of time, and has been approved by both parties. The results of interviews with Laman Mayang Sentosa Cooperatives and Bina Satong Lestari Cooperatives revealed that the cooperation agreement with the company was in accordance with legal provisions and the cooperation agreement was known by the Ketapang Regent.

5.1.6

The company can show proof of payment of FFB to third parties and Plasma Smallholders, for example as follows:

- Proof of FFB payment to CV Cahaya Sejati for FFB payment from 21-31 July 2021 which was paid via Bank Mandiri transfer with transaction number 202110908111432506 which was paid on 06 September 2021.

- Proof of FFB payment to CV Desy Cahaya Mandiri for FFB payments for the period August and September 2021 which was paid via Bank Mandiri transfer with transaction number 202109211410043931 which was paid on September 22, 2021.
- Proof of FFB payment to CV Abadi Loc Jaya for FFB payment for the period 16-31 July 2021 which was paid via Bank Mandiri transfer with transaction number 202109081112433142 which was paid on 6 September 2021.
- Proof of FFB payment to Laman Mayan Sentosa Cooperative for the period June – August 2021 which was paid on September 21, 2021 via Bank Mandiri transfer.

Based on document verification, it is known that the FFB payment is in accordance with the amount of FFB sent to the Company and the payment is in accordance with the stipulated FFB price. Based on the results of interviews with Laman Mayang Sentosa Cooperatives and Bina Satong Lestari, it was found that the FFB payment was in accordance with the set FFB price.

5.1.7

The company can show a certificate of inspection/verification of electronic bridge scales from the Office of Cooperatives, Small and Medium Enterprises, Trade and Industry, Legal Metrology Technical Service Unit Type A, Ketapang Regency for 2 weighbridges, namely:

- Certificate of test results with Number 093/SKHP/MET-THE/XI/2020 on 4 2020 with the brand MK cells, Type MK E-1005, Serial Number MK2018880780 with a maximum capacity of 50,000 Kg with the results ratified under the laws of the Republic of Indonesia Number 2 of 1981 concerning legal Metrology and must be recalibrated no later than November 3, 2021.
- Certificate of test results with Number 092/SKHP/MET-THE/XI/2020 on 4 2020 with the brand MK cells, Type MK E-1005, Serial Number MK2018880787 with a maximum capacity of 50,000 Kg with the results ratified under the laws of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology and must be recalibrated no later than 3 November 2021.

5.1.8

In terms of supporting independent smallholders with RSPO certification, the company made several efforts, including socializing sustainable palm oil to independent smallholders around the company. The company can show the minutes of the socialization of sustainable palm oil which will be held on August 21, 2021 to independent smallholders in Kuala Satong Village by discussing the socialization of sustainable palm oil and oil palm cultivation techniques.

In addition, the company has a Project Traceability work program in 2021 which describes a work program to trace the origin of FFB to ensure that the FFB received by the company comes from legal land. The work program includes a socialization program for independent farmers, data collection on suppliers and collectors and training for suppliers and collectors.

5.1.9

The company has a mechanism for submitting complaints as outlined in the SOP for Handling Disagreements with the Community and Land Ownership Disputes (Document No. SOP-EAD-01; Edition 01/00) dated August 1, 2013 which regulates the mechanism for submitting complaints.

The company has a SOP for communicating and providing information with the document number SOP-Leg-02 with a valid date of September 1, 2015. Based on the SOP, it has been explained that communication and providing information is divided into 2:

1. Internal communication and information sharing
2. External communication and information sharing

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

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

On July 1, 2020, the company carried out socialization and education activities for Independent Oil Palm Farmers, which was attended by 35 participants. In this activity, the company disseminated the legality aspect of land for cultivation and dissemination of increasing the productivity of oil palm cultivation including the use and handling of pesticides.

The support that has been given by the company is that the company has carried out socialization and development activities for Sustainable Palm Oil Cultivation on August 21, 2021, which was carried out in Kuala Satong Village. In this activity, the company socialized aspects of land legality for cultivation and socialization of increasing the productivity of oil palm cultivation including the use and handling of pesticides. This activity was attended by 25 participants.

The results of interviews with representatives of plasma farmers, namely Laman Mayang Sentosa Cooperative, revealed that the company has provided support for plasma farmers such as pesticide training, RSPO, sustainable palm oil management, and organizational training.

5.2.4

PT Kayung Agro Lestari has identification and training programs for relevant stakeholders, one of which is smallholders. In the identification and training program, there are 7 activities to be carried out, one of which is socialization/training related to best management practices (spraying, harvesting and others). Socialization for best management practices (spraying, harvesting, manuring and others) on August 2021 attended by 13 participants.

5.2.5

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

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

Unit certification have Human Rights Respect Policy dated 04 August 2014 which explained that stating that the unit of certification opens equal opportunities to prospective workers, does not discriminate against both workers and prospective workers, respects the uniqueness and wealth of talents and views of employees. Based on the employee registration document, unit certification has provided equal opportunities and treatment in employment opportunities. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work.

The results of interviews with workers (harvester, sprayer, and mill operator) during field visits in each unit, interviews with labor unions and representatives of the gender committee also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.

The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:

- The composition of workers consisting of various ethnic groups (more than 5 ethnic), religions (more than 2 religion), gender (2 gender) and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, Kalimantan and Nusa Tenggara.
- During the audit, there was no information regarding AKAD workers (*Angkatan Kerja Antar Daerah*) in certification unit.
- Recruitment of workers based on the results of selection, performance appraisal, ability, medical eligibility and expertise of workers. For example, upkeep worker (ID. KA/KA21/0520/470 and ID. KA/KA24/0320/445) who have contract No.

075/PT.KAL/HR&CM/PKWT/IV/2020 and No. 076/PT.KAL/HR&CM/PKWT/IV/2020 dated 20 April 2020 received based on the results of the selection of job application files, results of health checks and results of interviews that based on procedure that certification unit owned. The worker also passed the assessment and has been accepted as permanent worker based on Company Decree No. 037/HRO/SP-KAL/VIII/2020 and No. 037/HRO/SP-KAL/VIII/2020 on 31 August 2020 .

- For now, most of the workers are local people and have become the majority of workers in the operational scope of the certification unit.
- Worker placement and training are carried out in accordance with their expertise / type of work, such as prospective sprayer workers are placed as sprayer workers and receive regular pesticide handling and management training.
- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several upkeep foremen who are female workers.

Based on the results of interviews with workers (harvester, sprayer, and mill operator) at Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate, it is known that workers have never felt that the certification unit has discriminated against them since last year until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in trade unions, affiliations, politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from last year to the present.

These explanations can conclude that the certification unit has treated all workers equally without discrimination based on gender, ethnicity, religion, health conditions or others.

6.1.2

Unit certification have Human Rights Respect Policy dated 04 August 2014 which explained that stating that the unit of certification opens equal opportunities to prospective workers, does not discriminate against both workers and prospective workers, respects the uniqueness and wealth of talents and views of employees. Based on the employee registration document, unit certification has provided equal opportunities and treatment in employment opportunities. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work.

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sprayer workers are placed as sprayer workers and receive regular pesticide handling and management training.

- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several upkeep foremen who are female workers.

Based on the results of interviews with workers (harvester, sprayer, and mill operator) at Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate, it is known that workers have never felt that the certification unit has discriminated against them since last year until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in trade unions, affiliations. politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from last year to the present.

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Unit certification have Human Rights Respect Policy dated 04 August 2014 which explained that stating that the unit of certification opens equal opportunities to prospective workers, does not discriminate against both workers and prospective workers, respects the uniqueness and wealth of talents and views of employees. Based on the employee registration document, unit certification has provided equal opportunities and treatment in employment opportunities. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work.

The results of interviews with workers (harvester, sprayer, and mill operator) during field visits in each unit, interviews with labor unions and representatives of the gender committee also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.

The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:

- The composition of workers consisting of various ethnic groups (more than 5 ethnic), religions (more than 2 religion), gender (2 gender) and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, Kalimantan and Nusa Tenggara.
- During the audit, there was no information regarding AKAD workers (*Angkatan Kerja Antar Daerah*) in certification unit.
- Recruitment of workers based on the results of selection, performance appraisal, ability, medical eligibility and expertise of workers. For example, upkeep worker (ID. KA/KA21/0520/470 and ID. KA/KA24/0320/445) who have contract No. 075/PT.KAL/HR&CM/PKWT/IV/2020 and No. 076/PT.KAL/HR&CM/PKWT/IV/2020 dated 20 April 2020 received based on the results of the selection of job application files, results of health checks and results of interviews that based on procedure that certification unit owned. The worker also passed the assessment and has been accepted as permanent worker berdasarkan Company Decree No. 037/HRO/SP-KAL/VIII/2020 and No. 037/HRO/SP-KAL/VIII/2020 on 31 August 2020 .
- For now, most of the workers are local people and have become the majority of workers in the operational scope of the certification unit.
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- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several upkeep foremen who are female workers.

Based on the results of interviews with workers (harvester, sprayer, and mill operator) at Kayung Agro Lestari Mill, Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate, it is known that workers have never felt that the certification unit has discriminated against them since last year until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same

opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in trade unions, affiliations, politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from last year to the present.

These explanations can conclude that the certification unit has treated all workers equally without discrimination based on gender, ethnicity, religion, health conditions or others.

6.1.4

The unit of certification does not carry out pregnancy testing as a discriminatory measure in recruitment activities. With the existence of a non-discrimination policy that is approved by the company's leadership, every recruitment activity carried out is only in the form of ordinary health checks to ensure workers are in good health. For an explanation of pregnancy testing, it is explained below.

A pregnancy test for workers is carried out not every month, because the certification unit conducts pregnancy checks if the worker has experienced delays in the regular schedule of menstruation in the current month. Most of the female workers who work are already using contraception and if there are workers who experience delays, this must be checked for pregnancy at the nearest clinic or done independently. This case do for to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action.

The statement above is made clear by the results of interviews with committee gender and female workers in Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit.

6.1.5

Gender committees have been formed and are still active until today in the certification unit which is chaired by the committee chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender.

The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee (gender bias and equality) and for example the activity was carried out on 27 June and 25 July 2020 which was attended by workers (male and female) and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with upkeep workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings, women recitation weekly and others. Currently the certification unit is more focused on gender bias and equality for women because the most vulnerable parties in plantation operational activities are women, but this does not mean that the company does not focus on other genders. This is evidenced by the absence of any issues or incidents related to this from last year until now.

6.1.6

Equal payment of wages has been made by certification unit properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with

the burden / duties / types of work respectively. For example, estate and mill workers with Employee Number KA/KA24/0320/445 (NS A) and KA/KA31/0315/39 (NS D) who get wages in August and September 2021 whose value is above the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in line with statements from workers who were interviewed with types of work as harvesters and sprayers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

In addition, based on the results of review of structure and scale wage, it was found that the certification unit already has a wage scale structure for each worker based on position, class, work performance, and not based on gender differences or origins. For example, the lowest wage scale is for permanent worker with class NS A and the highest wage is permanent worker with class NS D.

The results of interviews with workers (harvesting, spraying and mill operators) in Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate note that workers already know that there is a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. The monthly wages received are in accordance with the grade owned by each worker and so far there have been no complaints / errors regarding this matter.

Status: Comply

6.2

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

6.2.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Company Regulation period 2020-2022 written in Bahasa. This Company Regulation explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The company regulation has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 8, 10, 11, 20, 22 February and 2, 5 March 2021.

The certification unit still have workers with contract status for upkeep worker (PKWT) in Gunung Sejahtera Tumbuh 1 Estate and Gunung Sejahtera Tumbuh 2 Estate. For the other employee status is Regular Workers (worker class NS A-D) and Staff (above worker NS class). All the rights for each employment status have been distinguished. For workers with contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Ketapang Regency in 06 October 2021 for 27 upkeep workers.

The results of interviews with workers (harvesters, sprayers, fertilizers and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Company Regulation and in accordance with routine socialization provided by the certification unit. Workers' wages in August and September 2021 have been above the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the August and September 2021 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2021. For example, workers wages with the Employee Number KA/KA21/0520/470, KA/KA24/0320/445, KA/KA31/0315/39 and KA/KA24/0320/445 have a different based on wage scale structure 2021.

Based on the above explanation it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language.

6.2.2

The certification unit has Company Regulation are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours,

remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. Explanations related to the contents of the Collective Labor Agreement include:

- Employee Acceptance (recruitment, selection, transfer, promotion, performance appraisal) which explains that all workers wishing to join the company must follow the specified requirements including: being over 18 years old, having a health certificate, taking a selection exam, and other requirements.
- Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week. a week.
- Wages which explain the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition to being generally stated in Company Regulation, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Internal memorandum No. 005/ANJ/HRCM/IM/I/2021 concerning Minimum Wage Determination in 2021 is Rp. 2,888,000 / month (minimum) determined based on Ketapang Regency Sectoral Minimum Wage Determination in 2021. Salary range for NS A-D where the lowest wages are for workers with class NS A and the highest are for workers with class NS D.
- Decree of the Kalimantan Barat Province established by the Governor of Kalimantan Barat in November 2020 about the implementation of the Ketapang Regency sectoral minimum wage in 2021.
- Employment contract for five (5) contract workers (PKWT), which explains the hours of work, wages, BPJS, leave, overtime, and others.
- August and September 2021 salary slips with the Employee Number KA/KA21/0520/470, KA/KA24/0320/445, KA/KA31/0315/39 and KA/KA24/0320/445 have a different based on wage scale structure 2021 and all wages above the minimum wage.
- Overtime payment in August and September 2021 that has been accordance with applicable laws for workers with Employee Number KA/KA31/0315/39 (boilerman), KA/KA31/0417/62 (boilerman), KA/KA11/0619/247 (security) and KA/KA11/0619/246 (security).
- List of women workers that has been given maternity leave and pregnant workers in 2020 until September 2021.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Etc.

Since 2020-2021 there has been no change in policy, but what has changed is the decision related to the minimum wage which has changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and trade union representatives who are clear about any changes in the minimum wage every year. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

The results of interviews with workers (harvesters, sprayers, and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Company Regulation and in accordance with routine socialization provided by the certification unit. Workers' wages in August and September 2021 have been above the minimum wage set by the government and there are no late payments every month, working hours is seven (7) hour a day with 6 days in a week and for the overtime has been paid in accordance with applicable regulations.

A review of the August and September 2021 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2021. For example, workers' wages with the Employee Number KA/KA31/0315/39 (boilerman),

KA/KA31/0417/62 (boilerman), KA/KA11/0619/247 (security) and KA/KA11/0619/246 (security) have a different based on wage scale structure 2021 and all wages above the minimum wage.

6.2.3

The certification unit has Company Regulation are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. Explanations related to the contents of the Collective Labor Agreement include:

- Employee Acceptance (recruitment, selection, transfer, promotion, performance appraisal) which explains that all workers wishing to join the company must follow the specified requirements including: being over 18 years old, having a health certificate, taking a selection exam, and other requirements.
- Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week. a week.
- Wages which explain the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition to being generally stated in Company Regulation, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Internal memorandum No. 005/ANJ/HRCM/IM/I/2021 concerning Minimum Wage Determination in 2021 is Rp. 2,888,000 / month (minimum) determined based on Ketapang Regency Sectoral Minimum Wage Determination in 2021. Salary range for NS A-D where the lowest wages are for workers with class NS A and the highest are for workers with class NS D.
- Decree of the Kalimantan Barat Province established by the Governor of Kalimantan Barat in November 2020 about the implementation of the Ketapang Regency sectoral minimum wage in 2021.
- Employment contract for five (5) contract workers (PKWT), which explains the hours of work, wages, BPJS, leave, overtime, and others.
- August and September 2021 salary slips with the Employee Number KA/KA21/0520/470, KA/KA24/0320/445, KA/KA31/0315/39 and KA/KA24/0320/445 have a different based on wage scale structure 2021 and all wages above the minimum wage.
- Overtime payment in August and September 2021 that has been accordance with applicable laws for workers with Employee Number KA/KA31/0315/39 (boilerman), KA/KA31/0417/62 (boilerman), KA/KA11/0619/247 (security) and KA/KA11/0619/246 (security).
- List of women workers that has been given maternity leave and pregnant workers in 2020 until September 2021.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
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Since 2020-2021 there has been no change in policy, but what has changed is the decision related to the minimum wage which has changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and trade union representatives who are clear about any changes in the minimum wage every year. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

The results of interviews with workers (harvesters, sprayers, and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Company Regulation and in accordance with routine socialization provided by the certification unit. Workers' wages in August and September 2021 have been above the minimum wage set by the government and there are no late payments

every month, working hours is seven (7) hour a day with 6 days in a week and for the overtime has been paid in accordance with applicable regulations.

A review of the August and September 2021 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2021. For example, workers' wages with the Employee Number KA/KA31/0315/39 (boilerman), KA/KA31/0417/62 (boilerman), KA/KA11/0619/247 (security) and KA/KA11/0619/246 (security) have a different based on wage scale structure 2021 and all wages above the minimum wage.

6.2.4

The certification unit has provided welfare facilities to occupants in the form of housing, clinics, water supply, electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there were daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities provided by the certification unit are houses, electricity, availability of clean water, transportation of school, elementary & middle school (for high schools located in Laman Satong Village – 20-minute travel), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the certification unit are good / suitable for use by workers and their families. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing that is repaired if there is damage (usually if there is damage the worker will inform it and it will be handled directly by the repair company), the availability of electricity that has been provided by the company in the form of a generator from mill, and the availability of clean water which is always monitored for its feasibility every 6 months (the results of monitoring clean water in the residential area do not show any test parameters that exceed the threshold).

6.2.5

Certification unit has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers (harvesters, sprayers, maintenance and mill operators), housing residents, labor unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with less difficult access.

6.2.6

In Indonesia there is no set standard of living wage, so the certification unit still applies the national minimum wage for all workers. In addition to the payment of the minimum wage, the unit of certification has an assessment of the implementation of applicable wages and benefits in kind provided to workers in the unit of certification which are in line with the RSPO Guidelines for Implementing Living Wages.

The certification unit has the determination of assessment prevailing wage and all kind of benefits for DLW simulation in 2021 has been included in the calculation of main wage, worker status, housing facility, education, electricity, water sources, healthcare and others. The results of these calculations are known that the standard of DLW currently given / simulated by the certification unit is above the stipulation of the minimum wage with scale of minimum.

Based on the explanation above, it can be concluded that the unit of certification has a Decent Living Wage calculation based on prevailing wage and in kind benefits provided by the certification unit.

6.2.7

The certification unit still have workers with contract status for Contract Workers (PKWT), Regular Workers (worker class NS A-D) and Staff (above worker class). All the rights for each employment status has been distinguished. For workers with contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Ketapang Regency in 06 October 2021 for 27 upkeep workers.

In the 2021 assessment, the certification unit still has workers with contract status (PKWT) only for upkeep jobs and not for main jobs, but there is a program to recruit workers from contract worker status (PKWT) to permanent workers. The results of interviews with spray workers, harvester and mill operators' found that workers understood the recruitment system, the status of workers and the orientation period that had to be passed before the worker was appointed as a permanent worker. These processes are stated to be fair enough and provide equal opportunities to work according to the abilities, expertise and achievements of the workers during the contract period.

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.

The company has a policy of freedom of association for employees as outlined in GM Internal Memo addressed to All Employees No. 11 November 2014 dated 11 November 2014 states that PT KAL is committed to complying with all applicable legal provisions for the implementation of harmonious industrial relations. The implementation of this policy is by forming a labour union. The document is published in Bahasa which can be understood by all employees. In addition, the certification unit has a Collective Labor Agreement which states that employees have the right to establish labour unions and become members / leaders of trade unions in accordance with applicable regulations.

Based on interviews with labor union (Serikat Buruh Patriot Pancasila/SBPP) representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity. Labor union has registered to Manpower and Transmigration Agency of Ketapang Regency in August 24, 2020.

6.3.2

The certification unit has a list of workers who have joined the union and the last update was carried out in September 2021, totaling 151 workers. In addition to properly documenting the list of members, the certification unit also has records of meetings between trade unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by labour unions in last 2020. The meeting between the union with management representative on 09 November 2020 a discussion about 10 topics such as, deduction of members' monthly routine costs from salary, workers who work outside working hours are required to get overtime and others.

Based on the results of interviews with labor union representatives and their members who are workers in each unit, it is known that the union lobby holds meetings every month with those accommodated in Bipartite LKS meetings between worker representatives and management representatives and since 2020 until now there has been no labor issue. which exists. This is also supported by the results of a review of worker complaint documents and the absence of complaints submitted to trade union representatives.

6.3.3.

The absence of unit certification interference in the selection or operation of labor union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives each to make an election / decision-making and no management has a position as staff / managerial (assistant and above). The employee who currently serves as the Chairman of the Labour Union is Foreman at mill and estate, then there will be no conflict of interest that occurs with the company because there are no workers who have the authority as decision makers (staff class and above). The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws

and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1, 6.4.2, 6.4.3 & 6.4.4

Certification unit has policy regarding the age requirements of workers is contained in Company Regulation states that the requirement for accepting workers is at least 18 years old. The unit of certification has a Human Rights Protection policy issued by the General Manager on April 8, 2016. One of the policy points includes the prohibition of employing minors. There has not been an explicit written policy on child protection. The results of the verification of documents revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor. The policy was socialized to all workers and to the contractor when signing the work agreement.

Based on field visits and interviews with workers in the fields of Gunung Sejahtera Tumbuh 1 Estate, Gunung Sejahtera Tumbuh 2 Estate, Sungai Gemilang Teduh 1 Estate and Mitra Estate, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 18 years and one month when entering work.

Based on the results of the review of the cooperation agreement document with the contractor for the transportation of CPO/PK (Agreement No. 018/KAL/COM/CPO/II/2021) and FFB supplier (Agreement No. 0201/COM/KAL/2020), it is known that in The agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers.

Status: Comply

6.5

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

6.5.1, 6.5.2, 6.5.3 & 6.5.4

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

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

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

Based on interview with workers and committee gender, the policy had disseminated to workers through gender committee meetings with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights. Based on the field visit to the CHC show that to accommodate the needs of young mothers in breastfeeding, breastfeeding corners have been provided in the office area and child care area. In addition, 1 hour of special time is given for workers who are breastfeeding to be able to provide breast milk to their children, namely from 10:00 to 11:00

Status: Comply
6.6 No forms of forced or trafficked labour are used.
<p>6.6.1 & 6.6.2</p> <p>There are no migrant workers who work in the company's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in company regulations, collective labor agreements, and in work agreements. Based on employee list and observation in field known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:</p> <ul style="list-style-type: none"> • There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others. • There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract. • The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings. • There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation and the company also does not prohibit this. <p>Based on employee data and interview with workers, most of the workers came from local communities. They have the recruitment process in the company and is in accordance with applicable employee acceptance procedures. Based on the results of interviews with workers in plantation and mill, it is known that currently there are no migrant workers, retention of identity, payment recruitment fees, contract substitution, involuntary overtime, lack of freedom of workers to resign, penalty for termination, debt bondage, and withholding. bondage. This is because the certification unit has carried out its operations in accordance with applicable regulations.</p> <p>There are no significant obstacles related to employment or violations of company regulations. For example, for the harvesters works daily based in 7 working hours. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.</p>
Status: Comply
6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.
<p>6.7.1</p> <p>The company shows a decision letter on the appointment as General K3 Expert on behalf of Hamdan Saragih issued by the Ministry of Manpower with letter number 5/1993/AS.02.04/III/2021 on March 31, 2021 with a validity period of up to March 31, 2024 which is also a person in charge of K3 and P2K3 secretary at PT. Kayung Agro Lestari.</p> <p>The company also shows recordings of regular monthly meetings of the P2K3 team with worker representatives as was held at the GMO Meeting Room on August 28, 2021 with several meeting agendas such as;</p> <ol style="list-style-type: none"> 1. Improving housing conditions 2. Preparation for the RSPO audit 3. Repair of public facilities <p>6.7.2</p> <p>Based on the results of interviews with company management, there were no changes to the SOP for Emergency Response and Work Accidents. Emergency Response Procedures and Work Accidents are explained as follows; Emergency Response Procedures and Work Accidents - SOP for Emergency Preparedness and Response with document number SOP-EHS-026 which has been in effect</p>

since April 10, 2018, among others, states the provision of adequate/trained human resources and the availability of coping facilities. Forming an emergency response team and conducting emergency simulations at least 1x 1 year including first aid training and firefighter training. In the Safety induction delivered by the EHS team, it was explained that the emergency response includes but is not limited to earthquakes, land fires, chemical spills, floods, and other natural disasters.

- SOP for Handling Work Accident Victims No. Document SOP-EHS-030 edition 02 Revision 01 effective April 14 2018 including stating that all victims of work accidents immediately receive good treatment and are carried out as soon as possible. Handling victims include first aid kits, referrals to clinics, and referrals to advanced health facilities if necessary. Every work accident is reported in stages starting from the direct supervisor, EHS Officer, Manager, and GM. In the event that the victim requires special treatment, the report will be forwarded to the HRO Dept.

The company has also disseminated information to all workers regarding the emergency response SOP, such as on June 2, 2021, the dissemination of Emergency Preparedness and Response at SGT 1 Division III Plantation.

6.7.3

The company has a PPE management procedure with the document number SOP-EHS-038 which has been in effect since April 10, 2018 which explains that PPE is provided by the company in accordance with the identification of PPE needs for each type of work free of charge. The company has also identified the need for PPE for each type of work, such as for spraying work boots, chemical masks, rubber gloves, aprons, and goggles/face shields.

Based on the results of field visits on spray activities in block F49 Division 14 Estate GST-2, it is known that the use of PPE for each spray worker is in accordance with the results of the identification of PPE needs. Based on the results of interviews with spray workers, it is also known that the provision of PPE is free of charge.

6.7.4

The company has included all workers in the national health insurance program, this is evidenced by proof of paying the premium for the insurance membership, for example shown by:

- Proof of payment for BPJS Health for the period September 2021 for 1,723 estate employees through Bank Mandiri Cash Management
- Proof of payment for BPJS Health for the September 2021 period for 79 PKS employees through Bank Mandiri Cash Management
- Proof of payment for BPJS Employment for the period August 2021 for 1,796 estate employees through Bank Mandiri Cash Management
- Proof of payment for BPJS Employment for the period August 2021 for 80 PKS employees through Bank Mandiri Cash Management

The company can provide an explanation regarding the difference in the number of employees in the payroll with the number of employees in the billing statement. For example, for BPJS Health in September, 61 people were registered as Contribution Assistance Recipients (PBI) and 17 people had not been registered because they were still registered with the previous company. While the difference in the PKS unit was caused because there was 1 person who resigned.

6.7.5

The company has calculated work accident statistics for the period September 2021 with the following data:

Man hours: 5,357,696

Injury rate: 0

Loss time injury severity rate: 0

Fatality: 0

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

Based on the results of interviews with company management, there are no changes related to the SOP for Integrated Pest Control with document number SOP-AGR-20 concerning Pest and Integrated Control edition 01 revision 01 which has been in effect since April 1, 2016. The procedures include:

Objectives

1. To know the basic principles of integrated pest control
2. Understand the life cycle of plant pests that can help in their control strategies
3. Help understand the presence of pests, identify their location and also their distribution.

Early Warning System

The principle of pest control with this system is to keep the pest population under control with natural enemies (parasites, predators, fungal diseases, viral diseases) and reduce the use of chemicals to a minimum. The key to the successful implementation of this system is an early warning system.

Surveillance system.

- Detection: Conduct random observations and only see indications of the presence of pests in general
- Census: Conducted regularly, for example once a month for leaf-eating caterpillars and every three months for rat pests.

Control Procedure

- Observation of samples/examination
- Control (if necessary): Implemented by chemical application if the number of attacks exceeds the threshold

The company has an IPM plan contained in the SOP. Procedures related to the observation and control of plant pest organisms are contained in SOP-AGR-20 Pest and Integrated Control edition 01 revision 01 dated April 01, 2016. This procedure explains the objectives, early observation system, and control procedures.

The company also shows the SOP for Control of Rats with Owls, document number SOP-AGR-21 as one of the controls using natural predators. Rat control also uses the Rat Bait method, namely the use of rat poison to control rat pests if the census results show an attack rate of > 5%. The company has shown documents related to pest monitoring as part of the EWS for each estate, namely PT KAL Pest and Disease Monitoring for the June 2021 Period. Based on the document, it is known that there was a rat attack in Division 1 (8.32%), division 2 (percent attack 8.35%), and division 3 (percent attack 7.03%), while for other pests such as termites, caterpillars and horn beetles there was no attack. Based on the results of the census, control was carried out using rat poison with a total use of 1,994.98 kg of sime ebor baits in division 1; 2,441.17 kg in division 2; and 2,494.95 kg in division 3.

7.1.2

Consistent with previous surveillance audit activities, the company has planted beneficial plants along the roadside, such as at Collection Road D32/33 with the Turnera subulata plant. The company has also conducted beneficial plant nurseries such as in block G39 in GST-1. Based on the regulations in force in Indonesia, it is known that the plant is not an invasive species.

7.1.3

Consistent with previous surveillance audits, based on the results of interviews with company management and spray workers, it is known that the company has never carried out pest control using fire.

Status: Comply

7.2

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

7.2.1

The company has shown a list of pesticides used by the company in 2021. The document has explained the target of the pesticides used. The list of pesticides used by the company is as follows:

No.	Name	Active Ingredients	Target	LD50 (mg/Kg)		Class
				Acute Oral	Acute Dermal	

1	Ally 20 WG	Metil metsulfuron 20 %	Broadleaf weed : Ageratum conyzoides, Borreia alata, Clidemia hirta	> 5000	> 2000	III
2	Amiphosate 480SL	Glyphoste Isopropilamine 480 g/l	Broadleaf weed : Ageratum conyzoides, Borreia alata, Clidemia hirta, Narrow leaved weed : Ottochloa nodosa	> 5000	> 5000	III
3	Basta 150 SL	Amonium glifosinat	Broadleaf weed : Ageratum conyzoides, Narrow leaved weed : Axonophus compresus	1730	593	II
4	Boral 480 SC	Sulfentrazon 480 g/l	Broadleaf weed : Ageratum conyzoides, Synedrella nodiflora, Narrow leaved weed : Eleusine indica, nut grass	2084	> 2000	III
5	Dipel WG	Bacilus thuringiensis	Nettle Caterpillar	> 5050	>2020	III
6	Garlon 670 EC	Triklopir Butoksi etil ester 670 g/l	Broadleaf weed : Chromolaena odorata	2574	> 5000	II
7	Marshal 5 GR	Karbosulfan 5 %	Oryctes	905	> 2001	III
8	Matador 25 EC	Lamda sihalotrin 25 g/l	Nettle Caterpillar	64 - 110	> 1800	III
9	Pentaup - Z 480 SL	Glyphostae Isopropilamine 48 %	Asystasia gangetica, Borreria alata, Mikania micrantha, Ischaemum timorense, Ottochloa nodosa, Paspalum conjugatum	> 5000	> 5000	III
10	Racumin Wax Block 0,0375 BB	Coumatetralyl 0.0375 %	Rattus tiomanicue, Rattus Argentiventer	> 5000	> 5000	III
11	Regent 50 SC	Fipronil 50 g/l	Termite	1498	> 2000	II
12	Sime Ebor Baits	Warfarin 0,05%	Rattus tiomanicue, Rattus Argentiventer		> 5000	IV

7.2.2

The company has shown a list of pesticides used by the company and documents on the use of pesticides for the period January – August 2021 for each Estate. The document describes the month, area of division, FFB production, amount of pesticide used, weight of active ingredients, pesticide use per hectare, number of active ingredients used per hectare, and number of active ingredients per ton of FFB produced. An example is the use of the pesticide Amiphosate 480SL with the active ingredient Glyphoste Isopropilamine 480 g/l during the period January – August 2021 at Mitra Estate of 606.10 liters. With the active ingredients used of 290.928 g, the use of pesticides is 0.23 liters per hectare. The use of active ingredients per hectare is 111.96 g per hectare and the use of active ingredients per tonne of FFB produced is 71.55 g/ton FFB.

7.2.3

The company has shown documents on pesticide use during 2020 and the period January – August 2021 for each estate. Based on this document, it is known that the company uses pesticides and there is a decrease in the use of several types of pesticides. An example is the use of the pesticide Amiphosate 480SL with the active ingredient Glyphoste Isopropilamine 480 g/l for 5 months starting from January - March and November - December 2020 at SGT-1 Estate of 989.3 liters. With the active ingredients used of 474,864 grams, the use of pesticides is 0.4 liters per hectare. The use of active ingredients per hectare is 192.48 g per hectare and the use of active ingredients per tonne of FFB produced is 155.7 g/ton FFB. The use of the pesticide Amiphosate 480 SL for 6 months starting from March - August 2021 is 806.6 Liters. With the active ingredients used of 387,168 grams, the use of pesticides is 0.33 liters per hectare. The use of active ingredients per hectare is 156.93 g per hectare and the use of active ingredients per tonne of FFB produced is 83.97 g/ton FFB.

7.2.4

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

7.2.5

The company has shown documents related to the list of pesticides used by the company. From the document, it is known that there are 12 types of pesticides used by the company. The document describes the trade name, active ingredient, pesticide registration number, distribution permit period, LD50, and pesticide class. Based on the results of field visits to chemical storage warehouses, no pesticides were found belonging to WHO class 1A/1B pesticides. One example is Boral 480 SC with the active ingredient Sulfentrazone 480 g/l with pesticide class a class III pesticide.

7.2.6

The company has conducted training related to Integrated Pest Control for employees, such as at the SGT-1 Estate on April 14, 2021 which was held in block B08 Division 1. The training material was delivered by the Division's senior assistant which was attended by 35 people from the TUS Estate SGT-1 team. , foreman 1, foreman spray, and foreman maintenance. The training discussed the understanding of IPM, the impact of UPDKS pest attacks, refreshment related to the EWS system and UPDKS census, procedures for using pesticides, and the use of PPE.

Based on the results of the field visit on the spray activity in block F49 Division 14 Estate GST-2, it was found that the spray work was in accordance with the SOP, where the spraying was carried out in a circle in the disc, spraying was carried out selectively, and the PPE used was appropriate.

7.2.7

Based on the results of document reviews and interviews with company management, it is known that there are no changes from previous audit activities related to standard operating procedures for pesticide storage as contained in SOP No. Document No. FRM-SOP-EHS-004 edition 02 revision 01 which has been in effect since April 10, 2018 The SOP explains the following:

1. Purpose
So that there are safety guidelines in the placement and storage of hazardous chemicals and storage of fertilizers.
2. Scope
This procedure applies to chemical (pesticide/herbicide) and fertilizer storage activities at PT Kayung Agro Lestari
3. Procedure
Chemicals (pesticides/herbicides) and fertilizers are widely used in controlling plant pests and diseases and providing plant fertility. Chemicals and fertilizers stored in warehouses also have the potential to cause accidents, so safety procedures need to be made in their storage. The procedure also explains that chemicals and fertilizers must be placed neatly and safely on pallets or shelves that have been previously determined based on their respective groups, and put labels according to the chemicals and fertilizers in the group.

Based on the results of the field visit to the chemical and fertilizer storage warehouse, it is known that the chemical storage has been neatly arranged on the available shelves and stored by type, has been equipped with MSDS, and has provided fire extinguisher for the pesticide and fertilizer warehouse area.

7.2.8

The company shows the Waste Management SOP with document No. SOP – EHS 008 edition 02 revision 01, effective April 10, 2018. In this SOP it is explained related to Hazardous and Toxic Waste which is included in the category of waste that cannot be reused such as used oil, used waste, batteries used, filters, used oil, used pesticide packaging, etc. Each Estate/Mill must make a receipt with the Temporary Storage of Hazardous and Toxic Waste in the Central Workshop and henceforth this Hazardous and Toxic Waste will be handed over to the manager who has a permit to treat hazardous and toxic waste.

Based on the results of field visits to employee housing areas, it was found that there were no traces of pesticide packaging that were reused, for example as water reservoirs or flower pots.

7.2.9

Consistent with previous surveillance audit activities, based on the results of the review of pesticide use documents and interviews with company management, it was found that the company did not control pests by spraying pesticides through the air.

7.2.10

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

Health checks in 2020 and 2021 will not be carried out because Indonesia is experiencing a COVID-19 pandemic, where there is a ban on gatherings during the pandemic. Based on the Director General of Labor Inspection and OHS of Manpower Ministry No. 05/151/AS.02/XI/2020 dated November 30, 2021 stated that routine health checks for workers may be postponed in advance if the company has not been able to implement appropriate health protocols for the prevention of COVID-19. For information, in 2021 there were deaths due to COVID-19 cases originating from PT Kayung Agro Lestari so that the company still does not allow large crowds to gather, including for health checks. If the situation has returned to normal, it is planned that in early 2022 a further medical examination will be carried out.

7.2.11

Based on field observation and interview with pesticide operator in Gunung Sejahtera Tumbuh 2 Estate and Sungai Gemilang Teduh 1 Estate, known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity.

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 shows identification of waste sources for the 2020 period with details: ex sacks of fertilizer, inner plastic of fertilizer sack, used oil from generator, used neon/lights, wastewater, EFB, Shell, fiber, dash of incinerator, dash of boiler, domestic waste, paper and others.

Sources of emissions include:

- CO2 Gas: Transportation of FFB, CPO Shipping, Operation of heavy equipment, operation of generator & electric pumps, management of WTP, boilers, laboratory activities, waste ponds and Mill processes.
- Gas NO2 & SO2: Activities in the laboratory.
- Gas CH4: Fertilizing activities and WWTP ponds.

Solid waste

The solid waste produced by the company is shell, fiber and Jangkos. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as jangkos is reused by applying it to plantation areas.

Liquid Waste (POME)

Liquid waste generated from the factory is reused for Land Applications. Before being channeled to LA, the liquid waste is first managed at the WWTP with the aim that the quality of the liquid waste flowing to LA is in accordance with the provisions.

Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills.

Hazardous and Toxic waste

The company shows the Waste Management SOP with document No. SOP – EHS 008 edition 02 revision 01, effective April 10, 2018. In this SOP it is explained related to Hazardous and Toxic Waste which is included in the category of waste that cannot be reused such as used oil, used waste, batteries used, filters, used oil, used pesticide packaging, etc. Each Estate/Mill must make a receipt with the Temporary Storage of Hazardous and Toxic Waste in the Central Workshop and henceforth this Hazardous and Toxic Waste will be handed over to the manager who has a permit to treat hazardous and toxic waste.

The company already has a temporary storage area for hazardous and toxic waste that is licensed according to the Statement Letter of fulfillment of the commitment to the operational permit for the management of hazardous and toxic waste for the producer of PT Kayung Agro Lestari with number 660.1/181/DPMPTSP-D/2020 dated June 18, 2020 from the Head Office of Modan Investment and One Stop Services of Ketapang Regency. Operational permit for the management of hazardous and toxic waste for producers is valid for 5 years.

Companies can show documents for recording hazardous and toxic waste stored in a temporary storage area for hazardous and toxic waste, for example for the period August 2021, namely:

- Used TL lamp of 0.005 Tons.
- Used battery of 0.12 Tons
- Medical waste as much as 0.0355 Tons.
- Used cloth rags as much as 0.177 Tons.
- Used packaging of hazardous and toxic materials as much as 0.8086 Tons
- Used oil of 3.53 Tons

The company can also show manifest evidence of the transportation of hazardous and toxic waste transported by a licensed hazardous and toxic waste carrier, namely PT Mitra Utama Limbah Industries on August 12, 2021. The types of hazardous and toxic waste are as follows:

- 0.005 ton used TL lamp with Manifest KLHK-1630280876
- 0.12 ton used battery with Manifest KLHK-1630281104
- Medical waste as much as 0.0355 tons with Manifest KLHK-1630281250.
- Used cloth of 0.177 tons with Manifest KLHK-1630282514
- Used packaging of hazardous and toxic materials as much as 0.8086 tons with Manifest KLHK-1630284481
- 3.53 tons of used oil with Manifest KLHK-1630284869

7.3.2

Based on interviews with company management and the Head of the Hazardous and Toxic Waste Warehouse, it is known that they have an understanding of the handling of waste disposal, especially hazardous and toxic waste and non-hazardous and toxic waste in accordance with the procedures owned by the management unit. Based on the results of field visits to residential areas, it is known that there is no use of hazardous and toxic waste as water reservoirs. In addition, domestic waste management is in accordance with company procedures.

7.3.3

Based on the results of field visits to employee housing and warehouse areas, both plantations and factories, it was found that there were no burning or open burning for waste destruction. Each housing has provided a trash can for domestic waste such as organic and inorganic. Hazardous and toxic waste will be collected in a temporary storage area for Hazardous and Toxic Waste.

Status: Comply

7.4

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

7.4.1

Consistent with the previous audit assessment, in managing soil fertility, the company shows the SOP for soil fertility management number SOP-AGR-11 regarding SOP for Palm Oil Fertilizer and Fertilization which explains:

1. Factory Fertilizer

- Type and dosage of fertilizer
- Application time
- Preparation before application
- Application implementation
- Administration
- 2. Empty Stage
 - Empty length properties and values
 - Application area
 - Application dose
 - Application method
 - The need for transport vehicles
- 3. Decanter Solid
 - Decanter Solid properties and values
 - Application area
 - Application dose
 - Application method
 - The need for transportation vehicles
- 4. Fertilization supervision
- 5. Soil analysis and leaf analysis
- 6. Types of Fertilizers and Functions of Nutrients
- 7. Work environment and safety aspects

7.4.2

Soil Sampling

There are no changes related to the results of soil sample analysis, because soil sampling activities are carried out every 7 years. The company carried out a soil analysis conducted by PT Nusa Pusaka Kencana Analytical & Quality Control Laboratory on July 1, 2019. The soil analysis was stated in the Soil Analytical Report document. The realization of the evaluation of soil fertility status at KAL is to observe the determination of pH, organic C content, total N (in %), total P content and available P, K content, Mg content, Na content, Ca content and Cation Exchange Capacity Value. (CEC).

Leaf Sampling

The company has shown evidence of implementation in accordance with the SOP, including the report on the results of leaf analysis conducted by PT Nusa Pusaka Kencana Analytical & Quality Control Laboratory on April 8, 2021. The indicators that were observed included levels of N, P, K, Mg, Ca, Cl, and B.

7.4.3

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

- Identification of waste sources in every process or activity that generates waste such as B3 waste, solid/liquid waste, clinical waste, household waste and emissions from motor vehicles
- Utilization of waste such as Empty Fruit Bunches, Shells and POME
- Waste that cannot be reused must be monitored and made hazardous waste warehouse and cooperate with third parties for management and destruction.
- Measurement and monitoring such as emissions from boilers will be tested by a certified institution and reported in the RKL/RPL report. Waste management monitoring must be done regularly
- There is a waste management flow, such as solid waste such as empty fruit bunches that will be applied to the garden as nutrition and shell and fiber as boiler fuel. For liquid waste will be applied to the Land Application.
- The generated household waste will be made into compost for organic waste and for inorganic waste will be disposed of in the Final Disposal Site

One example of the use of waste is the utilization of POME until August 2021, amounting to 607,989 M3 which is channeled to Land Applications. In addition, the company has also shown documents for the utilization of solid waste of 46,791.21 tons until August 2021.

7.4.4

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

1. The Rock phosphate fertilization program GST-2 Estate division 15 in 2021 is 66,335 kg and has realized 66,335 kg with a percentage of 100%.
2. The Urea fertilization program in SGT-1 Estate Division 2 in 2021 is 268,086 kg and has realized 134,043 kg with a percentage of 50%.
3. The Kcl-Mop fertilization program in Mitra Estate division 9 in 2021 is 149,974 kg and has reached 149,974 kg with a percentage of 100%.

Based on the results of the field visit, in block D33 division 3 SGT-1 it was found that the workers had applied fertilizer in accordance with the recommendations and the existing SOPs had also used the appropriate PPE.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

Based on the results of interviews with the company's management, there are no changes related to the Soil Type Map contained in PT. Kayung Agro Lestari. The company has shown a map of the types of soil available to PT Kayung Agro Lestari (GIS/EST/ANJ-HO/PETA-446/PTKAL/13 FEN 2014) with a scale of 1: 40,000 . Based on the map, it is known that the types of soil found in PT KAL are:

- Shallow peat (< 3 meters): 4557 ha
- Deep peat (> 3 meters): 5,806.56 ha
- Sand: 2670.5 ha
- Minerals: 4,964.07 ha

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

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

7.5.2

There is no change from the previous audit activities related to replanting on steep slopes, based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant.

7.5.3

There is no change from the previous audit activities related to replanting on steep slopes, based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant.

Status: Comply

7.6

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

7.6.1

There are no changes from the previous audit activities related to replanting, based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is

not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant

7.6.2

There are no changes from the previous audit activities, based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant.

7.6.3

There are no changes from the previous audit activities related to new planting of oil palm in the context of developing new plantations, based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant.

Status: Comply

7.7

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

7.7.1

There are no changes from the previous audit activities related to replanting in existing plantation areas or new developments. Based on the results of the study of the area statement documents and interviews with the company as well as the results of field visits, it is known that the company is not in the context of replanting oil palm. The oldest plants are planted in 2010 and the youngest is in 2016 so the company has no plans to replant.

7.7.2

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

The company has also reported an updated peat inventory report on March 31, 2020, however, until the completion of the surveillance-2 audit, there has been no recent response from the RSPO regarding this report.

7.7.3

The company has been monitoring land subsidence (subsidence) in peat areas. The monitoring is carried out once every 6 months. The examples of monitoring carried out are as follows:

1. Block B030 Division 3 SGT 1 was installed in April 2017. The total subsidence up to the last measurement in April 2021 was 5.6 cm (4 years).
2. Block A028 division 7 Mitra Estate was installed in April 2017. The total subsidence up to the last measurement in April 2021 was 6.8 cm (4 years).
3. Block D054 Division 14 SGT 2 was installed in April 2017. The total subsidence up to the last measurement in April 2020 was 9.9 cm (4 years).

Based on the results of the field visit to the subsidence stake in block B22 Division 2 SGT 1, it was found that the decrease in subsidence was 6 cm.

7.7.4

The company carries out water management as stated in the program and realization of Water Management countermeasures. The examples contained in SGT 1 are as follows:

1. The plan for planting 2,850 meters of vetiver grass has been fully realized.
2. The plan to build a water gate/stop bund is 22 units and has been fully realized.
3. The plan to wash the main drain for 22,500 meters has not yet been realized.

4. The plan to wash the 3,504-meter collection drain has not yet been realized.
5. The 907 water gate/stop bund maintenance plan has now been realized 242 times.

Based on the results of field visits in block B22 division 2 SGT 1, it is known that in that area there is a stop bund located in the collection drain which also functions as a regulator of the water level in the ditch, and based on observations on the piezometer it is known that the groundwater level in the planting area is 60 cm from the ground.

7.7.5

Consistent with the results of the previous audit assessment, based on the results of the study of areal statement documents, interviews with the company and the results of field visits, it is known that the company is not in the context of replanting oil palm within the next 5 years. The oldest plants were planted in 2010 and the youngest was planted in 2013 so the company has no plans to replant.

7.7.6

Based on the results of the document review and field visits, it is known that the company has managed peat areas well, with examples such as the following

- Monitor the water level by using a water level stick installed in the collection drain.
- Monitoring the ground water level using a monitoring well (piezometer)
- Build a 20x20x4 meter dam to maintain water availability during the dry season.

Based on the results of the field visit in block B22 division 2 SGT 1, at the location of the monitoring well (piezometer) it is known that the groundwater level in the block is 60 cm and there is a stop bund located in the collection drain which also functions as a regulator of the water level in the ditch.

7.7.7

Consistent with previous audit assessment, the company has an SOP related to land fire control which is stated in the SOP-EHS-005 which is in effect since April 10, 2020. In the sop, the steps for handling fire control and prevention of land fires are explained.

The company has monitored HCV areas or peat areas bordering oil palm plantations by installing HCV area signs, maintaining water level elevations outside the plantation area at all times and installing signs of fire-prone areas.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1 & 7.8.2

The company already has a water management plan and has implemented the water management plan which consists of:

- Inventory of location and area and mapped according to the determination of the size of the river border.
- Marking of river border areas by putting red paint marks on oil palm trunks which are the boundaries of oil palm plantations that are not allowed to do plantation activities.
- Restoration of hydrological functions by planting and enriching vegetation.
- Planting Vertiver, and legumes (controlled) and inserting intercrops on riverbanks whose vegetation has been converted to oil palm plantations.
- Do not apply chemicals in river border areas.
- Not disposing of liquid waste into the river but reusing it to plantation land. Before being used, the liquid waste must be managed at the WWTP so that the quality meets the standards set by the government.
- Utilizing water for factory processing in accordance with the standards set by the company.
- Conduct testing of river water quality and monitoring wells.

In addition, the company has a river border management plan for the 2021 period, including:

- Patrol and monitoring of riverbanks.
- Signboard maintenance.
- Enrichment of local trees.

- River water quality testing
- Biodiversity inventory.
- Socialization of river border management.

The surface water quality monitoring program has been listed in the RKL-RPL document of PT Kayung Agro Lestari. The document states that there are 6 rivers that must be monitored, namely the Siduk River, Satong River, Left Satong River, Right Satong River, Kepayang Hulu River, and Kepayang Hilir River. The results of tests carried out by the Sucofindo Laboratory in semester 1 of 2021 on June 22, 2021, for example for the Siduk, Satong, Satong kiri, and Kepayang Hulu rivers:

Parameter	Standart	River			
		Siduk	Satong	Satong Kiri	Kepayang Hulu
Total Suspended Solid (mg/l)	50	10	58	32	14
pH	6 – 9	6,88	3,82	3,86	4,65
BOD ₅ (mg/l)	3	1,61	10	16,77	3,22
COD (mg/l)	25	9,58	57,50	95,84	19,17
Total Coliform (per 100 ml)	5.000	71	138	129	110

From the test results that have been carried out, it is known that there are test results that are below the quality standard such as the Satong River, Siduk River, the left Satong river and the Kepayan Hulu river. This is because the river intersects with peat areas so that the pH tends to be more acidic. The company has carried out socialization indirectly through the installation of signboards that have been carried out by the company, this is evidenced by the presentation of a recap of signboard installation and maintenance activities, for example the maintenance of the Satong Laman river border signboard on May 15, 2021.

The wet flow found in the company area is in the form of a river. The company can show a map of rivers, water bodies and wet areas listed on the map of high conservation value areas, with a scale of 1:40000. There are 6 rivers that cross the company's HGU, namely: Siduk River, Satong River, Satong Kiri River, Right Satong River, Kepayang Hulu River, and Kepayang Hilir River. Based on the results of a field visit to the Kepayang river border Block G38 Division 12 Gunung Sejahtera Grow 1 Estate, it was found that there were no indications of traces of chemical application on the river border. In addition, the river border areas have been planted with various types of plants such as Simpurn, Sugkai, and fruit trees such as guava, etc. The river border area is also not planted with oil palm.

7.8.3

The company can show the results of the liquid waste testing conducted every month by the Environmental Laboratory UPT of the Department of Public Housing, Settlement and Environment that has been accredited by KAN (LP-892-IDN):

Parameter	Standart	Feb 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021
BOD ₅ (mg/l)	5.000	618.22	676.36	663.65	539.01	646	1,170	1,350
COD (mg/l)	-	2,822.40	3,136	2,875.20	2,396	13,500	3,120	3,580
Minyak dan Lemak (mg/l)	-	7.53	96.40	85.20	81.50	14.5	13	9
pH	6,0 – 9,0	7.95	8.12	7.75	7.77	7.38	8.73	7.92

In addition, the company has also conducted groundwater quality testing including 12 inorganic chemical parameters, referring to the Minister of Health Regulation No. 32 of 2017. For example, the test results for the parameters pH, Nitrate, Zn, Sulfate, and DO are presented in the table below which was conducted on April 27, 2021 by the Sucofindo Laboratory.

Parameter	Baku Mutu	Block F41 (Control Land)	Block F41 (Settlement)	Block F44
pH	6,5 – 8,5	6.59	6.78	7.44
Nitrat (mg/l)	10,00	3.80	3.70	3.17
Zn (mg/l)	15	1.43	0.80	1.37
Sulfat (mg/l)	400	30.01	33.40	36.41
DO (mg/l)	-	6.63	6.60	6.66

Based on the table above, it is known that the results of the monitoring well testing are still below the specified quality standard.

The company already has a waste water utilization permit in accordance with the Ketapang Regent Decree No. 399/PERKIMLH-C/2017 concerning the permit for the use of wastewater for application to the land for the oil palm plantation of PT Kayung Agro Lestari covering an area of 326.09 Ha located in Matan Hilir Utara District. Ketapang Regency with a validity period of 5 years. The location of the POME application according to the permit is located in Blocks F42-F56 and G48-G52.

Based on the results of a field visit to the liquid waste application area in Block F44 Division 13, it was found that the location of the liquid waste application was in accordance with the permit granted. In addition, there is no indication of the overflow of liquid waste applications into rivers and the surrounding environment. The results of observations at WWTP also found that liquid waste has been managed at WWTP, there are 7 ponds for managing liquid waste, there is no indication of leakage and overflow in the WWTP pond and a flow meter to calculate the amount of liquid waste that flows into the application land is available and functioning properly .

7.8.4

Companies can show records of water use for palm oil processing, for example as follows:

Period	FFB Process (Ton)	Water used for Process (m ³)	Budget (m ³)	Efficiency (m ³)
January 2021	18,749	15,185	1.5	0.81
February 2021	18,364	33,383	1.5	1.82
March 2021	25,673	34,717	1.5	1.35
April 2021	25,937	40,532	1.5	1.56
May 2021	23,278	33,912	1.5	1.46
June 2021	27,482	40,851	1.5	1.49
July 2021	23,926	34,321	1.5	1.43
August 2021	25,761	37,989	1.5	1.47

The company already has a water resources exploitation license number 503/07/SDA/DPMPSTSP-C.1/2021 in accordance with the Decree of the Head of the West Kalimantan Province One Stop Integrated Service and Investment Service regarding the Granting of a Water Resources Concession Permit to PT. Kayung Agro Lestari in Ketapang Regency, West Kalimantan Province with a validity period of 5 years. In the permit, it is explained that the volume of permitted water intake is 90,000 M3.

Status: Comply

7.9

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

7.9.1

The plan to increase the efficiency of the use of fossil fuels and optimize the use of renewable energy by the company is to use shells and fiber as boiler fuel which is used to generate turbines to generate electricity. The use of energy generated from the turbine is monitored every day.

Companies can show records of the use of shells and fiber as renewable energy and use of diesel as fossil fuels for the period January-December 2020, for example the following records use of renewable and fossil energy used to drive turbines for the period July 2021:

FFB processed by 23,925 tons with a total utilization of shells of 957 tons and utilization of fiber as much as 3,110 tons. From the results of the utilization of the shell, the resulting KWH Turbine is 664.240 KWH and the KWH Genset used is 70,416 KWH. The efficiency of using renewable energy is 0.02 KWH/Ton 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

The company did not add new areas (still the same as the previous year), The company also has conducted GHG emission calculations period 2020 use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

Summary of Net GHG Emissions

Emissions per product	tCO2e/tProduct
CPO	9.96
PK	9.96

Production	t/yr
FFB processed	245,172.61
CPO produced	50,685.44
PK produced	7,300.96

Extraction	%
OER	20.67
KER	2.98

Land use	Ha
Planted area on mineral	5133.24
Planted on peat	6239.19
Total area planted	11372.43
Conservation Area (Forested)	3812.52
Conservation Area (Non-Forested)	0.00
FFB Production per hectare	20.67

Summary of field emission and Sinks

Description	Own crop		Group		3rd	Total
Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	
Land conversion	147942.35	0.92	0.00	0.00	35555.10	183497.45
CO2 emissions from fertilizer	5149.84	0.03	0.00	0.00	937.17	6087.01
NO2 emissions from peat	45984.65	0.29	0.00	0.00	0.00	45984.65
NO2 from Fertilizer	5529.16	0.03	0.00	0.00	984.61	6513.78
Fuel consumption	777.73	0.01	0.00	0.00	20.17	797.91
Peat oxidation	335405.05	2.09	0.00	0.00	0.00	335405.05
Sinks						
Crop sequestration	-89689.51	-0.56			-16805.99	-106495.50
Sequestration in Conservation area	-33604.84	-0.21	0.00	0.00	-1168.62	-34773.47
Total	427494.43	2.61	0.00	0.00	145103.03	562597.46

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	35943.32	0.15
Fuel consumption	120.05	0
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	-21331.45	-0.09
Sales of EFB	0	0
Total	14731.92	0.06

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

The auditor team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from Estates GST 1, GST 2, SGT 1, SGT 2, the amount of production from third parties, the planted area of the certification scope and the distribution of planting years, and the area of HCV.

7.10.2

Based on the results of the document review, it is known that the distribution of the company's planting years is 2010, 2011, 2012, 2013, and 2016. In 2014 the company carried out the 2014 New Planting Procedure (NPP) for all of PT KAL's oil palm plantations with an area of ±18,800 Ha. (according to the location permit) and notification of the NPP was submitted to the RSPO website on 29 March 2014 and there were no complaints until 29 April 2014 so that the plantation development process can be continued (On Going NPP, 2009). NPP assessment conducted by PT Mutuagung Lestari on January 30, 2014 with the following conclusions "Therefore PT KAYUNG AGRO LESTARI has followed the RSPO New Planting Procedure. The assessment and planning documentation is carried out in a comprehensive and professional manner in accordance with RSPO requirements and complies with the RSPO Principles and Criteria for new plantings."

7.10.3

The company has identified sources of pollution in the mills and plantations, the document informs the sources (station/activity), sources of pollution and emissions, impacts (human, work equipment, environment) and impact control. For example, from the boiler it produces boiler ash, steam and chemical pollution, from the engine room it produces pollution in the form of noise.

Efforts to reduce pollutants carried out by the company include:

- Monitoring air quality and emissions from Boilers and Generators
- Manage liquid waste in the WWTP before it is used in plantations.
- Perform regular machine maintenance.
- Optimizing the use of fertilizers according to recommendations
- Use of fiber and shells in mills to reduce diesel fuel.

The company has carried out emission tests from boilers and generators, as well as ambient air quality which was carried out in semester 1 of 2021 by the Sucofindo laboratory. Based on the results of the document review, it is known that the results of the assessment are in accordance with the provisions stipulated by the Government.

Status: Comply

7.11

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

7.11.1

The company conducts land clearing or replanting without burning in accordance with SOP AGR 01 regarding Land Clearing with Zero Burning which has been in effect since August 1, 2013 and has been approved by the Estate Director. The SOP describes:

1. Introduction
2. Preparation
3. Mechanical path laying in mineral soil areas
4. Mechanical stripping of peat areas
5. No burning in the weed area.

Based on the results of the field visit, no traces of fire were found. The fire incident occurred in September 2019 and this incident has been included in the Land fire monitoring report for semester 2 of 2019 and reported to the relevant agency

7.11.2

Based on the results of interviews with the company's management, it is known that there are no changes related to fire prevention and control procedures from the previous audit activities. The company has fire prevention and control procedures which are described in the SOP for Land Fire Control (Document No.SOP-EHS-005 edition 02/revision 01, effective date 10 April 2018). This procedure is intended as a safety guide in fire control. This procedure was created by the HSE Coordinator and approved by the GM. The changes from the previous procedure are: Changing the document structure by adding a reference section and changing the company logo/symbol in the document format. Procedures explain the preparation of fire control, implementation of fire control, provisions if the fire has been extinguished, fire prevention efforts.

Procedures for preventing and controlling land and forest fires include: risk analysis, preparation of hotspot maps (fire-prone areas), identification of fuel thickness, socialization of fire prevention and danger, identification of water sources availability, rainfall data, fire tower construction, equipment in fire tower, fire patrol by the fire task force team (fire team).

The company already has firefighting personnel who are part of the emergency response structure. The company also has 32 people who have a Class D Firefighter license from the relevant agency. In order to anticipate the threat of fire in the company's operational areas, the company has an inventory of fire extinguishing facilities, as follows:

No	Equipment	Quantity (Standard Pemenuhan PT KAL)
I	Individual equipment	
	1. Helmet	73 pcs
	2. Head Lamp	27 pcs
	3. Goggles	39 pcs
	4. Mask	60 pcs
	5. leather gloves	60 pair
	6. Safety belt	45 pcs
	7. drinking bottles	31 pcs
	8. Whistle	-
	9. Daypack	-
	10. Fire boots	45 pair
	11. Fire suit	12 pcs
II	Team equipment	
	1. Tents and sleeping mats	2 set
	2. First aid equipment.	1 set
	3. Workshop equipment.	1 set
	4. Lighting equipment.	12 pcs
	5. Protective blanket	-
	6. Fire monitoring facilities (drones, towers, cctv) are adapted to company conditions.	17 tower (17 Meter)
III	Hand Equipment	
	1. Ax two functions (ax hoe).	-
	2. fire beater	55 pcs
	3. Sharp rake	16 pcs
	4. Rake hoe	30 pcs
	5. Shovel	9 pcs
	6. Back pump	-
	7. Drip igniting torch	-
	8. chainsaw	1 unit

IV	Water Pumps and equipment	
	1. High pressure pump (min 25 HP)	15 pcs
	2. Suction Hose	14 rol
	3. Hose out	284 rol
	4. Nozzle	27 pcs
	5. Robin	31 Unit
	6. Peat Injection	26 pcs
	7. Water Tank	4 pcs
	8. Y Connector	12 pcs
	9. Cap tandon	4 unit
	10. Carry Pump (min 5 HP).	10 pcs
	11. Fire trucks	1 unit
V	Data Processing and Communication Facilities	
	1. GPS	6 pcs
	2. Radio hand	12 pcs
	3. Megaphone	28 pcs
VI	Transportation Facilities (taking into account the condition of the working area)	
	1. transporting for personnel with a capacity of 15 people.	8 unit
	2. transporting for equipment	31 unit
	3. Patrol facilities	29 pcs

In order to anticipate the threat of fire in the company's operational area, the company has an inventory of fire fighting facilities that refers to government regulations in the Minister of Agriculture Regulation Number 5 of 2018.

Status: Comply

7.12

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

7.12.1 & 7.12.8

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

NPP assessment conducted by PT Mutuagung Lestari on January 30, 2014 with the following conclusions "Therefore PT KAYUNG AGRO LESTARI has followed the RSPO New Planting Procedure. The assessment and planning documentation is carried out in a comprehensive and professional manner in accordance with RSPO requirements and complies with the RSPO Principles and Criteria for new plantings."

The company carried out tracing and identification activities for the presence of HCVs in 2013. The field survey was conducted on 19-26 October 2013 with a public consultation on 25 October 2013 attended by 36 participants representing the surrounding community, the Ketapang District Agriculture Office, Ketapang District BKSDA, NGOs (Palu Foundation). The results of the Public Consultation are stated in the Public Consultation Notification document.

The Company sent an Email template for preparation of the Zero Disclosure report to RSPO Compensation (rspocompensation@rspo.org) on 16 July 2014 and was responded to by RSPO Compensation on 17 July 2014 by Dillon Sarim (RSPO Compensation Coordinator). The company has carried out a LUCA and sent it to the RSPO along with other supporting data, the last submission was on 21 August 2019. Based on the RSPO email on 30 August 2019, it was stated that "The RaCP case for PT KAL will be considered closed", however, there are areas of remediation that need to be addressed. required for oil palm grown on peatlands and riparian buffer zones. PT KAL shall identify and delimit areas of remediation required, and develop and implement a remediation plan in accordance with RSPO requirements, following the RSPO BMP. The remediation plan will be reviewed by the auditor in accordance with the certification requirements and P&C.

The results of the field visit to the Kepayang river border area in Block G38 Division 12 GST 1 revealed that the river border has been planted with plants such as Simpur, Sungkai, and fruit trees such as guava, etc. In addition, the condition of the river border has begun to be forested and management is carried out such as patrolling threats to the area, monitoring flora and fauna, etc.

The company also has a 2021 remediation plan for peat areas that become HCVs and river boundaries. The Management Plan includes:

- Land subsidence management and monitoring.
- Monitoring the depth of the peat water table
- Prevention of forest and land fires.
- Enrichment of open areas and enrichment of crops.
- Restore the border function.

7.12.2

The tracking and identification of the presence of HCV in the PT Kayung Agro Lestari area was carried out by the Faculty of Forestry of IPB in 2013, a team consisting of RSPO HCV Assessors who have been approved. During the preparation of the HCV Identification report, the obligation of the HCV Assessor License Scheme (ALS) has not yet been applied, which came into effect in January 2015. The preparation of the HCV document was carried out by referring to the Guidelines for Identification of High Conservation Values in Indonesia Version 2 of 2008 issued by the Indonesian Consortium for the Revision of the HCV Toolkit.

The company showed peer review evidence from the Trace and Identification report for the presence of HCV by Jarwadi Budi Hernowo who already has an ALS license and based on the results of the peer review identification it was found that the HCV identification and analysis document, HCV management and monitoring plan at PT KAL was adequate and approved.

The scope of HCV identification includes all PT KAL Location Permits covering an area of 17,998.13 Ha. Based on the HCV Identification document, it is known that in the PT Kayung Agro Lestari area, the identified areas are HCV 1 (HCV 1.2 and 1.2), HCV 3, 4 HCV (HCV 4.1 and 4.2) and HCV 6. Areas identified as high conservation value areas is 3,844.53 ha.

Based on the results of the document review and interviews with company representatives, it is known that the HCV area based on the identification study is **3,844.53 Ha**, which is the total HCV identified according to the location permit location. Meanwhile, the HCV area that is the scope of certification is **1,122.99 Ha** (including the HCV area of Bina Satong Lestari's estate partner which is an additional scope).

7.12.3

Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

7.12.4

The company already has an HCV management plan as stated in the 2021 Conservation Management Plan document. The 2021 conservation management plan includes:

- Meeting with BKSDA

- Meetings with NGOs and the Government
- Wildlife inventory training
- Orangutan nest survey training
- Basic level first aid training
- Biodiversity inventory
- Patrol and monitoring the KBKT area with stakeholders
- KBKT area patrol by conservation task force
- Monitoring Orangutan conflicts with companies
- Forested open areas
- Socialization of HCV to the community
- Socialization of HCV to employees, staff and Contractors.

The company has also reviewed the management of high conservation value areas which was carried out in 2019, namely in May 2019. This activity was carried out to analyze the opportunities and challenges to the identified potential KBKT in the hope that they will become input for the KBKT management plan for 2020-2021. The activity was carried out by involving stakeholders such as BKSDA, the surrounding village community, and employees.

The company can also show some implementation of environmental management and monitoring activities, for example:

- Daily patrol of the HCV area conducted on September 10, 2021 in the conservation area of 2330. Based on the results of the patrol, no threats were found to the HCV area and species of animals such as *Kera* and *Elang* were also found.
- Planting 190 trees in the HCV 657 area, such as 18 types of Rambe seedlings, 55 types of *Pelanjau*, 102 *Jambu*, and 15 types of *Beringin* trees.
- Socialization of HCV to staff and employees conducted on October 02, 2021 at GST 2 which was attended by 39 Participants.
- Socialization of the HCV area to the people of the village of Kuala Satong on March 26, 2021, which was attended by 19 participants.
- Monitoring of animals is carried out regularly every month. For example, the company can show the results of animal monitoring for the period June 2021. The types of animals found include *Bajing kelapa*, *Berang-berang*, *Beruk*, *Orangutan Kalimantan*, *Monyet ekor panjang*, *elang ular bido*, *elang tikus*, *Kangkareng hitam*, *rangkong gading*, *ular lidi*, *ular Viper Hijau*, and *Biawak*.
- Phenology activities to determine the suitability of Orangutan habitat carried out in the HCV 2330 Area such as tree species inventory. The results of the activity showed that the number of trees found was 536 trees, which were dominated by Family Myrtaceae (53 species) and Sapotaceae (223 species).
- Maintenance and manufacture of signboards. Update until August 2021, it is known that there are 7 signboards that have been treated.
- Forest plant nurseries. The company can show an updated report on forested plant nurseries for the period August 2021. The report informs that there are 6176 tree seedlings from 20 types of plants such as *Jungking*, *Nangka*, *Nyatoh*, *Beringin*, *Simpur*, etc.

7.12.5

After the HGU was processed, there were areas that were originally identified as HCV areas but were not granted an HGU Permit (enclave) including overlapping with Mining Permits, for example Conservation Area II covering an area of 2,330.88 Ha, Laman Satong Tua Tomb, Laman Rindu Tomb and Keramat Batu Inap.

Currently the 2330.88 Ha area has been designated as an Essential Ecosystem Area (KEE), which has been agreed by various parties. It can be shown the Decree of the Governor of West Kalimantan No. 718/DISHUT/2017 concerning the establishment of Essential Ecosystem Areas (KEE) in North Kayong Regency and Ketapang Regency, West Kalimantan Province. In the decree, it is explained that the freshwater swamp landscape - Mendawa watershed and the Orangutan corridor landscape of Sungai Putri - Mount Tarak - Gunung Palung are determined according to the map in the attachment of the document. The decree was issued on 17 November 2017. There is a 1:100000 scale map issued by the Governor of West Kalimantan. The decree was jointly signed by the Forestry Service, the Sustainability Director of PT KAL, Bappeda Ketapang, PT BGA, and the Sustainability Trade Initiative.

The company can show the minutes of the agreement on the joint commitment to the management of the HCV area of the Laman Randu sacred tomb dated April 12, 2016 in the core zone area of 100 Ha. In addition, the Company has also collaborated with surrounding villages in the implementation of conservation management, for example in March 2021 a joint patrol was carried out with the West Kalimantan BKSDA and KPH Ketapang in several HCV areas.

Based on interviews with representatives of Laman Satong Village, it is known that in terms of managing HCV areas, the Village Community is always involved in the preparation of management plans. This has a positive impact so that the existence of the HCV area is maintained.

7.12.6

Based on the results of the study on the identification of the presence of HCV in the area of PT Kayung Agro Lestari, Ketapang Regency, West Kalimantan Province in collaboration with the Faculty of Forestry, in 2013 it was found that there were 9 (nine) protected vegetation types based on Government Regulation No. There are 6 (six) species, including *Nepenthes gracilis*, *nepentes ampullaria*, *nepentes bicalcarata*, *Nepenthes reinwardtiana*, *Nepenthes spectabilis*. The types of wood are Kayu Batu (*Hopea pachycarpa*), Ramin (*Gonystyllus bancanus*), dan belian lulin (*Eusideroxylon zwageri*). As for animal species, the results of identification of protected wildlife based on Government Regulation No. 7 of 1999 based on identification documents of conservation areas consist of 3 types of mammals and 18 species of birds.

As a form of protection for animals and plants, both those identified in the HCV identification and those that are not identified, the company has developed a protection program for animals and plants, the programs include:

- Biodiversity Inventory
- Patrol the HCV area with stakeholders
- Patrol of HCV areas by Conservation Task Force
- Monitoring of Orangutan Conflict with the Company.
- Phenology.

In addition, as an effort to provide education to Workers and the Community regarding Animals and Plants as well as HCV areas, the Company conducts direct and indirect socialization through signboards on protected animal and plant species and prohibitions on hunting and catching animals in the company area. For example, the following is a recording of the socialization carried out by the company:

- Socialization of HCV to staff and employees conducted on October 02, 2021 at GST 2 which was attended by 39 Participants.
- Socialization of the HCV area to the people of the village of Kuala Satong on March 26, 2021, which was attended by 19 participants.
- Socialization of HCV to employees conducted on October 6, 2021 to 21 employees of BSL Mitra Estate.

Based on the results of interviews with spray and harvest workers, it is known that the workers understand the existence of a protection policy for protected flora and fauna. Workers are prohibited from catching and breeding animals and are prohibited from trading protected animals. In addition, the results of field observations to employee housing areas revealed that there were no animals kept by employees. This proves that the animal protection policy has been understood by the employees.

7.12.7

The company has been monitoring the status of HCVs, peat areas, RTE species. The company can show the PT Kayung Agro Lestari High Conservation Value Area Management report for the January-June 2021 period (semester 1 of 2021) which has been approved by the Director. The results of the document review of the report show that the company has carried out several activities as an effort to protect HCV, peat areas, and RTE species. The results of the monitoring carried out by the company are as follows:

- During the period of March 2021, there was an illegal logging activity by the people of Dusun Manjau. Taking wood as many as 3 trees with an estimated diameter of 25 cm and a height of 12-16 m on the Satong river border. Efforts made by the company by conducting direct communication and directing to the community.

- The results of the animal and plant inventory conducted by the company for the first semester of 2021 revealed that there are 46 types of protected wildlife based on the Regulation of the Minister of Environment and Forestry Number P.106 of 2018 consisting of 10 types of mammals, 34 species of birds, and 2 types of reptiles.
- Phenology activities to determine the suitability of Orangutan habitat carried out in the HCV 2330 Area such as tree species inventory. The results of the activity showed that the number of trees found was 536 trees, which were dominated by Family Myrtacea (53 species) and Sapotaceae (223 species).

The results of the monitoring carried out by the company in the first semester of 2021 are used as input for the implementation of monitoring in the second semester of 2021.

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

3.3 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

		<p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p>
<p>2.1.6</p>	<p>Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).</p>	<p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification :</p> <p>PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> • Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) • Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 • Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 • HGU on process • Environment Permit No. 211, 2013, dated 06 May 2013 • SEIA No. 210, 2013, dated 1 May 2013 <p>PT Putera Manunggal Perkasa</p> <ul style="list-style-type: none"> • Location Permit No. 522/30/II/2011, dated 09 Februaryl 2011. Total area ± 22,195.28 Ha • Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area ± 22,195.28 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 • Environment Permit No. 660.1/58/II/2012 TAHUN 2012, dated 16 Feb 2012, for 22.195 Ha, Mill Capacity 60 TPH • Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. • Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> • Location Permit No. 83/2010, dated 30 April 2010. Total area ± 40,000 Ha • Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area ± 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 • Environment permit No. 525/76/BSS/IV/2011, dated 25 April 2011.

		<ul style="list-style-type: none"> • Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant. • Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha <p>PT Austindo Nusantara Jaya, Tbk.</p> <ul style="list-style-type: none"> • Location Permit No. 12/2011, dated 6 oct 2012. Total area ± 40,000 Ha • Extention of Location Permit No. 74 Tahun 2014, dated 2 sept 2014. Total area ± 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number No. 131.09/118/B.MBT/2011, Tgl. 12 Oktober 2011 • Plantation Business Permit, According to West Papua Governor Decree No. 525/101/5/2013 Tahun 2013 for 40,000 Ha and 2 x 60 Ton FFB/Hours plant. • Environment Permit PKS 60 X 2 TPH, No. 660/147/7/2013 TAHUN 2013, dated 18 Juli 2013 • SK HGU (Inti), Number. 03/HGU/KEM-ATR/BPN/2015 dated 02 April 2015, 30.515,75 Ha
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3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

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

1. Lack of monitoring of storage of work tools and PPE of the TUS team
2. Lack of coordination and understanding of the logistics team regarding the suitability of PPE with the matrix

Correction (filled by organization audited):

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

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 06 October 2020

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

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

Auditor conclusion :

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

Verification on 14 October 2020

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

Auditor conclusion :

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

Verified by : **Haikal Ramadhan K**

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

NCR No.	: 2021.01	Issued by	: Rahmat Abdiansyah
Date Issued	: 15 October 2021	Time Limit	: Next Surveillance (ASA-3)
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	3.4.2 For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring have been developed with participation affected stakeholders.		
<p>Evidence observed (filled by auditor):</p> <p>As a form of social management, the company has developed/compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. The first social impact assessment was conducted in 2013 by the Faculty of Forestry, IPB. As one of the efforts to improve and pay attention to the existing situation in 2019, the company carried out a Social Impact Review and Update for external aspects, but the results of the review only discussed:</p> <ol style="list-style-type: none"> 1. Social aspects related to external (external) parties where the results are stated in the CID (Community Involvement Department) Program document, but the results of the previous SIA plan and management have not been shown including evaluation of compliance, impact management carried out including social management programs especially those that have a negative impact that need to be managed for the next period. 2. The impact of internal operational activities has not been discussed, for example from the operational activities of plantations and mills, OHS and Employment including from the existence of conservation areas that intersect with the community. <p>Then in 2021 the company is in the process of conducting a review for social impact assessment both internally and externally however:</p> <ol style="list-style-type: none"> 1. The external stakeholders involved in the preparation of the management plan and social monitoring are not known which parties are involved and have not paid attention to the broadly affected parties such as women, migrants, local residents, youth leaders, contractors and other affected parties. 2. It can be shown that the evaluation of PT KAL's 2021 social monitoring and management plan matrix for internal purposes has not yet been provided but there is no basic information on the management plan that has been reviewed, and furthermore it cannot be shown that internal stakeholders have been involved in the management plan and social monitoring. <p>Furthermore, the results of the document review and interviews with management and stakeholders (internal and external) revealed that the company had implemented a social management and monitoring plan, which was carried out partially by the relevant departments, so that the reports on activities carried out were not comprehensive and integrated, for example:</p> <ul style="list-style-type: none"> - Employment and OHS impacts are managed by HR and EHS. - Environmental Impact and HCV managed by EHS and Conservation. - External Impact managed by CID (Community Involvement Department). - Plantation and mill operations are managed by the plantation and mill operations team. <p>By doing it partially by the relevant departments, there are potential impacts that arise but are not managed in a comprehensive and integrated manner on several issues that are developing now and in the future, for example, but not limited to:</p> <ul style="list-style-type: none"> • Attention to the impact of the company's operational activities and efforts to minimize it. 			

- The potential for social jealousy among Plasma Cooperatives regarding the amount of RSPO premium price given by the company.
- Potential social jealousy from plasma cooperatives that are not yet included in the scope of certification.
- Potential jealousy between plasma cooperatives and contractors regarding job opportunities that can be outsourced / work contracts.
- Attention related to labor issues (centralization of housing, transportation of workers, changes in the number of workers, terms of employment, workers' income and the existence of trade unions).
- Compliance issues related to laws and regulations for third parties (contractors).

Non-Conformance Description (filled by auditor):

The management and monitoring of the SIA carried out by the company has not been carried out comprehensively by integrating between sections/departments covering all impacts and representative samples of affected parties.

Root Cause Analysis (filled by organization audited):

Correction (filled by organization audited):

Corrective Action (filled by organization audited):

Assessor Evaluation and Conclusion (filled by auditor):

Verified by :

3.4.3. Opportunity for Improvement

No	Ref.	Description
1	2.2.2	<p>The company has a partnership with a third party in 2021 as a contractor, transporter and supplier of FFB. Every cooperation carried out has a cooperation agreement that explains the rights and obligations of each party including the obligation to comply with the laws and regulations in Indonesia (legality, employment, OHS and others). Based on the results of the review of evaluation documents for compliance with third party regulations (CV Cahaya Sejati, CV Abadi Log Jaya and PT Jasa Mandiri Agro) for the September 2021 period, where the legality of legal entities, wages, OHS, age requirements, and others have been met. However, the fulfilment of the obligation to register their workers in the BPJS program has not been fully fulfilled because the third party has just entered the BPJS registration stage on behalf of the business entity. This is in line with the results of interviews with third parties (CV Cahaya Sejati, CV Abadi Log Jaya and PT Jasa Mandiri Agro) it is known that the fulfilment of BPJS for workers has not been recognized because they have just registered and paid BPJS contributions on behalf of the business entity. The plan is for BPJS registration for its workers to be carried out in stages and for now it has covered the medical costs of his work while working at the company.</p> <p>The company in evaluating the compliance with laws and regulations by third parties refers to Internal Memorandum No. 11/GMO/KAL/GM/V/2020 dated May 05, 2020 regarding the Volume Labor Reporting Mechanism, which explains the reporting of third parties who cooperate in providing labor for plantation operational activities in accordance with the Regulation of the Minister of Manpower No. 19 of 2012. The report includes the list of workers, work agreements between contractors and companies and between contractors and their employees. As the implementation of the Internal Memorandum, the company conducts regular monthly evaluations to ensure compliance with the laws and regulations implemented by the third party. However, in the IOM the mechanisms that regulate are related to:</p> <ul style="list-style-type: none"> • Details of the evaluation and monitoring are not yet available • Plans/targets to third parties to ensure compliance with relevant laws and regulations are not yet available. <p>Based on this explanation, the company has the opportunity to develop a mechanism that regulates this matter.</p>
2	3.8.5	<p>In implementing the supply chain requirements, the certification unit has a SCCS procedure which is stated in the Mass Balance SOP document (SOP-SCD-06 dated 17 September 2018). In this procedure the references used still refer to the old requirements and standards (SCCS 2017). The results of interviews with management representatives obtained information that the revision process related to the procedure was being carried out and is currently in the review process prior to approval.</p> <p>In this regard, the unit of certification is encouraged to ensure that the procedure for renewal / revision has been completed.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	Management commitment to apply the principles of sustainable palm oil management.
2	Personal competence related to compliance with sustainable palm oil certification standards.
3	Have a cooperative bond related to the development of plasma plantations for the community whose benefits have been felt by the plasma participating communities.
4	More than 70% of the workers are local workers who come from surrounding villages.
5	Has implemented an EPMS (Electronic Plantation Management System) system for FFB transportation and delivery activities.
6	Has used a patrol system based on Spatial, Monitoring and Reporting Tools (SMART-RBM) for PT Kayung Agro Lestari conservation monitoring.
7	Has used a barcode system to identify the status, species and plant species (as many as 30 species have been stored) in the conservation area of PT Kayung Agro Lestari.
8	The company has 2 (two) workers with special needs as permanent employees and have worked for more than 5 years.



3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>National Land Agency.</p> <p>Based on the results of the interview, it is known that during the 2020-2021 period there were no additional new use rights, and there were no reports regarding land disputes and conflicts with communities or outside parties. It was also explained that the company had also reported a report on land use / right to cultivate for the period 2020</p> <p>Based on the results of the interview, it was also known that communication and cooperation between the National Land Agency office and the company were well established</p>	<p>There are no issues that need further verification.</p>
<p>Natural Resource Conservation Office Ketapang District (Conservation analysis of BKSDA Region I Ketapang)</p> <ul style="list-style-type: none"> • Within the PT KAL management area there is an area designated as an Essential Ecosystem Area, and by the company the area is designated as an HCV area.. • There has been an orangutan release in the management area of PT KAL • Cooperation between BKSDA and PT KAL is going well. • The company has its own conservation team which is competent in managing HCV areas. • Currently, Orangutans can still be found in the vicinity of the Company's HCVs. • The BKSDA feels that the company's management of HCV, especially conservation areas, is quite good. 	<p>There are no issues that need further verification.</p>
<p>Manpower and Transportation Agency of Ketapang Regency.</p> <p>During the past year there has been no case related to industrial relations disputes that occurred in the certification unit. The certification unit submitted the contract worker (PKWT) employee registration documents to the agency with the complete the supporting documents such as the employment contract. Certification unit has been implemented minimum wage, overtime and others labor standard in accordance with government regulation. Every labor union has been verified by agency and still active in certification unit.</p>	<p>The certification unit has paid minimum wages, overtime and others labor standard in accordance with the government regulations. Since 2020 until now there is no issues related to worker welfare issue.</p>
<p>Laman Mayang Sentosa Cooperative</p> <ul style="list-style-type: none"> • Currently, the number of members of the cooperative is 624 members with a land area of 1,771.6 Ha. • The management of plasma plantations is carried out by the Company under one roof management. 	<p>There are no issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> • There is a Cooperation Agreement between PT KAL and the Cooperative. The agreement has a validity period of 30 years and can be extended. • Meetings have been held by the company to discuss RSPO socialization, pesticide use, organizational training, etc. • FFB payments are made 4 times a year. • The agreed FFB price is the price determined by the Plantation Service. • There were no complaints related to the payment and price of FFB felt by the members of the Cooperative. • The company also provides an RSPO Premium price from the sale of RSPO certified FFB. 	
<p>Laman Satong community representatives including previous land owner</p> <p>The company's relationship with the community is very good. The social responsibility provided includes assistance in community activities such as support in customary activities, road infrastructure improvements, and absorption of village communities as company workers</p> <p>The process for land compensation is carried out on the basis of an agreement between the two parties without coercion or intimidation</p> <p>The land compensation process has been carried out with a negotiation process, good administration, involving witnesses and mediation of the traditional leader, village head, sub-district head and police.</p>	<p>In general, the information conveyed by stakeholders regarding social relations is very good. The company's existence has a positive impact on the surrounding community through social responsibility programs. There are no issues of conflict or land dispute between the community and the company</p>
<p>Bina Satong Lestari Cooperative</p> <p>there was dissatisfaction with the cooperative .due to the issue of profit sharing and unproductive land. these problems have been resolved by mediation from the local government</p> <p>The FFB price fixing refers to the government. Profit sharing is paid every three months. Plasma realization reports including costs and tonnage are submitted monthly. the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts have been made fairly, transparently and legally.</p>	<p>There are no issues that need to be further verified.</p>
<p>Occupants in F13 Division 8</p> <p>Based on interview is with occupants in F13 Division 8 obtained information that they had managed the area before PT KAL was established. Occupants explained that so far there have been no problems and both parties respect each other. The results of</p>	<p>In conflict resolution SOP has been explained that any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved by legal means (court or police). The</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>the interview also obtained information that they were not willing to be compensated because the area belonged to them and as a source of income for their families. The results of the field visit also revealed that the company had made a ditch as the boundary of the company's operations with the area controlled by the community</p>	<p>company does not use mercenaries in maintaining peace and order</p>
<p>Gender Committee</p> <p>There is no issue related to child worker, abuse, discrimination on gender matters. Women reproductive rights (paid leave for menstruation and giving birth) has been satisfactory implemented by the unit of certification.</p> <ul style="list-style-type: none"> • Pregnancy test has conducted every month. • The committee has known that pregnant and breastfeeding women are prohibited to works with agrochemicals, and will be transferred to manual upkeep works. 	<p>There are no issues that need further verification.</p>
<p>Worker Cooperative</p> <p>Employee cooperatives are engaged in convenience stores selling basic needs of employees such as groceries and so on. The Employee Cooperative has 700 employees.</p>	<p>There are no issues that need further verification.</p>
<p>Labour Union (SBPP) PT Kayung Agro Lestari</p> <p>The relationship between the certification unit and the union is well established, the certification unit supports the existence of the union and gives freedom to unionized employees and facilitates the union by giving room for discussion. In the past one year period there were no work relationship disputes found, all employee rights were fulfilled by the certification unit in accordance with applicable regulations.</p>	<p>There are no negative issues that need further verification. The certification unit has ensure that the employee's rights have been fulfilled in accordance with the regulations.</p>
<p>CV Abadi Log Jaya (Transporter for CPO and PK).</p> <p>The certification unit continues to improve business and empower communities by cooperating with transporter. Making a work agreement based on the agreement between the two parties and payment is made on time in accordance with the contents of the agreement. The certification unit always conducts socialization and evaluation related to the fulfillment of company policy, labor social assurance and the OHS aspects of transporter workers.</p>	<p>There was no negative issue that need further verification. The certification unit has demonstrated its commitment to develop communities. In addition documentation has been shown that the payment of the transporter's results has been paid according to the agreement and on time.</p>
<p>CV Cahaya Sejati (FFB Supplier).</p> <p>The certification unit continues to improve business and empower communities by cooperating with contractors. Making a work agreement based on the agreement between the two parties and payment is made on time in accordance with the</p>	<p>There was no negative issue that need further verification. The certification unit has demonstrated its commitment to develop communities. In addition</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
contents of the agreement. The certification unit always conducts socialization and evaluation related to the fulfillment of company policy, labor social assurance and the OHS aspects of contractor workers.	documentation has been shown that the payment of the contractor's results has been paid according to the agreement and on time.

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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kayung Agro Lestari General Manager</p>  <p>Dadi Friday, 22 October 2021</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Hasiholan Sihombing Friday, 22 October 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	Natural Resource Conservation Office Ketapang district	Ketapang Regency		Interview by Phone	11 October 2021	✓	
2	Department of Public Housing for Settlement and Environmental Areas of Ketapang Regency	Ketapang Regency		Interview by Phone	11 October 2021		✓
3	Head of the Seed, Development and Protection Section of the Ketapang Regency Plantation Service.	Ketapang Regency		Interview by Phone	11 October 2021		✓
4	Laman Mayang Sentosa Cooperative	Ketapang Regency		Interview by Phone	11 October 2021	✓	
5	Manpower and Transportation Agency of Ketapang Regency	Ketapang Regency		Interview by Phone	11 October 2021	✓	
6	Labour Union (SBPP) PT Kayung Agro Lestari	PT Kayung Agro Lestari		Interview by Phone	11 October 2021	✓	
7	CV Abadi Log Jaya (Transporter CPO/PK)	Ketapang Regency		Interview by Phone	11 October 2021	✓	
8	CV Cahaya Sejati (FFB Supplier)	Ketapang Regency		Interview by Phone	11 October 2021	✓	
9	Gender Committee	PT Kayung Agro Lestari		Interview by Phone	11 October 2021	✓	
10	Workers Cooperative	PT Kayung Agro Lestari		Interview by Phone	11 October 2021	✓	
11	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire via email	05 October 2021		✓
12	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	05 October 2021		✓
13	AMAN	Jakarta	rumahaman@cbn.net.id	Questionnaire via email	05 October 2021		✓
14	KAL POM 7 workers	Ketapang Regency		Interview by Phone	13 October 2021	✓	
15	GST 1 8 workers	Ketapang Regency		Interview by Phone	13 October 2021	✓	
17	SGT 2 6 workers	Ketapang Regency		Interview by Phone	14 October 2021	✓	
18	GST 2 7 workers	Ketapang Regency		Interview by Phone	14 October 2021	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
19	Mitra Estate 5 workers	Ketapang Regency		Interview by Phone			
20	Central workshop and housing 4 workers	Ketapang Regency		Interview by Phone	13 October 2021	✓	

Appendix 2. Assessment Program

DATE /	10 – 16 October 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 10 October 2021		
10.00 – 14.00	JAKARTA → Pontianak → Ketapang (AUDITOR STAY IN KETAPANG FOR THREE DAY QUARANTINE)	All Auditor
Monday, 11 October 2021		
08.30 – 09.30	AUDITOR STAY IN KETAPANG FOR THREE DAY QUARANTINE Opening meeting (recorded video conference) <ul style="list-style-type: none"> - Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) - Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
09.30 – 12.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier	All Auditor
09.30 – 12.00	<ul style="list-style-type: none"> • Verification of Basic Information Mill and Estate • Confirmation of Time Bound Plan • Review of Partial Certification 	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	
14.00 – 16.15	<ul style="list-style-type: none"> • Document review and completing audit checklist. 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> • Presentation of Daily Progress. 	
Tuesday, 12 October 2021		
08.00 – 11.00	AUDITOR STAY IN KETAPANG FOR THREE DAY QUARANTINE <ul style="list-style-type: none"> • Document review and completing audit checklist. • public consultation with stakeholder to relevant agency in Ketapang Regency (by Phone) • Stakeholder consultation to affected communities surrounding the plantations and previous land owner 	All Auditor
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Document review and completing audit checklist. • Presentation of Daily Progress. 	All Auditor
Wednesday, 13 October 2021		
06.30 – 08.00	KETAPANG – PT KAYUNG AGRO LESTARI	All Auditor
08.30 – 12.00	Field Observation to GUNUNG SEJAHTERA TUMBUH 2 ESTATE & GUNUNG SEJAHTERA TUMBUH 1 ESTATE	

DATE /	10 – 16 October 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Observation of Workers Facilities (Housing, School, Worship Place). 	
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	All Auditor
14.00 – 16.15	Field observation to KAL POM : <ul style="list-style-type: none"> • Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) • Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, • Observation of WWTP, WTP, LA, EBA 	All Auditor
16.15 – 17.00	Presentation of Daily Progress	
17.00 – 18.30	PT KAYUNG AGRO LESTARI - KETAPANG	
Thursday, 14 October 2021		
06.30 – 08.00	KETAPANG – PT KAYUNG AGRO LESTARI	
08.30 – 12.00	Field Observation to SUNGAI GEMILANG TEDUH 1 ESTATE, SUNGAI GEMILANG TEDUH 2 ESTATE & MITRA ESTATE Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Observation of Workers Facilities (Housing, School, Worship Place). 	All Auditor
12.00 – 13.00	Break	
13.00 – 15.00	PT KAYUNG AGRO LESTARI - KETAPANG	
15.00 – 17.00	<ul style="list-style-type: none"> • Document review and completing audit checklist. • Presentation of Daily Progress. 	All Auditor
Friday, 15 October 2021		
08.00 – 11.00	<ul style="list-style-type: none"> • PCR Test in Ketapang as flight requirement for Flight to Jakarta. 	All Auditor

DATE /	10 – 16 October 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<ul style="list-style-type: none"> • Break 	
14.00 – 15.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
15.00 – 16.00	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions • Comments, Responses and Questions 	
Saturday, 16 October 2021		
10.00 –	KETAPANG → PONTIANAK → JAKARTA	All Auditor