

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

**[✓] Surveillance**

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

Plantation Name : PT Langkat Nusantara Kepong: Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Maryke Estate & Padang Brahrang Estate

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

Certificate Code : MUTU-RSPO/149

Date of Certificate Issue : 21 October 2020      Date of License Issue : 21 October 2022

Date of Certificate Expiry : 20 October 2025      Date of License Expiry : 20 October 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	18 to 19, 22 to 23, and 25 to 28 July 2022	Rizliani Aprianita Hasibuan (Lead Auditor), Bayu Yogatama, Septian Maulana, dan Mia Rahmah Qadryani	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	26 August 2022

**TABLE OF CONTENT**
**FIGURE**

Figure 1. Location Map of PT. Langkat Nusantara Kepong	1
Figure 2. Location Map of Bukit Lawang Estate	2
Figure 3. Operational Map of Bekiun Estate	3
Figure 4. Operational Map of Tanjung keliling Estate	4
Figure 5. Operational Map of Padang Brahrang Estate	5
Figure 6. Operational Map of Maryke Estate	6
Abbreviations Used	7

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	9
1.2 Organization Information	9
1.3 Type of Assessment	9
1.4 Location of Mill and Plantations	9
1.5 Description of Area Statement	10
1.6 Planting Year and Cycle	10
1.7 Description of Mill and Supply Base	11
1.8 Estimate Tonnage of Certified Product	12
1.9 Other Certifications	13
1.10 Time-Bound Plan	13

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	19
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	19
2.3 Stakeholder Consultation and Stakeholders Contacted	23
2.4 Determining Next Assessment	24

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	25
3.2 Conformity Checklist of Certificate and Logo Use	67
3.3 Summary of RSPO Partial Certification	68
3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	70
3.5 Summary of Arising Issues from Public, and Auditor Verification	74

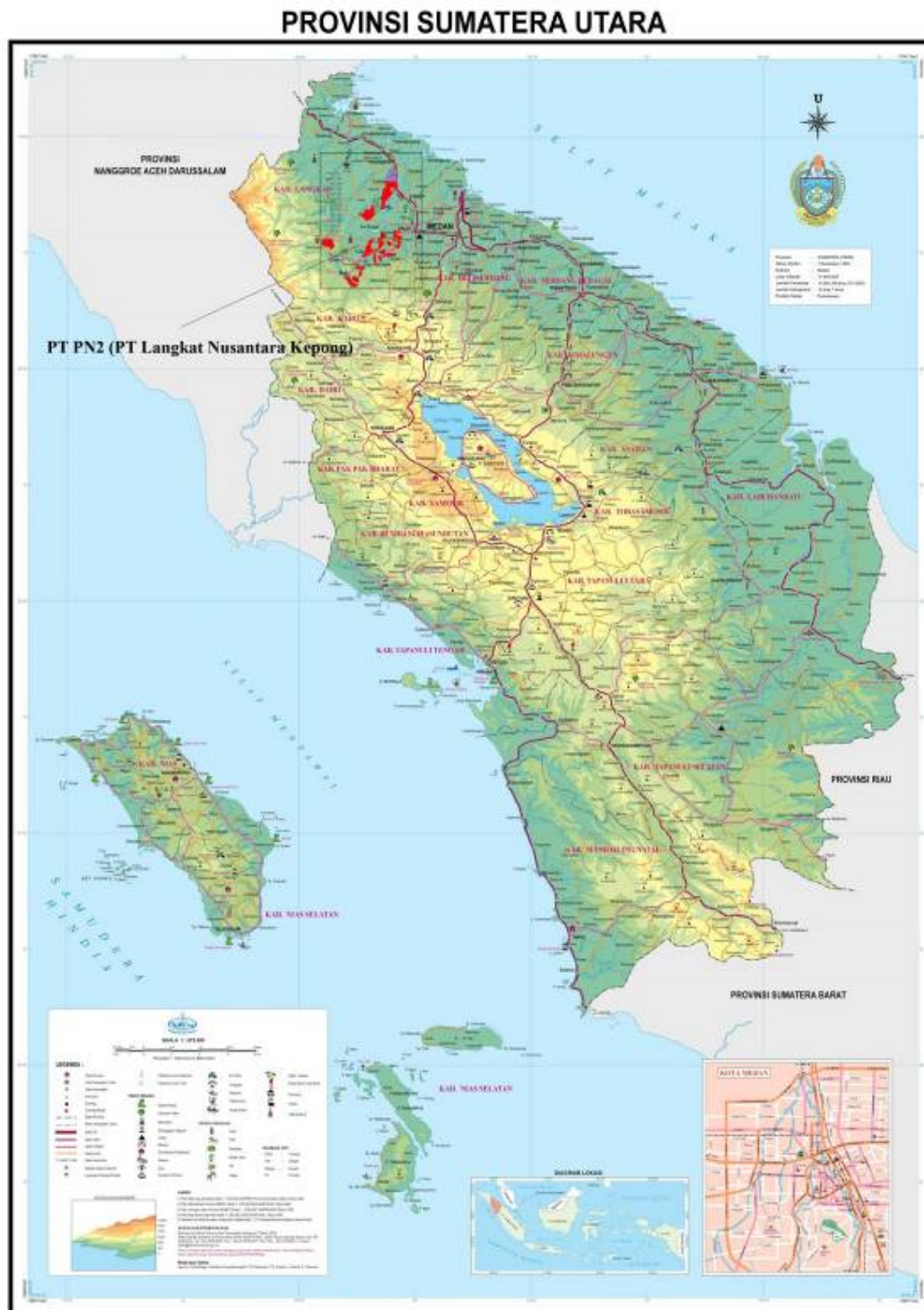
**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1 Formal Signing of Assessment Findings	78
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**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	79
2. Assessment Program	81

Figure 1. Location Map of PT. Langkat Nusantara Kepong



**Figure 2. Operational Map of Bukit Lawang Estate**

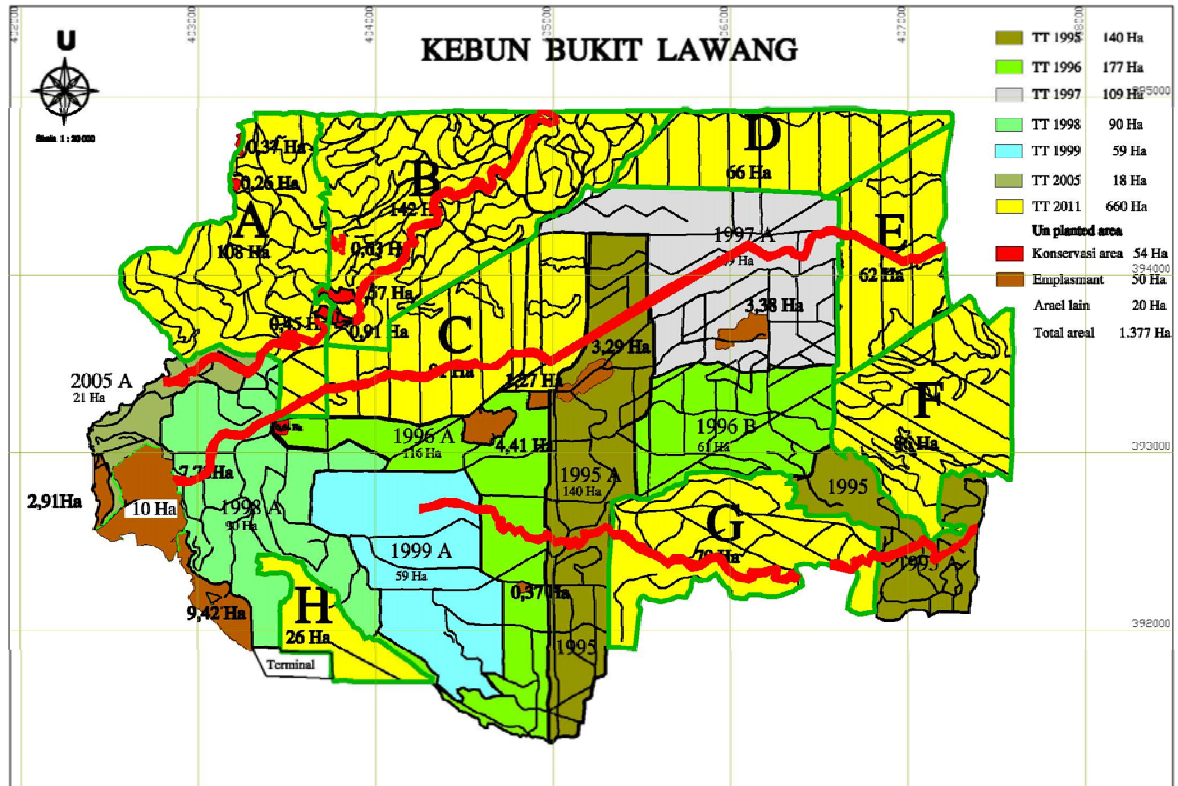


Figure 3. Operational Map of Bekiun Estate

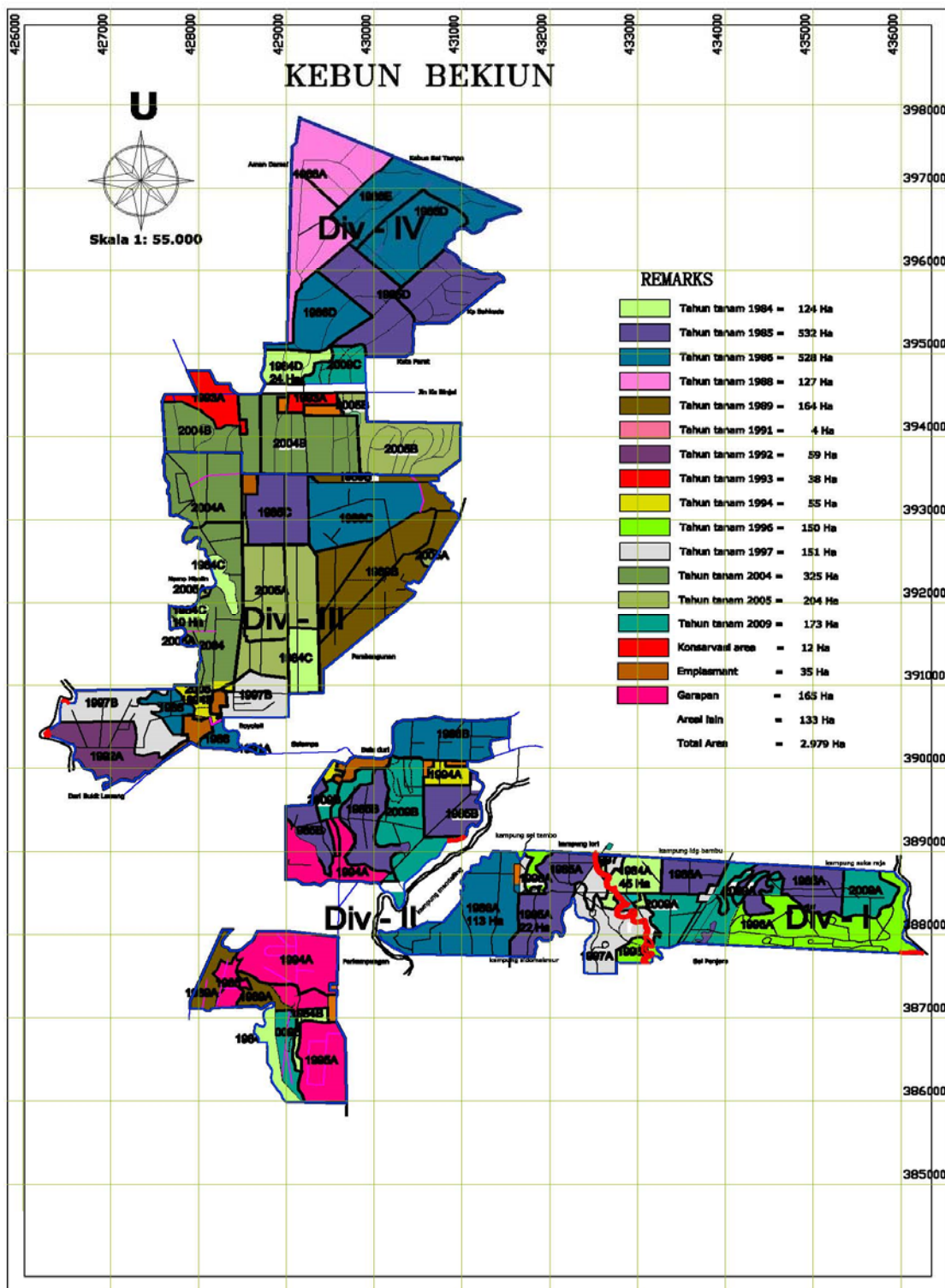




Figure 4. Operational Map of Tanjung Keliling Estate

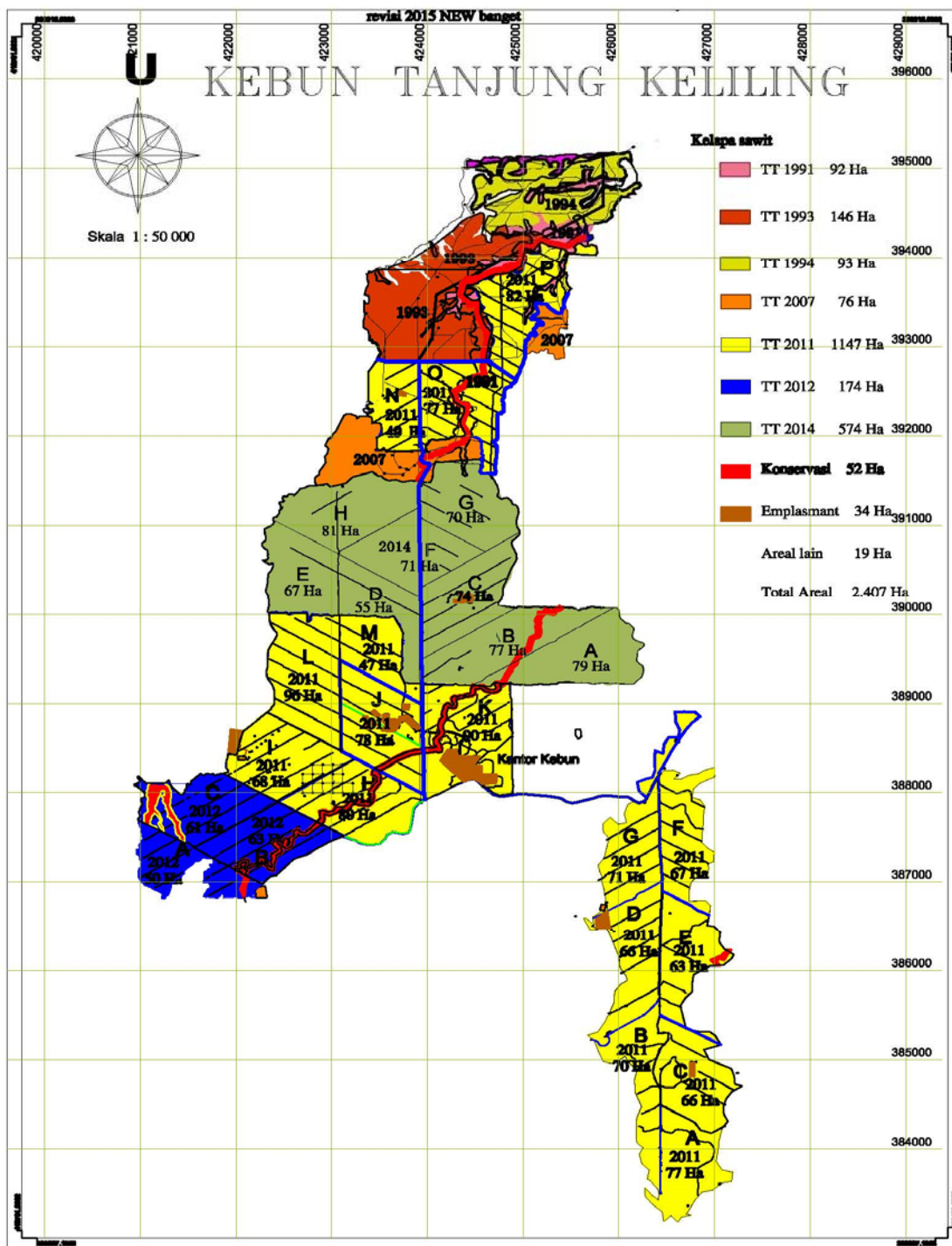


Figure 5. Operational Map of Padang Brahrang Estate

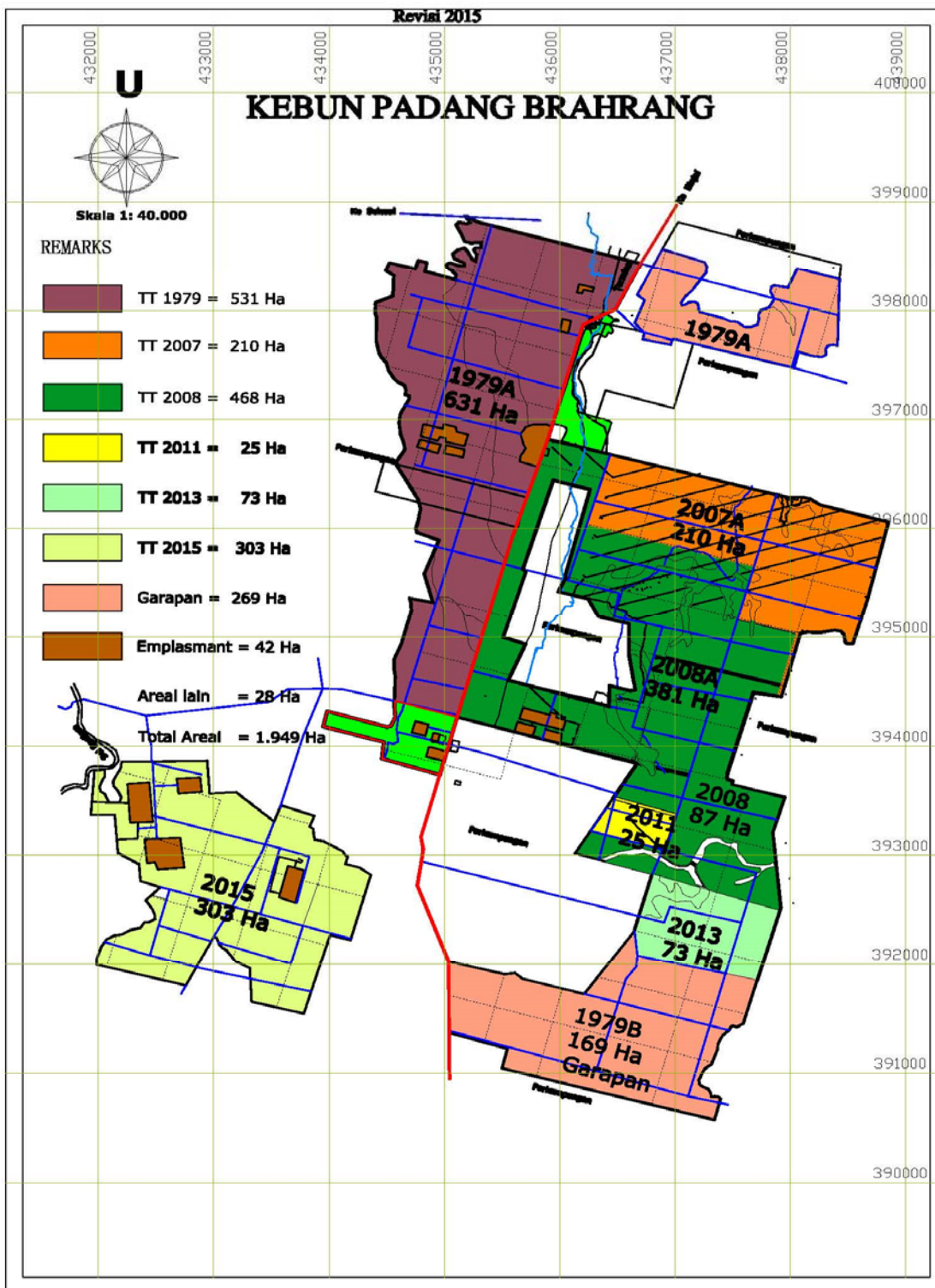
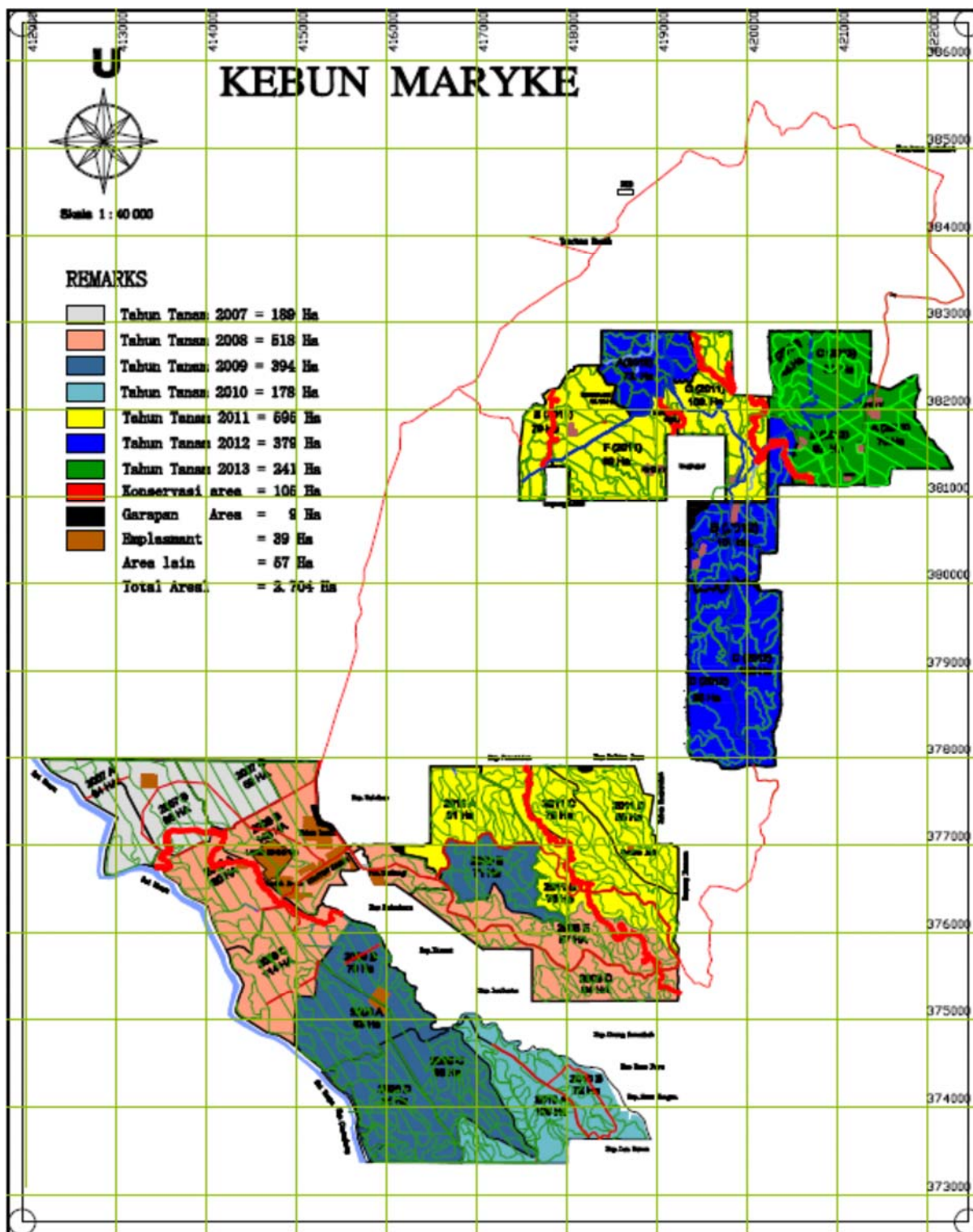


Figure 6. Operational Map of Maryke Estate





**Abbreviations Used**

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

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

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>								
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.</li> </ul>							
<b>1.2</b>	<b>Organisation Information</b>								
1.2.1	Organisation name listed in the certificate	<b>PT Langkat Nusantara Kepong - Kuala Lumpur Kepong Bhd</b>							
1.2.2	Contact person	Jason Foong							
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000  Liaison Office: Komplek Kantor Direksi PTPN II Jl. Medan – Tanjung Korawa KM 17.5 Medan, Sumatera Utara 20362							
1.2.4	Telephone	061 – 7720 0717 / 794 0229							
1.2.5	Fax	061 – 794 7412							
1.2.6	E-mail	jason.foong@klk.com.my							
1.2.7	Web page address	<a href="http://www.klk.com.my">www.klk.com.my</a>							
1.2.8	Management Representative who completed the application for certification	Jason Foong							
1.2.9	Registered as RSPO member	18 October 2004 Registration Number 1-0014-04-000-00							
<b>1.3</b>	<b>Type of Assessment</b>								
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply bases: Tanjung Keliling Palm Oil Mill and 5 estates (Tanjung Keliling Estate, Bekiun Estate, Maryke Estate, Bukit Lawang Estate & Padang Brahrang Estate)							
1.3.2	Type of certificate	Single							
<b>1.4</b>	<b>Locations of Mill and Plantation</b>								
1.4.1	Location of Mill								
	<b>Name of Mill</b>	<b>Location</b>	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>N 03° 30' 43"</td> <td>E 98° 18' 24"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	N 03° 30' 43"	E 98° 18' 24"
Coordinate									
Latitude	Longitude								
N 03° 30' 43"	E 98° 18' 24"								
	Tanjung Keliling POM	Tanjung Keliling Village, Salapian Sub District, Langkat District, Sumatera Utara Province, Indonesia							
1.4.2	Location of Certification Scope of Supply Base								
	<b>Name of Supply Base</b>	<b>Location</b>	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> </tbody> </table>	Coordinate		Latitude	Longitude		
Coordinate									
Latitude	Longitude								

	Padang Brahrang Estate	Padang Brahrang Village, Selesai Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 35' 20"	E 98° 25' 20"			
	Bekiun Estate	Bekiun Village, Kuala Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 31' 42"	E 98° 21' 03"			
	Tanjung Keliling Estate	Tanjung Keliling Village, Salapian Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 30' 46"	E 98° 19' 08"			
	Bukit Lawang Estate	Bukit Lawang Village, Bahorok Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 32' 50"	E 98° 07' 40"			
	Maryke Estate	Maryke Village, Kutambaru Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 24' 29.46"	E 98° 14' 16.33"			
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		11,454.50 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area	11,455.00 Ha					
	• Mature area	7,843.00 Ha					
	• Immature area	2,504.00 Ha					
	• HCV	302.00 Ha					
	• Housing	182.00 Ha					
	• Road/ trench	240.50 Ha					
	• Unplanted area	67.50 Ha					
	• Sludge of POM	11.00 Ha					
	• Social infrastructure (District office)	7.00 Ha					
	• Areal occupied by PEMDA (local government)	21.00 Ha					
	• Football Field	7.00 Ha					
	• Nursery Oil Palm	12.00 Ha					
	• Occupation area	258.00 Ha					
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)				Total	
		Padang Brahrang Estate	Bekiun Estate	Tanjung Keliling Estate	Bukit Lawang Estate		Maryke Estate
	1995	-	-	-	145.00	-	145.00
	1996	-	-	-	180.00	-	180.00
	1997	-	-	-	109.00	-	109.00
	1998	-	-	-	109.00	-	109.00



1999	-	-	-	58.00	-	58.00
2004	-	318.00	-	-	-	318.00
2005	-	202.00	-	16.00	-	218.00
2007	208.00	-	81.00	-	188.00	477.00
2008	433.00	-	-	-	526.00	959.00
2009	-	79.00	-	-	419.00	498.00
2010	-	-	-	-	162.00	162.00
2011	-	-	1,082.00	663.00	603.00	2,348.00
2012	-	-	180.00	-	365.00	545.00
2013	74.00	-	-	-	216.00	290.00
2014	-	-	561.00	-	-	561.00
2015	278.00	-	-	-	-	278.00
2016	110.00	134.00	-	-	-	244.00
2017	44.00	-	-	-	-	44.00
2018	-	300.00	-	-	-	300.00
<b>Mature</b>	<b>1,147.00</b>	<b>1,033.00</b>	<b>1,904.00</b>	<b>1,280.00</b>	<b>2,479.00</b>	<b>7,843.00</b>
2019	443.00	534.00	-	-	-	977.00
2020	228.00	987.00	312.00	-	-	1,527.00
<b>Immature</b>	<b>671.00</b>	<b>1,521</b>	<b>312.00</b>	<b>-</b>	<b>-</b>	<b>2,504.00</b>
<b>TOTAL</b>	<b>1,818.00</b>	<b>2,554.00</b>	<b>2,216.00</b>	<b>1,280.00</b>	<b>2,479.00</b>	<b>10,347.00</b>

There is recalculation planting year area.

1.6.2	New Planting area after January 2010	- Ha
1.6.3	Planting Cycle	2 <sup>nd</sup> Cycle

## 1.7 Description of Mill and Supply Base

### 1.7.1 Description of Mill

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
Tanjung Keliling	80	182,136.24	44,684.06	24.53	7,417.89	4.07

*\*Production data source from 12 months before assessment (July 2021 to June 2022)*

### 1.7.2 Description of Certification Scope of Supply Base

Name of Estate	Total Area (Ha)	Mature Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
					FFB (tonnes/year)	%
Padang Brahrang Estate	1,949.00	1,147.00	27,978.09	24,39	26,652.13	95.26
Bekiun Estate	2,979.00	1,033.00	27,770.98	26,88	26,898.93	96.86
Tanjung Keliling Estate	2,406.00	1,904.00	42,616.52	22,38	41,548.10	97.49

	Bukit Lawang Estate	1,417.00	1,280.00	32,304.24	25.24	31,382.18	97.15
	Maryke Estate	2,704.00	2,479.00	54,172.44	21.85	52,836.20	97.53
	<b>TOTAL</b>	<b>11,455.00</b>	<b>7,843.00</b>	<b>184,842.27</b>	<b>23,56</b>	<b>179,317.54</b>	<b>97.01</b>
	<i>*Production data source from 12 months before assessment (July 2021 to June 2022)</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation</b> (RSPO certified / non-certified)	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB</b> (tonnes/year)		
	Tanjung Beringin (Certified)	PT Langkat Nusantara Kepong	-	-	968.00		
	Gohor Lama (Certified)	PT Langkat Nusantara Kepong	-	-	868.54		
	Basilam (Certified)	PT Langkat Nusantara Kepong	-	-	982.16		
	<b>TOTAL</b>				<b>2,818.70</b>		
	<i>*Production data source from 12 months before assessment (July 2021 to June 2022)</i>						
1.7.4	Product categories		<b>FFB, CPO, PK</b>				
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume from July 2021 – June 2022 (MT)		
	FFB Process IP		208,494		182,136.24		
	FFB Process MB		38,001		-		
	CPO Production IP		51,427		46,390.25		
	CPO Production MB		9,500		-		
	Palm Kernel (PK) Production IP		8,368		7,645.12		
	Palm Kernel (PK) Production MB		1,600		-		
	<i>There are opening stock CSPK in the end of June 2021 227.23 MT</i>						
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (July 2021 – June 2022) (MT)				
	• CSPO sold as RSPO certified product		41,746.76				
	• CSPK sold as RSPO certified product		7,474.990				
	• CSPO sold under other scheme		0				
	• CSPK sold under other scheme		0				
	• CSPO sold as conventional		452.88				
	• CSPK sold as conventional		0				
1.8.3	Estimate of Certified FFB Claim						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Mature Area (Ha)</b>	<b>FFB</b> (tonnes/year)		<b>Yield</b> (tonnes/ha/year)	
				<b>IP</b>	<b>MB</b>		
	Padang Brahrang Estate	1,949.00	1,147.00	25,000	4,400	16.17	

	Bekiun Estate	2,979.00	1,033.00	25,000	4,200	11.43		
	Tanjung Keliling Estate	2,406.00	1,904.00	38,000	6,800	20.22		
	Bukit Lawang Estate	1,417.00	1,280.00	29,000	5,000	26.56		
	Maryke Estate	2,704.00	2,479.00	50,000	7,000	22.99		
	TOTAL	11,455.00	7,843.00	167,000	27,400	18.79		
	*Projected FFB production for July 2022 to June 2023							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extractio n (%)	
	Tanjung Keliling	80	167,000	40,915	24.5	6,847	4.1	Identity Preserved
			27,400	6,713		1,123		Mass Balance
	*Projected FFB production for July 2022 to June 2023							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO Certificate No. MUTU-ISPO/247 dated 6 August 2021				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
MANAGEMENT UNIT			LOCATION	Coverage Area	Time Bound	Status		
P O M	Estate (Supply Base)			(Ha)				
INDONESIA								
Berau POM	Malindomas Perkebunan		Berau, Kalimantan Timur	7,971	2019	Certified		
	Hutan Hijau Mas		Berau, Kalimantan Timur	7,288	2019	Certified		
Jabontara POM	Jabontara Eka Karsa		Berau, Kalimantan Timur	14,086	2017	Certified 2017		
	Anugerah Surya Mandiri		Berau, Kalimantan Timur	2,682	NA	Information in remarks below.		
PBJ POM	Putra Bongan Jaya		Kutai Barat, Kalimantan Timur	11,602	2022	Uncertified		
MAP POM	Mulia Agro Permai		Baamang, Kalimantan Tengah	9,056	2019	Certified		

	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	2,384	2023	-
KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2019	Certified
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified 1 January 2015
	Bumi Makmur Sejahtera Jaya		364	2023	Uncertified
Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified 2016
	Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified 2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM 1	-	Pelalawan, Riau	-	2022	Initial Assessment in March 2022
Nilo POM 2	Nilo Timur	Pelalawan, Riau	6,681	2014	Certified
	Nilo Barat	Pelalawan, Riau	6,179	2014	Certified
	Ladang Mutiara (PT SWP)	Pelalawan, Riau	1,363	2019	Certified
	Smallholder PT Adei Plantation – NILO Complex	Pelalawan, Riau	1,600	2018	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	Koperasi Tani Sahabat Lestari	Kampar, Riau	1,294	-	Refuse to take a part RSPO process.
	(Smallholder)				
Stabat POM	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified 2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified 2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	Certified 2017
	Tanjung Beringin	Langkat, Sumatera Utara	3,936	2020	Certified
Tanjung Keliling POM	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified 2020
	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified 2020



	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified 2020
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified 2020
Sinergi POM	Kebun Pertama	Kutai Timur, Kalimantan Timur	10,104	2024	Uncertified
	Kebun Belidan	Kutai Timur, Kalimantan Timur		2024	Uncertified
	Kebun Manubar	Kutai Timur, Kalimantan Timur		2024	Uncertified
	Kebun Multi	Kutai Timur, Kalimantan Timur	3,255	2024	Uncertified
	Kebun Karya	Kutai Timur, Kalimantan Timur	2,928	2024	Uncertified
	Kebun Bakti	Kutai Timur, Kalimantan Timur	1,884	2024	Uncertified
IPS POM	Kebun IPS	Kutai Timur, Kalimantan Timur	3,556	2024	Uncertified
Prima POM	Kebun Prima	Bulungan, Kalimantan Utara	7,731	2024	Uncertified
	Kebun Bahagia	Bulungan, Kalimantan Utara	1,310	2024	Uncertified
	Kebun Permai 1	Bulungan, Kalimantan Utara	1,017	2024	Uncertified
	Kebun Permai 2	Bulungan, Kalimantan Utara	3,778	2024	Uncertified
PBJ POM	Kebun PT Putra Bongan Jaya	Kutai Barat, Kalimantan Timur	11,602	2022	Uncertified
PWS POM	Kebun Pasir Salak	Musi Banyuasin, Sumatera Selatan	5,105	2024	Uncertified
	Kebun Pangkor	Musi Banyuasin, Sumatera Selatan	4,697	2024	Uncertified
	Kebun Grik	Musi Banyuasin, Sumatera Selatan	5,269	2024	Uncertified
No POM yet	Kebun Anugrah	Mesuji, Lampung	3,231	2024	Uncertified
	Kebun Bintang	Mesuji, Lampung	2,608	2024	Uncertified
	Kebun Ceria	Mesuji, Lampung	2,674	2024	Uncertified
Segah POM	Kebun Satu Sembilan Delapan	Berau, Kalimantan Timur	5,676	2022	Uncertified
	Kebun Tekukur Indah		1,497	2025	Uncertified

PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoo	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pemas	Pemas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemong, Pahang	1,578	2012	Certified
	Tuan	Telemong, Pahang	1,353	2012	Certified
Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
	Bukit Kato	Serendah, Selangor			Certified 2013
	Kampar	Serendah, Selangor			Certified 2013

Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
<b>SABAH, MALAYSIA</b>					
Pinang POM	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong	Tawau, Sabah	2,864	2009	Certified 2009
	Pangeran	Tawau, Sabah	2,855	2009	Certified 2009
	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
Mill II	Pang Burong	Tawau, Sabah	2,548	2009	Certified 2009
	Sri Kunak	Tawau, Sabah	2,770	2009	Certified 2009
	Tundong Estate	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlelet	Tawau, Sabah	1,834	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlelet	Tawau, Sabah	1,834	2009	Certified 2009
Lungmanis POM	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
	Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
	Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
Bornion POM	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010

	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
<b>LIBERIA</b>					
Palm Bay Mill	Palm Bay Estate	Liberia	13,007	2023	Uncertified
<p><i>*KLK Time Bound Plan has been endorsed by RSPO secretariat on 16 July 2021 and has been updated on 1 December 2021.</i></p> <p>The justification for the revision is as follow:</p> <ol style="list-style-type: none"> <li>1. PT Bumi Makmur Sejahtera Jaya (Indonesia): 2023 due to HGU</li> <li>2. *PT Anugrah Surya Mandiri (Indonesia): 2021 : Not Applicable. The unit is undergoing liquidation process since Jan 2020. It is expected to be completed by 2022</li> <li>3. PT Menteng Jaya Sawit Perdana (Indonesia): 2023 due to HGU</li> <li>4. Nilo POM 1:2024. The POM is currently receiving only non-certified FFBs from external suppliers as its own fields are undergoing replanting in stages. It plans to process its own certified FFBs again in 4 years time and subsequently obtain RSPO certification</li> <li>5. Segah POM; 2022. This unit is managed by KLK and has just been recently added into KLK's RSPO certification program.</li> <li>6. PT Tekukur Indah: 2025. This unit is managed by KLK and has just been recently added into KLK's RSPO certification program. However, development has not started.</li> <li>7. Mill 1; certified 2020. The unit is closed and its certificate will not be renewed during the next surveillance audit.</li> </ol> <p>TBP has been update on December 2021 because of Newly acquired management units in 2021, consist of Sinergi POM, IPS POM, Prima POM and PWS POM planned to be certified in 2024.</p>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	There is no associated smallholder in this certification scope.				



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-2</b>	<p>1. <b>Rizliani Aprianita Hasibuan (Lead Auditor)</b>. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SA 8000, Lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified legal and social aspect, TBP and Partial Certification.</p> <p>2. <b>Bayu Yogatama (Auditor)</b>. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, RSPO Lead Training, Green Industry Lead Training, SA 8000, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065, SSC Training. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment, he verified the Environmental, GHG, SCCS and Waste management aspects.</p> <p>3. <b>Septian Maulana (Auditor)</b>. Indonesian Citizen, Bachelor of Economic, Pamulang University. Have experience as sustainability staff on oil palm plantation. Training have been followed including Occupational Health and Safety Expert Candidate certification by Ministry of Manpower and Transmigration of Indonesia; Awareness Integrated Management Systems (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018); Basic Fire Fighting; Basic First Aid; Understanding the regulations and technical aspects of environmental management; Training of Immobilization after a venomous snake bite; Awareness ISO 19011:2011; Awareness ISO 17065:2012; Awareness ISO 17021:2015; ISO 14001:2015; and ISO 45001:2018; ISO 9001:2015 Lead Auditor, ISPO Lead Auditor, and RSPO Lead Auditor, Has conduct audit in aspect BMP, OHS, Worker Welfare, and Transparency since 2020. In this audit activity was verified OHS and Best Management Practices Aspect.</p> <p>4. <b>Mia Rahmah Qadryani (Trainee Auditor)</b>. Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001, ISO 19011, Auditor ISPO, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 14001, Awareness ISO 45001, and Awareness ISO 19011. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies supervised by Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2</b>	<p>Number of auditors: 3 auditors and 1 trainee auditor</p> <p>Number of days for <b>ASA-2</b> Onsite Audit: 8 days</p> <p>Number of working days for <b>ASA-2</b> Onsite Audit: 24 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Langkat Nusantara Kepong, Tanjung Keliling POM Unit Certification based on:</p> <ul style="list-style-type: none"> <li>RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li> </ul> <p>Additional Documents:</p> <ul style="list-style-type: none"> <li>Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020.</li> </ul> <p>The scope of certification of Tanjung Keliling POM consist of one mill (Tanjung Keliling Mill) and five estates (Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Maryke Estate and Padang Brahrang Estate).</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.

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. Some opportunities for improvement of the results ASA-2 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from ASA-1 findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.

The opening meeting was held on 18 July 2022. As for the participants who attended the online opening meeting included the President Director, Estate and Mill Managers, Sustainability staff, Support Team from Jakarta and other staff. Closing meeting was held on 28 July 2022 attended by the same participants as the opening meeting. Management PT Langkat Nusantara Kepong accept all this audit results.

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.

Public Stakeholder Notification was made on MUTU Website and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was 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 discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

Commonly, the audit activities went well with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

### **2.2.3 Locations of Assessment**

<b>ASA-2</b>	<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><b>Tanjung Keliling Estate</b></p> <ul style="list-style-type: none"> <li>• <b>HCV area (Namuncim Lake) block C division 1.</b> Observation related HCV Management</li> </ul>
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- **HCV area (Blondong river) block 11K.** Observation related HCV Management
- **BPN poles No. 35-37 block 12C.** Observation of BPN poles accessibility and maintenance
- **Replanting Area, Block 2020E.** Field observations and interviews related to aspects of soil and water conservation.
- **Fertilizing Area, Block 2020F.** Observation and interview regarding the implementation of work procedure, OHS implementation and employment aspect.
- **HCV area (Bendo river) block 2020E.** Observation related HCV Management.
- **HCV area (Gelondang river) block 2014B.** Observation related HCV Management.
- **Circle Spraying, Block 2020D.** Observation and interview regarding the implementation of work procedure, OHS implementation and employment aspect.
- **Manual Upkeep, Block 2014B.** Observation and interview regarding the implementation of work procedure, OHS implementation and employment aspect.
- **Harvesting, Block 2014C.** Observation and interview regarding the implementation of work procedure, OHS implementation and employment aspect.
- **Land Application Blok 2011 L.** observation of waste management and surrounding environmental conditions
- **Oil Store.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Chemical Warehouse** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Fertilizer Warehouse** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Premix Area** Observation about chemical & waste management, and interviews with workers regarding work understanding
- **PPE Storage & Rinse area** Observing the availability of OHS facilities, water sources, and surrounding ditches
- **Hazardous Waste Warehouse** Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management
- **Workshop** Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Housing Division 3 & 1** Observations on worker facilities, availability of water sources, domestic waste management and sanitation management

### Tanjung Keliling POM.

- **Security post.** Observation and Interview related to work procedure, emergency response, worker welfare, OHS implementation in mill, and supply chain aspect.
- **Grading Station.** Observations related to FFB quality, handling of FFB that did not pass the criteria, OHS and employment.
- **Weighbridge station.** Observation and Interview related to supply chain aspect and worker welfare.
- **CPO dispatch station.** Observation related to OHS implementation, and supply chain aspect.
- **Hazardous Waste Temporary Store.** Field observations related hazardous waste management, OHS and environmental aspect.
- **Chemical Warehouse.** Field observations related chemical management, OHS, and environmental aspect
- **Water Treatment Plant (WTP).** Observations related to water management, recording of water used, OHS, and waste management.
- **Sparepart Warehouse.** Field observations related warehouse management, OHS, and environmental aspect
- **Hydrant simulation.** Observation related emergency response, readiness of firefighting equipment.
- **Workshop.** Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.
- **St. Sterilizer.** Field observations related to BMP, OHS and Environmental aspects.
- **St. Loading Ramp.** Field observations related to BMP, OHS and Environmental aspects.
- **St. Boiler.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.

- **St. Engine Room.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **St. Kernel.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **St. Press.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment
- **Empty Bunch Area.** solid waste management observation
- **Shell & Kernel Area.** solid waste management observation
- **WWTP.** Observation POME Management.

### Bukit Lawang Estate

- **HCV area (Penceng river) block 95B.** Observation related HCV Management
- **BPN poles No. 11-13 block 11E.** Observation of BPN poles accessibility and maintenance
- **Fire watch tower.** observations related to land fire prevention\
- **Harvesting, Division 1.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Pesticide Application, Division 1 and 2.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Landfill, Block 99A.** Field observations and interviews related to aspects of waste management and environment.
- **Housing Complex, Division 1.** Observation related housing condition and domestic waste management.
- **Oil Store.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Chemical Warehouse** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Fertilizer Warehouse** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Premix Area** Observation about chemical & waste management, and interviews with workers regarding work understanding
- **PPE Storage & Rinse area** Observing the availability of OHS facilities, water sources, and surrounding ditches
- **Hazardous Waste Warehouse** Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management
- **Workshop** Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding
- **Housing** Observations on worker facilities, availability of water sources, domestic waste management and sanitation management
- **Clinic** observations and interviews with officers regarding health facilities for workers

### Bekiun Estate

- **HCV area (Sei Penjara River) block 18A.** Observation related HCV Management
- **BPN poles No. 28, 30-32 block 09A.** Observation of BPN poles accessibility and maintenance
- **Occupation area block 94 & 95.** Observation related to areal condition
- **Fire Monitoring Tower, Block 2020C.** Observation related the condition of Fire Monitoring Tower.
- **Replanting Area, Block 2020E and 2020H.** Field observations and interviews related to aspects of soil and water conservation.
- **Harvesting, Division 3.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Pesticide Application, Division 3.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Fertilizing Area, Division 3.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Circle Spraying, Block 2016 A.** Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.
- **Oil Store.** Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with



	<p>workers regarding work understanding</p> <ul style="list-style-type: none"> <li>• <b>Chemical Warehouse</b> Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Fertilizer Warehouse</b> Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Premix Area</b> Observation about chemical &amp; waste management, and interviews with workers regarding work understanding</li> <li>• <b>PPE Storage &amp; Rinse area</b> Observing the availability of OHS facilities, water sources, and surrounding ditches</li> <li>• <b>Hazardous Waste Warehouse</b> Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management</li> <li>• <b>Workshop</b> Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Housing</b> Observations on worker facilities, availability of water sources, domestic waste management and sanitation management</li> </ul> <p><b>Padang Brahrang Estate</b></p> <ul style="list-style-type: none"> <li>• <b>HCV area (Kuala Begumit) block 15C.</b> Observation related HCV Management</li> <li>• <b>BPN poles No. 53-54 block 17A.</b> Observation of BPN poles accessibility and maintenance</li> <li>• <b>Harvesting, Block 2015D and 2013A.</b> Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.</li> <li>• <b>Spot Spraying, Block 2015C.</b> Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.</li> <li>• <b>Fertilizing Area, 2015A.</b> Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.</li> <li>• <b>Nursery Area.</b> Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment.</li> <li>• <b>Oil Store.</b> Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Chemical Warehouse</b> Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Fertilizer Warehouse</b> Observation of warehousing area, OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Premix Area</b> Observation about chemical &amp; waste management, and interviews with workers regarding work understanding</li> <li>• <b>PPE Storage &amp; Rinse area</b> Observing the availability of OHS facilities, water sources, and surrounding ditches</li> <li>• <b>Hazardous Waste Warehouse</b> Observation of hazardous waste management, suitability of storage locations, emergency response facilities and workers' understanding of waste management</li> <li>• <b>Workshop</b> Observation about OHS, cleanliness, waste management, first aid and interviews with workers regarding work understanding</li> <li>• <b>Housing Division 1</b> Observations on worker facilities, availability of water sources, domestic waste management and sanitation management</li> <li>• <b>Landfill Block 2008 A Division 2.</b> Domestic waste management observation</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Summary of stakeholder consultation process for PT Langkat Nusantara Kepong was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on RSPO and MUTU Website</li> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 12 July 2022</li> <li>• Public consultation meeting with government institution 19 July 2022</li> <li>• Public consultation meeting with communities on 19 July 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor 19 July 2022</li> </ul>

	Numbers of input from stakeholders were clarified by PT Langkat Nusantara Kepong Tanjung Keliling POM
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (Surveillance-3) will be conducted eight (8) months to twelve (12) months after date of certificate

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Tanjung Keliling Palm Oil Mill – PT Langkat Nusantara Kepong operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were no Nonconformity and two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Stabat Palm Oil Mill – PT Langkat Nusantara Kepong subsidiary of Kuala Lumpur Kepong Bhd complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governor on 12<sup>th</sup> November 2020.**

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	<p>The unit of certification has a list of publicly available/publishable documents. The types of information provided to the public are contained in the Master List Document, including: Certificates/Permits/Regulations; Monitoring checklist; Information Request Logbook; Complaints and Requests for Assistance Logbook; Socialization Logbook; Group Training Records; Individual Training Records; HGU; AMDAL/UKL-UPL; AMDAL/UKL-UPL Periodic Report; HCV report; HCV plan; SIA Reports and Plans; OHS Minutes; RSPO/ISPO SOPs; Accident Report; P2K3 Report to Related Agencies; OHS Risk Analysis; HGU map; Continuous Improvement Program; KLK Sustainability Policy etc. These documents have an active shelf life of 5 years.</p> <p>PT Langkat Nusantara Kepong is subsidiary of Kuala Lumpur Kepong Bhd and publicly available can be seen in KLK website (<a href="https://www.klk.com.my/">https://www.klk.com.my/</a>) such as sustainability policy, grievance procedure and sustainability report.</p>
<b>1.1.2</b>	<p>The unit of certification can show evidence that information has been received in an appropriate form and language related to stakeholder involvement, unit of certification rights and obligations that are conveyed to all relevant stakeholders, including:</p> <ul style="list-style-type: none"> <li>• The Plantation Business Development Report of PT Langkat Nusantara Kepong for semester 1 of 2022 was submitted to the Department of Agriculture and Food Security on July 13, 2022.</li> <li>• Tanjung Keliling POM Investment Report for the second quarter of 2022 submitted to the Ministry of Investment/BKPM on July 14, 2022</li> <li>• PT LNK's Investment Report (Estate) for the second quarter of 2022 submitted to the Ministry of Investment/BKPM on July 14, 2022</li> <li>• The land use report for the 2021 period is submitted to the National Land Agency of Langkat Regency on January 6, 2022</li> <li>• etc</li> </ul>
<b>1.1.3</b>	<p>The unit of certification has an Information Service SOP which is contained in SSOP No. 1 regarding Requests and Provision of Information, Communication and Submission of Complaints revision 3 with a revised date of April 24, 2020 which was approved by Management. Based on the SOP, it is explained that the mechanism for requesting information is divided into 2, namely requests for information in writing (letters, emails) and requests for information verbally (phones, people visiting). The document also explains that</p>

the response period is 14 days.

The unit of certification shows records of requests and responses to the information contained in the logbook of incoming and outgoing letters from stakeholders. In 2021-2022, it was discovered that there was a request for information and request for assistance from stakeholders addressed to the unit of certification. For example:

- Request for a study visit and field practice permit from LPP Agro Nusantara on 28 March 2022 and has been responded on 30 March 2022
- Request for survey / data on plantation companies from the Central Statistics Agency based on letter no. B.444/BPS/1213/03/2022 dated 5 April 2022 and has been responded to on 5 April 2022.

#### 1.1.4

The unit of certification has an Information Service SOP which is contained in SSOP No. 1 regarding Requests and Provision of Information, Communication and Submission of Complaints revision 3 with a revised date of April 24, 2020 which was approved by Management. Based on the SOP, it is explained that the mechanism for requesting information is divided into 2, namely requests for information in writing (letters, emails) and requests for information verbally (phones, people visiting). The document also explains that the response period is 14 days. Based on the SOP, the manager/assistant and the sustainability team are responsible for communication and consultation with stakeholders.

Based on the results of interviews with local contractors, village government, and government agencies, it is known that the stakeholders already know the mechanism for requesting and providing information as well as communicating and submitting complaints to the company, namely verbally through direct meetings or telephone and can also be through letters.

#### 1.1.5

The unit of certification has provided an updated list of stakeholders in 2022 for PT LNK which consists of legal entities, worker organization, supplier, NGO, contractor, villages, and others. The document contains a list of names, types of relevant stakeholders, and stakeholder contacts.

Based on the stakeholder list document, it is known that these contacts can be contacted through interviews with representatives of internal and external stakeholders, for example, interviews with the Labor Agency of Langkat Regency. The results of the interview can be seen in section 3.5 Summary of Arising Issues from Public and Auditor Verification.

<b>Status: Comply</b>
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### 1.2

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

#### 1.2.1

Unit of certification had a policy concerning the ethical codes in all operational activities and transactions. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained that their ethical code adopted from RSPO principle and criteria, here as follows:

- Environmentally appropriate committed by no deforestation, protecting peatlands, zero burning, protecting HCV Area, and reducing the emissions of GHG.
- Social, workplace and communities welfare by respecting and recognizing the rights in the workplace including respecting employee rights, no forced labor, no child labor, providing safe and healthy workplace, etc. UoC also committed to respecting the rights of indigenous and local communities and facilitating the inclusion of smallholders into the supply chain.
- Traceable palm oil supply chain by fully trace the sources of FFB supplied by all third party suppliers.

Furthermore, UoC also showed KLK anti corruption policy validated on 3 August 2020. This policy generally stated that the group prohibits their workers from any bribery, illegal, and unethical business practice. UoC's code of ethics had been socialized to the workers and contractors, for example:

- Bekiun Estate had carried out socialization on 8 February 2022 attended by 46 workers and contractor workers.
- Tanjung Keliling POM had carried out socialization on 4 June 2022 attended by 19 workers.
- Bukit Lawang Estate had carried out socialization on 18 May 2022 attended by 37 workers.

Code of ethics policy has been implemented by the company in all business operations and transactions including recruitment and

employment contracts. Code of ethics (anti-corruption and anti-bribery) are stated in every work agreement letter of third parties (contractors) and workers. Based on the interview with workers and contractor workers, it's known that they had a good understanding towards the code of ethics policy.

### 1.2.2

UoC has a system to monitor compliance and implementation of policies and overall ethical business practices on several SOPs, here as follows:

- SOP of workers management (No. SSOP 29) concerning on recruitment system validated on 10 April 2019 which stated that in recruitment the minimum age to apply is 18 years old and there was no cost in recruitment process.
- SOP of handling information request and grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 which stated about the definition of the complaint, the type of complaint, the channel for submitting the complaint, the protection of employees against retaliation, training, annual review and evaluation.

UoC already has a contractor evaluation mechanism aimed to monitor the compliance and the implementation of policies and ethical business practices. UoC also conducted the internal audit in terms of monitoring the compliance and the implementation of policies and ethical business practices in plantation and factory activities.

**Status: Comply**

## **PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

### 2.1

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

#### 2.1.1

The management unit can show documentation of compliance with regulations for each aspect, some of the explanations are as follows:

#### **Compliance with Legal Aspect**

##### **Land use rights**

The plantation area is an *erfpacht* rights (from Dutch colonialism) converted into *HGU* by the Agrarian Law No. 5 year 1960. The company managed a total **11,454.5 ha** area and all of them has had land title of *HGU* totalled **11,454.5 ha**. The variance is due to the differentiation of measurement method by Land Agency and by the company.

*HGU* covering an area of **11,454.5 ha** consist of:

- Bekiun Estate with total area of land use title are **2,979.00 ha** based on Decree of Agrarian Ministry No. 52/HGU/KEM-ATR/BPN/2015 issued on 20 May 2015 with certificate of Land Use Title no 1, 2, 3, 4, 5, 6, 7, 8, 9 and valid until 31 December 2030.
- Bukit Lawang Estate with total area are **1,417.00 ha** based on Decree of Head of Land National Agency No. 55/HGU/BPN/94 issued on 13 August 1994 with certificate of Land Use Title no 2, 3 and 4 and valid until 31 December 2024
- Tanjung Keliling Estate with total area are **2,405.88 ha** based on Decree of Agrarian Ministry No. 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1 and 2 and valid until 31 December 2024. Decree of Agrarian Ministry No. 1/HGU/BPN.12/VI/2017 issued on 21 June 2017 with certificate of Land Use Title no 163 – 173 and valid until 21 June 2052.
- Maryke Estate with total area are **2,703.60 Ha** based on Decree of Head of Land National Agency No. 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 1 and valid until 31 December 2024.
- Padang Brahrang Estate with total area are **1,949.01 ha** based on Decree of Head of Land National Agency No. 35/HGU/BPN/90 issued on 24 December 1990 with certificate of Land Use Title no 1 and valid until December 2020. The Company already has the *HGU* renewal document for Padang Brahrang Estate based on Decree No. 33/HGU/KEM-ATR/BPN/V/2022 dated 20 May 2022 with an approved area of 1,724.22 Ha. The area of 224.79 Ha is temporarily suspended until there is an *inkracht* decision.

#### **Compliance with environmental Aspect:**

- The unit has an operational permit for the management of hazardous and toxic waste (B3) for producers issued by the OSS agency to PT Langkat Nusantara Kepong Perkebunan Tanjung Keliling. The permit was issued on February 25, 2020, which states that the operational permit for the management of hazardous and toxic waste (B3) for this producer has fulfilled the commitment and effective approval of the approval submitted by the Regent of Langkat Regency, North Sumatra Province. The certification unit can also show a recommendation for a permit for temporary storage of hazardous and toxic waste from PT



Langkat Nusantara Kepong from the Langkat Regency Environmental Service number: 660-1393 / DLH-LKT / 2019 on October 21, 2019.

- The certification unit has Environmental Documents, namely UKL-UPL, Environmental Evaluation Documents (DELH), Environmental Impact Analysis Documents (ANDAL) and Environmental Evaluation Study Documents (SEL).
- The company has complied with the Minister of Environment Regulation Number 7 of 2007. The company has conducted a Boiler emission test which was conducted on December 2020 by a KAN accredited laboratory (LP-1284-IDN). Based on the test results, it is known that parameters such as Particulate, SO<sub>2</sub>, NO<sub>2</sub>, HCl, Cl<sub>2</sub>, NH<sub>3</sub>, and HF do not exceed the quality standards in accordance with the Minister of Environment Regulation No.7 of 2007.
- the management unit submits an SLO application for the use of liquid waste to the land in stages that are carried out again from the beginning. Based on the results of document review and interviews with management, it is known that the management unit is currently in the process of submitting an SLO for Land Application activities for Liquid waste. Several stages of SLO management can be demonstrated by the management unit, such as:
  - Technical study of wastewater utilization for application to soil in 2022.
  - Technical Approval for Utilization of Wastewater for Application to Soil from the Langkat Regency Environmental Service No. 660-315/DLH-LKT/2022 dated March 21, 2022, in the Technical Approval document it is explained, before the SLO is issued a Trial Time is required until December 2022.
  - Based on this explanation, the management unit has the opportunity to ensure the progress of managing the SLO for the utilization of Wastewater until it is published. **(OFI)**

### **Best Management Practice**

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

#### **OHS and Worker Welfare Aspects**

- Worker had a minimum wages
- Workers has had PPE in accordance with working type
- Workers has had insurance
- Specific operator has had license
- Medical surveillance has been conducted routinely

#### **2.1.2**

The company has SOP No 2 regarding compliance with applicable laws and regulations No revision 4 dated 8 Aug 2016. The SOP explains that the person in charge of managing legal rules is the Manager/KTU. Meanwhile, the person in charge if there are changes and updates to laws and regulations is the Legal Coordinator/Public Relations. Changes to applicable laws and regulations will be informed by the Jakarta head office and Pekanbaru. The company shows a list of the latest updated laws and regulations (year 2022) relevant to PT LNK. Then, the system to ensure legal compliance by contractors is to monitor compliance with several related regulations in the Contractor List & Contractor File Monitoring document. Company showed the example of legal compliance by contractor, for example the receipt of BPJS for contractor worker and wage documentation of contractor workers. The latest internal audit for legal compliance and for the legal compliance of contractor conduct on June 2022

#### **2.1.3**

The company has procedures for maintaining HGU stakes which are contained in the Monitoring stakes SOP No. 3 dated August 24, 2019. The SOP explains that monitoring of HGU stakes is carried out at least once a year by a designated officer. The company shows the monitoring records of HGU stakes, including:

- Records of monitoring of HGU stakes in Bukit Lawang Estate which were carried out in January 2022 with a total of 60 HGU stakes
- Records of monitoring of HGU stakes in Padang Brahrang Estate which were carried out in April 2022 with a total of 136 HGU stakes
- Records of monitoring of HGU stakes in Bekiun Estate conducted in March 2022 with a total of 159 HGU stakes
- Records of monitoring of HGU stakes in Tanjung Keliling Estate conducted in March 2022 with a total of 118 HGU stakes

The results of field observations to the area of stakes, such as stake No. 35-37 block 12C of Tanjung Keliling Estate and stake 11-13 block 11E of Bukit Lawang Estate, it is known that the stake was found in a well-maintained condition. In addition, there is no indication of planting outside the HGU.

**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 existence of contractors for plantation and mill activities, UoC had documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. During the audit, UoC has 11 contractors collaborated in CPO and kernel transportation, FFB transportation, cleaning service workers, security workers, as follows:

- Tanjung Keliling POM: In cooperation with 3 contractors, namely PT Sukses Integritas Prima, PT Citra Bintang Bumi Mandiri which has 7 workers, and PT. Gemilang Indah Sentosa which has 5 workers.
- Tanjung Keliling Estate: In cooperation with 1 contractor, namely PT Genio Pratama Mandiri collaborated in FFB transporting which has 46 workers.
- Bekiun Estate: In cooperation with 1 contractor, namely PT Nangin Ndu Enam Sembilan collaborated in FFB transporting which has 6 workers.

In managing the contractor, the certification unit has a copy of the collaboration agreement, for example:

- Work Agreement of PT. Sukses Integritas Prima (No. 0257/LNK-PKS TJK/SPB/VI/2022) for cleaning service worker dated on 1 July 2022.
- Work Agreement of PT. Nangin Ndu Enam Sembilan (No. 0297/LNK-BKN/SPB/VI/2022) for FFB transporting in Division 1 of Bekiun Estate dated on 1 July 2022.
- Work Agreement of PT. Genio Pratama Mandiri (No. 0303/LNK-TJK/SPB/VI/2022) for FFB transporting in Tanjung Keliling Estate dated on 1 July 2022.

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

### 2.2.2

UoC has carried out an evaluation of each contractor to see the performance of the contractors by requesting the contractor's data related to the contractor's compliance with company's regulation periodically. Based on the interviews with contractor workers and documents verification, it revealed that workers had received wages above the minimum wage and were registered in the BPJS program. For example:

- Proof of payment of wages period of June 2022 for PT. Nangin Ndu Enam Sembilan workers on behalf of AI, DG, DAK, ES, and RA (initial) who received wages above the minimum wage.
- Proof of payment of wages period of June 2022 for PT. Putra Dita Amanah workers on behalf of DD, KW, and HR (initial) who received wages above the minimum wage.
- BPJS (Social Security Insurance) payments period of May to July 2022 for PT. Genio Pratama Mandiri, have been completely fulfilled.

UoC showed the SOP of the election of contractor No. 20 rev 01 validated on 10 August 2017. This SOP explained that the work agreement signed by the contractor is attached to the contract regarding the sustainability requirements. The sustainability requirements is stated on the suppliers or vendors code of ethics document, which contain the separate clauses from work agreement related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security insurance, the provision of minimum wages, the obligation to use PPE, and others. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does work.

UoC showed the work agreement between the company and PT. Sukses Integritas Prima (No. 0257/LNK-PKS TJK/SPB/VI/2022) for cleaning service outsourcing workers in Tanjung Keliling POM dated on 22 June 2022. UoC then showed the Suppliers/Vendors Code of Ethics of PT. Langkat Nusantara Kepong which has been signed by PT. Sukses Integritas Prima on 22 June 2022.

**2.2.3**

UoC showed ethical codes of contractor/supplier which stated some clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors before assigned the work agreement. Some of these obligations are related to anti bribery, anti corruption, anti forced and trafficked labor and prohibition of underage worker. To ensure compliance with these clauses, UoC always requests the requirements for the completeness before the contractor does work.

Based on the document review and field observation, it 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.

**Status: Comply**

**2.3**

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

**2.3.1, 2.3.2**

The company already has an SOP on external FFB receipts No. SOP 45 dated August 1, 2015, explaining that the competence of FFB suppliers must meet the requirements: have their own oil palm plantations, FFB does not come from plantations located in forest areas, are legal entities, have a certificate of establishment, have business license, have a Certificate of Company Registration and tax ID number.

Although the company established a double module (IP-MB), during the certification period the company did not receive FFB supplies from third parties, all FFB processed in the factory came from its own plantation which is RSPO Certified.

**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 shows the company's long-term plans contained in the Economic Indicator document of PT Langkat Nusantara Kepong (5 years) for example for the period 2019/2020 – 2023/2024 on 5 September 2019, briefly as follows:

<i>Indicator</i>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
<i>FFB Crop Inti (Ton)</i>	187,561	184,129	191,957	241,939	252,243
<i>FFB Crop Contract (Ton)</i>	2,760	2,760	2,760	2,760	2,760
<i>OER (%)</i>	24	24	24	24	24
<i>KER (%)</i>	3.90	3.90	3.90	3.90	3.90
<i>CPO Prod</i>	45,677	44,853	46,732	58,728	61,201
<i>PK Prod</i>	7,424	7,289	7,594	9,543	9,945

In addition, the document also informs the projected production costs and revenue projections assuming the CPO price is Rp 7,350,000/MT and PK Rp 4,428,000/MT. Thus, it can be concluded that the company has a documented time management plan.

**3.1.2**
**Replanting Plan**

The company shows the Long-Term Replanting Program document for PT Langkat Nusantara Kepong which informs the 2020-2042 replanting plan, for example the replanting program for the Tanjung Keliling POM scope for the next 5 years with the following details:

<b>Estate</b>	<b>Luas (Ha)</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Bekiun	-	-	-	-	-
Bukit lawang	600	-	-	-	-
Tanjung Keliling	-	-	-	-	-
Padang Brahrang	-	-	-	-	-

### Replanting Review

The company shows the document of Minutes of Work Inspection No. TJK/BAPP/10/I/2020 dated January 31, 2020 for the 2020 Oil Palm Replanting work at Tanjung Keliling Estate. Based on the study of the document, it is known that in replanting activities through work including: covering and leveling the soil, making collection roads, making harvest roads, making felt, cleaning ditches, racking chipping and pulverizing trees.

Thus, it can be concluded that the company has had a replanting program at least once every 5 years which is reviewed regularly.

### **3.1.3**

The company shows the recording of the Minutes of the Management Review of PT Langkat Nusantara Kepong which was carried out on June 28, 2022 through the Microsoft Teams application. In summary, these activities cover the following:

- Review SIA Management Plan 2021-2022
- Results of Stakeholder Consultation and SIA Management 2021-2022
- Review External Audit Results
- Review Results of Internal Audit RSPO & ISPO 2022
- Results of Monitoring HCV, Important Species and Identification of Flora 2022
- Sustainability Review

Thus it can be concluded that the company has conducted a management review within the planned time according to the scale and nature of the activities carried out.

<b>Status: Comply</b>	
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## **3.2**

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

### **3.2.1**

#### **BMP Aspect**

- The company no longer uses pesticides with the active ingredient paraquat dichloride.
- The Company has implemented integrated pest control including the use of beneficial plants, installation of barn owl boxes, and installation of pheromone traps.
- There is no land clearing by burning.

### **3.2.2**

The Certification Unit can show the RSPO Metrics Template to the team of auditors using the RSPO Metrics V2 template. "The report complies with the RSPO Metrics Template and has been verified and declared synchronous/valid"

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

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

### **3.3.1**

The company shows procedural documents including:

- SSOP 9. Land clearing and replanting.
- SSOP 7. Seedling, Planting and Maintenance of Oil Palm Plants, revision 3 dated 15 November 202.
- SSOP.17. Integrated Pest Management and Control (IPM)
- SSOP No. 18 concerning the Safety of Chemical Use and Storage including Hydrocarbons No. Revision 2 March 25, 2020
- SSOP with number SOP.10. Maturity Standard of Fresh Fruit Bunches (FFB) and Harvest Revision 1 dated August 10, 2017.
- SSOP 11. Transport of Fresh Fruit Bunches (FFB) to Palm Oil Mills Revised 01 on 10 August 2017.
- SOP 39. Receipt of Fresh Fruit Bunches (FFB) at the Palm Oil Mill Revision 01 dated 10 August 2017.
- Standard Operating Procedures (SOP) for Palm Oil Mills Version 2 dated 5 May 2020.

Based on the results of field visits and interviews with workers, for example in spraying and harvesting activities, it is known that workers already know and can briefly explain the work procedures in their respective areas.

Thus, it can be concluded that the company already has an SOP that covers all activities in the Mill and Estate and has been understood by the workers.

### 3.3.2

As a mechanism to ensure that procedures have been carried out consistently, the company has procedures related to internal audits as contained in the SSOP 14 document. Sustainability Audit No Revision 2 dated January 25, 2019 which informs about the certification system (RSPO, ISPO, ISCC and RSPO SCCS) which audit frequency is carried out at least 1 x a year. Thus, it can be concluded that the company already has a mechanism to ensure that the procedures are carried out consistently. In addition, the results of work carried out by contractors are also examined, one of which is at the time of submitting payment.

### 3.3.3

The company shows records of monitoring and follow-up, for example:

- The ISPO Internal Audit Report of PT Langkat Nusantara Kepong Rayon Binjai conducted on 18-21 April 2022, in this activity 5 non-conformities and 3 OFI were found, but during the audit activity all non-conformities were met.
- The RSPO Internal Audit Report of PT Langkat Nusantara Kepong Rayon Binjai conducted on April 18-21, 2022, in this activity found 3 Critical Non-conformities and 3 Non-Critical Non-conformities and 3 OFIs but by the time the audit activity took place all non-conformities had been met.
- Internal Audit Report with audit scope of General Security & Safety, IT Security & Systems, Stocks & Stores, Operation Management, Finance & Administration such as:
  - Tanjung Keliling Internal Audit Report POM dated April 13, 2022.
  - Internal Audit Report Bekiun Estate dated April 25, 2022.

Thus, it can be concluded that the company shows evidence of documentation related to monitoring and its follow-up has been maintained.

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

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

### 3.4.1 & 3.4.2

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

1. The AMDAL document approved by the Langkat Regent with Letter No.660.1.38 / PDL-LKT / XI / 2005 dated November 9, 2005.
2. The Environmental Evaluation Document (DELH) which was ratified by the Head of the Langkat Regency Environmental Agency was legalized based on decree number 660.1245 / SEKRE.II-BLH / Year 2011 dated October 3, 2011.
3. The UKL-UPL document that was ratified by the Head of the Langkat Regency Environmental Agency in accordance with letter number: 660-277/BLH.Sker.II/ 2016 dated Mei 26, 2016. The scope of this document is the construction of 80 tons of FFB / hour located in the area of the Tanjung Keliling Estate.
4. Environmental Evaluation Study SEL) which was approved by the secretary general of the Ministry of Agriculture No Re 220/712/B/V/93 on May 5, 1993.

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

The certification unit has conducted a social impact assessment (SIA) conducted by Aksenta consultants on 30 January - 9 February 2016 and the SIA assessment report was published in May 2016. The certification unit also documented records of meetings involving 125 participants consisting of Tanjung Beringin Village, Padang Brahrang, Padang Cermin, Tanjung Keliling, Lapas Sei, Maryke, Gelugur Langkat, Tirange, Tanjung Keliling Plantation Village, Bukit Lawang Plantation Village, Sumber Mulyo Village, Situngkit Village



Gergas Village and Gohor Lama Village.

The SIA assessment also involves internal stakeholders such as workers and also involves affected women. The company has compiled a social impact management plan listed in the managing plans and social monitoring are carried out based on participant from the surrounding community. Every year an evaluation is compiled. Evaluation of the managed and Social Monitoring Plan for the periode 2021-2022, PT LNK was prepared on February 15, 2021 by involving internal stakeholders (employees) and external (village). Based on the result of the evaluation, it is know that the impact that arises for example regarding the deliberation of the development plan involving surrounding villages such as : Bukit Lawang Village, Samperaya Village, Minta Kasih Village and Naman Jahe Village. The management unit has reviewed the SIA management plan in a participatory manner with various stakeholder representatives. The last SIA review was carried out in June 2022, the review process is ongoing, activities that have been carried out include conducting FGDs, interviews and direct consultations. The SIA 2022/2023 management plan has not yet been stated.

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

### 3.4.3

The company has implemented the environmental management and monitoring plan as stated in the report on the implementation of the environmental management and monitoring plan for semester 2 of 2022. The report has also been reported to the Langkat Regency Environmental Service on March 2, 2022. Based on the verification of the UKL-UPL implementation report in 2021 and In an interview with the Langkat Regency Environmental Service, it was found that the company had implemented an environmental management and monitoring plan in accordance with the matrix in its environmental documents.

The company has also carried out trend evaluations, critical levels and structuring evaluations for all managed and monitored impacts. From the results of testing/monitoring such as air quality and clean water quality in housing, it is also known that there are no test results that exceed the quality standard. A review of the environmental management plan is carried out every 6 months at the time of reporting the implementation of environmental management and monitoring to the DLH agency, the last reporting is in Semester 2 of 2021.

The management unit has demonstrated the realization of the implementation of the SIA plan, including carrying out CSR activities, helping with activities around the company, land acquisition for areas previously controlled by the community, road repairs, marking legal boundaries and others.

<b>Status: Comply</b>
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## 3.5

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

#### 3.5.1

UoC had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in *Bahasa*. This CLA has been registered in Manpower Agency of Langkat District No. 568-223.3/Pdf/PKB/II/2022. In general, these procedures describe:

- Recruitment of workers is based on the company's needs.
- The minimum age of workers is 18 years old.
- The workers who have been accepted will through three months of probation.
- Promotion of workers is based on needs, period of work, expertise and assessment of workers.
- The company is authorized to carry out the placement, transfer and promotion of workers by applicable regulations.
- Termination of workers can occur if the worker is on probation, resign as the worker's willing, ends on worker's period of the agreement, retire, etc.

In addition, the procedures of employee recruitment, appraisal, promotion, and remuneration are explained specifically in several SOPs. These procedures have been documented and socialized to all workers and their representatives, for instance: SOP of workers management (No. SSOP 29) concerning on recruitment system.

Based on the interviews with workers (harvesters, pesticide sprayers, and mill operators), workers had a good understanding of the procedures related to recruitment, promotion, and termination of employment. The types of workers exist in the company are daily



workers and permanent workers. Workers (both permanent and contract workers) explained that the recruitment process carried out by the company was in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation.

### 3.5.2

Unit of Certification documented all labor procedures that have been carried out properly, such as recruitment, promotion, and performance appraisal. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of written test, the result of interview test, and work agreement letter. For example, a worker on behalf of ELG (initial) who started working on 1 August 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of ARS (initial) who had a promotion based on worker's appraisal, from maintenance foreman to technical clerk.
- Termination document such as the management decree of employment's termination on behalf of SS (initial). UoC also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination compensation, and the proof of its payment in accordance with the applicable laws.

Based on the interviews with the Manpower Agency of Langkat District, the company had been applied the existing labor procedures in accordance with the regulations. During 2020-2022, there were no issues related to manpower.

**Status: Comply**

## 3.6

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

### 3.6.1

The company shows the Risk Identification Results document and the implementation plan for Mill and Estate which is contained in the Hazard Identification, Risk Analysis, and Risk Control document prepared by the PT LNK Team on the last review date of January 28, 2022. The document explains, among others: Hazard Identification (Work Activities, Source of Hazard, Risk/Impact), Risk Analysis (Current Risk Control, Frequency, Severity/Consequence, Risk Level), Risk Control (Actions to reduce risk, Responsible Person).

Based on the results of field visits and interviews with workers, for example in Tanjung Keliling POM (St. Boiler) and Tanjung Keliling Estate Fertilization Activities, it is known that workers have understood the sources of hazards and risks that exist in their work area and have used PPE in accordance with what is specified in the Identification document. Hazards, Risk Analysis, and Risk Control.

Thus, it can be concluded that the company has demonstrated that all operational activities have been assessed for risk to identify OHS problems and that mitigation plans and procedures are documented and implemented.

### 3.6.2

The company shows evidence of monitoring the effectiveness of OHS including through:

- Periodic inspection of completeness and condition of emergency response facilities such as fire extinguishers, first aid kits/bags and hydrants.
- Monitoring the validity period of the license owned by the operator as well as testing and inspection of OHS equipment and machinery.
- Monitoring the completeness and compliance of the use of PPE

In addition, based on the results of interviews with workers at the Estate and Mill, it was stated that the company has carried out health checks for employees including special health checks for workers with certain risks and general examinations for all employees, in addition the company also conducts initial health checks for new workers.

The company shows a recording of a Medical Examination (MCU) including a General Health Examination for all employees (Mill and Estate), and a Special Health Examination for employees with certain risks including Audiometry and Cholinesterase. Meanwhile, the Spirometry examination cannot be carried out because the Covid-19 pandemic situation has not ended yet so that the implementation is postponed in accordance with the Memorandum from the Director of HR No. 76/Dir.SDM/M/VII/2022 dated 27 July 2022.

The company can also show follow-up actions to workers who are identified as having health problems based on the results of the Health Examination, starting from transfers to other jobs to the implementation of re-Health Checks.

However, based on the results of the review of the re-Health Examination recording, there are still workers whose re-examination is not in accordance with the recommended schedule, for example, an Audiometry re-examination. Subur (Tanjung Keliling POM) was recommended in March 2022 but realized in July 2022.

Based on the explanation above, the company has opportunities for improvement including: **(OFI)**

- Realizing Spirometry Special Health checks if the Covid-19 pandemic conditions have been identified as safe and still paying attention to Health protocols.
- Ensure that the follow-up implementation of the Re-Health Examination is in accordance with the recommended schedule.

<b>Status: Comply</b>
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### 3.7

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

#### 3.7.1 and 3.7.2

Unit of certification had training identification and program for 2021-2022 in order to improve the competence and expertise of all workers including contractors. The company had identified the needs of competence standard and the proposed training for each worker, for example:

- Training of PPE usage for harvesting, pesticide application, and warehouse workers.
- Training of fire fighting simulation for emergency response team.
- Training of pesticide application for pesticide application workers.

UoC also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Training of fire fighting simulation on 29 March 2022 which was attended by 18 workers and village representatives in Padang Brahrang Estate.
- Training of pesticide application on 9 May 2022 which was attended by 3 workers from Bukit Lawang Estate.
- Training of PPE usage and company's policies socialization on 18 May 2022 which was attended by 5 contractor workers in Bekiun Estate.
- Training of safety driving on 21 May 2022 which was attended by 16 contractor workers in Tanjung Keliling Estate.

Based on field observations and interviews with workers (harvesters, maintenance workers, warehouse officer, and mill operators), it is known that the company provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

#### 3.7.3

Company showed the training documentation of supply chain aspect which conducted on January, 17 2022 attended by 14 participants/workers. Then, based on interview with security and weighbridge operator, it is known that they understand about the supply chain aspect.

<b>Status: Comply</b>
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### 3.8

**Supply Chain Requirements for Mills**

#### 3.8.1, 3.8.2

Until Recertification assessment, the certification unit implemented two model of SCCS (Identity Preserved and Mass Balance). However, based on documents verifications of list of FFB supplier related in last 12 months before audit (July 2021 – June 2022) it was known if all entire FFB is from RSPO certified estate

#### 3.8.3

During the assessment, estimates of CPO and PK produced by Tanjung Keliling Palm Oil Mill obtained from the projection based on actual data before audit activities, here's the detail:

Product	Last Year Projected Certified Volume (Ton)	Actual Production (July 2021 – June 2022)	Estimate Production of 12 month further (MT)
FFB IP	208,494	182,136.24	167,000
FFB MB	38,001	-	27,400
CSPO IP	51,427	46,390.25	40,915
CSPO MB	9,500	-	6,713
CSPK IP	8,368	7,645.12	6,847
CSPK MB	1,600	-	1,123

### 3.8.4

The Mill has registered as RSPO member under Kuala Lumpur Kepong Berhad number 1-0014-04-000-00, and also registered in RSPO Palm Trace as PT Langkat Nusantara Kepong-Tanjung Keliling POM with License ID CB124706, and Member ID RSPO\_PO1000008641. The reporting requirements has been conducted by the Mill through RSPO Palm Trace.

### 3.8.5

Stabat POM has procedure of SCCS IP/SG implementation are describe in SOP 31 revision 5 dated 02 March 2021. The procedures established and covering all elements of the supply chain model requirements, such as the announcement in RSPO Palmtrace not later than 3 months after despatch, receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training. Stabat POM using two models of SCCS (IP and MB) and its has been described in the procedure related to the mechanism for changes the Supply chain Model (IP to MB or MB to IP).

In the SOP has been describes the key personnel involves and responsible, namely:

- Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production
- Dept of sustainability: is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied
- Marketing division: is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming product and accepting payment invoices, carrying out shipping announcements for each sale to RSPO
- Assistant: is responsible for checking safety seals and ensuring availability of shipping documents
- Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.)

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

### 3.8.6

The unit of certification has procedure related to Internal audit that ruled in SOP SCCS IP/SG implementation on clausal 4 revision 5 dated 02 March 2021. The procedure explains that internal audit that conducted once a year.

For Tanjung Keliling POM the last RSPO internal audit was carried out on 18-21 April 2022 with the result that there were 6 non-conformities and 3 opportunities for improvement. All non-conformities have been closed with resolutions through quick fixes, identification of root causes and corrective actions.

### 3.8.7

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

Months	FFB Received (MT)	Total
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	<b>Certified</b>	<b>Non-certified</b>	
July 2021	15,754.69	-	15,754.69
August 2021	18,710.34	-	18,710.34
September 2021	19,885.54	-	19,885.54
October 2021	14,540.35	-	14,540.35
November 2021	13,836.73	-	13,836.73
December 2021	13,647.42	-	13,647.42
January 2022	12,845.65	-	12,845.65
February 2022	10,783.29	-	10,783.29
Maret 2022	17,701.64	-	17,701.64
April 2022	9,754.72	-	9,754.72
May 2022	17,824.60	-	17,824.60
June 2022	16,851.27	-	16,851.27
<b>TOTAL</b>	<b>182,136.24</b>	<b>-</b>	<b>182,136.24</b>

In addition in the SOP of SCCS (SOP 31) Poin 9 has been explained that if there are non-conformance on products or documents, verification and follow up will be carried out by the mill manager.

### 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 order. 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. Company showed the example for selling document such as:

- Weighbridge ticket No. A046342 dated 18 October 2021 informed about quantity of product, supply chain model, RSPO certificate number, and others information.
- Shipping announcement No. TR-483d5885-765b informed about seller and buyer name, quantity of product, supply chain model, shipping date.
- Sales Contract No. LNKC/00936-S/CPO-IP informed about seller, buyer name, supply chain model, quantity, etc.

### 3.8.9

Stabat POM showed list of contractor for CPO and PK transporter and there only 1 contractor to CPO and PK transport namely Citra Bintang Bumi Mandiri with work agreement No. 0307/LNK-PKS/SPA/VI/2022 dated June 30, 2022

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. The results of interviews with CPO and PK transport contractor, it is known that the contractor had known that the certification body has access to the contractor if an audit was deemed necessary.

### 3.8.10; 3.8.11

There is no new contractor for processing or physical handling of RSPO certified product. The Mill has the records of details of the contractors (including contractor that handling RSPO certified product physically) that covers the contractor's company profile, address, contact person and phone number.

### 3.8.12

The Mill has maintained accurate, complete, and up to date records related RSPO Supply Chain implementation that kept at least 2 years in accordance with Mill's procedure. The Mill balancing the certified products and dispatch on a monthly basis. The summary of data 12 months previous the audit can be seen on the table below :

<b>Period</b>	<b>CPO Production (MT)</b>	<b>Total</b>	<b>CSPO Dispatch (MT)</b>	<b>Total</b>
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	<b>Cert</b>	<b>Non Cert</b>		<b>RSPO</b>	<b>Conventional</b>	
Opening Stock	1,706.19	-	-	-	-	-
July 21	3,754.83	-	3,754.83	3,500.00	-	3,500.00
Augt 21	4,566.85	-	4,566.85	5,000.00	-	5,000.00
Sep 21	4,950.56	-	4,950.56	5,828.03	-	5,828.03
Oct 21	3,674.18	-	3,674.18	3,584.02	-	3,584.02
Nov 21	3,376.14	-	3,376.14	3,687.45	-	3,687.45
Dec 21	3,411.31	-	3,411.31	3,350.50	-	3,350.50
Jan 22	3,130.19	-	3,130.19	3,250.00	-	3,250.00
Feb 22	2,619.91	-	2,619.91	2,551.44	-	2,551.44
March 22	4,235.96	-	4,235.96	4,210.58	-	4,210.58
April 22	2,360.59	-	2,360.59	2,461.26	-	2,461.26
May 22	4,419.82	-	4,419.82	2,857.78	-	2,857.78
June 22	4,183.73	-	4,183.73	1,465.70	452.88	1,918.58
<b>Total</b>	<b>46,390.25</b>	<b>-</b>	<b>44,684.06</b>	<b>41,746.76</b>	<b>452.88</b>	<b>42,199.64</b>

<b>Period</b>	<b>PK Production (MT)</b>			<b>CSPK Dispatch (MT)</b>		<b>Total</b>
	<b>Cert</b>	<b>Non Cert</b>	<b>Total</b>	<b>RSPO</b>	<b>Conventional</b>	
Opening stock	227.23	-	227.23	-	-	-
July 21	625.77	-	625.77	527.39	-	527.39
Augt 21	782.53	-	782.53	648.25	-	648.25
Sep 21	869.86	-	869.86	1,073.96	-	1,073.96
Oct 21	614.22	-	614.22	751.01	-	751.01
Nov 21	567.69	-	567.69	575.32	-	575.32
Dec 21	579.96	-	579.96	549.71	-	549.71
Jan 22	547.73	-	547.73	524.86	-	524.86
Feb 22	420.17	-	420.17	450.39	-	450.39
March 22	730.95	-	730.95	628.05	-	628.05
April 22	390.15	-	390.15	421.56	-	421.56
May 22	668.46	-	668.46	626.90	-	626.90
June 22	620.41	-	620.41	697.59	-	697.59
<b>Total</b>	<b>7,645.11</b>	<b>-</b>	<b>7,645.11</b>	<b>7,474.990</b>	<b>-</b>	<b>7,474.990</b>

### 3.8.13

Extraction rates from CPO and PK production are based on actual production data. Over the past 12 months, the extraction rate for CPO was 24.53 % and PK was 4.07 %.

### 3.8.14

Estimates for extraction rates are based on actual production of CPO and PK from the previous month. Apart from production, it is also affected by the age of the oil palm plantations. The estimation of OER is 24.5 % and KER is 4.1 %.

### 3.8.15

Until surveillance-2 assessment, the certification unit implemented two model of SCCS (Identity Preserved and Mass Balance). However, based on documents verifications of list of FFB supplier related in last 12 months before audit (July 2021 – June 2022) it was known if all entire FFB is from RSPO certified estate

**3.8.16**

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

- Member Name: Tanjung Keliling Palm Oil Mill PT Langkat Nusantara Kepong
- Membership No: 1-0014-04-000-00 (Kuala Lumpur Kepong Berhad)
- Member ID: RSPO\_PO1000008641
- License ID: CB124706

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform.

For license period (11/09/2021 - June 2022), it was known that Tanjung Keliling POM has reported sales transactions (announcements) through the RSPO IT Platform, as follows:

- CSPO (IP) volume sold: 30,423.78 MT: 43 transactions were reported, for example: Transaction ID TR-5ce6d39a-f57c on May 19, 2022 to the buyer PT. Musim mas and TR-38b2682e-81de on December, 2 2021 to the buyer PT. SMART, etc.
- CSPK (IP) volume sold: 6,153.71 MT : 36 transactions were reported, for example : Transaction TR-d676c901-c169 on March 18, 2022 to the buyer PT Musim mas, TR-1ebc7b5e-a786 on October 28 2021 to the buyer PT. Smart Tbk, etc

As for shipping announcement carried out not more than 3 month after dispatch. For example : Shipping Announcement with Transaction TR-483d5885-765b with creation date on November 16 2021 and actual dispatch on October, 18 2021 based on WB ticket and travel document No. 04034-04045.

**3.8.17**

All CSPO and CSPK are claims as IP product and the claim has been conducted in accordance with RSPO on communication and claim rules.

<b>Status: Comply</b>
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**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**
**4.1**

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

**4.1.1**

UoC showed the human rights policy stated in KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained KLK group committed to respect and protect human rights in order to create security for all workers including contract workers, temporary and migrants, with the core conventions of international labor organizations, the UN guiding principles on Business and Human Rights and the principles of free and fair employment in Palm Oil production as a guidance.

UoC's commitment in respecting the human rights has been well implemented proved by the absence of issues and incidents of human rights violations that occurred in the operational area both mill and estate. Based on the interview with workers in estates (harvesters, pesticide sprayers, and maintenance workers), workers in mill (mill operators and warehouse officer), they stated that there were no incidents or issues of human rights violations occurring in the operational area of the certification unit.

**4.1.2**

Based on the interviews with the surrounding communities, occupants, and workers, it revealed that up until this assessment, if there was any conflicts or disputes with the company, the resolution action taken was deliberation without involving any violence or mercenaries. Resolution of conflicts or problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems in UoC's work area.

<b>Status: Comply</b>
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**4.2**

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

**4.2.1**

UoC showed the policy related to the procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 concerning in handling grievance and consultation for all stakeholders. The policy explained activities of handling grievances related



to workers' and all stakeholder's grievances through each worker's supervisor, grievance logbook, suggestion box, gender committee, labor union, company's hotline number and e-mail. This policy also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistleblower if needed.

Based on the document review and the interview with the management, it's known that illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the grievance logbook.

Based on the interviews with the surrounding communities, occupants, and workers, it revealed that they had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators. In addition, during the past year, there were no complaints or disputes that occurred between the company and the surrounding communities.

#### **4.2.2 and 4.2.4**

UoC showed the policy related to the procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 concerning in handling grievance and consultation for all stakeholders. The policy explained the activities of handling grievances related to general grievance from internal stakeholder and special grievance from external grievance. The mechanism of handling grievance, is stated generally as follows:

- The company's commitment to protect the anonymity of whistleblowers.
- The mechanism of delivering grievance from illiterate people.
- The mechanism of handling any grievances and access to the Manpower Agency (tripartite).

Based on the interviews with workers, the SOP of grievance procedure has been socialized in every morning brief using understandable language (Bahasa) so that illiterate people also received the information well. Based on interviews with the government agencies, surrounding communities, and workers, it's known that they have understood the PIC of handling grievance and the grievance mechanism in which the complainant's identity is protected.

#### **4.2.3**

Based on the documents review of the worker's grievance logbook period of 2021 to 2022, it is known that the complaints received by the company are related to facilities. UoC then showed the compliance of these complaints in accordance with the maximum time limit in responding grievances referred to procedure in handling any grievances (No. SSOP 01 Rev-04) validated on 25 October 2021.

Based on external grievance logbook, there were no grievance against the company. The incoming letters from stakeholder were fund requests or facility assistance request. Based on the interviews with government agencies, surrounding communities, gender committees, labor unions and workers, it's known that there were no further complaints towards the unit of certification.

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

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

#### **4.3.1**

Efforts to overcome negative issues and maintain/enhance positive aspects are outlined in the Social Impact Management and Monitoring Plan and evaluated regularly in a participatory manner with the community. The document has regulated the type of activity, the implementation timetable, the parties involved, and the PIC from the company. The last stakeholder consultation conducted on April-May 2022.

This management and monitoring plan was later reduced to a smaller program, namely the annual Corporate Social Responsibility (CSR) program, which covers aspects of education, health, infrastructure, economic empowerment, socio-culture, religion, etc. The company has demonstrated its annual CSR program for the period 2021 and 2022.

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

The company also shows examples of CSR realization such as:

- Cement assistance in Sidomakmur Village in May 2022
- Assistance for mosque construction proposals in May 2022

- Mosque and basic necessities assistance in April 2022
- Easter celebration Assistance in May 2022
- and others

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

**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

The plantation area is an *erfpacht* rights (from Dutch colonialism) converted into *HGU* by the Agrarian Law No. 5 year 1960. The company managed a total **11,454.49 ha** area and all of them has had land title of *HGU* totaled **11,454.49 ha**. The variance is due to the differentiation of measurement method by Land Agency and by the company.

*HGU* covering an area of **11,454.49 ha** consist of:

- Bekiun Estate with total area of land use title are **2,979.00 ha** based on Decree of Agrarian Ministry No. 52/HGU/KEM-ATR/BPN/2015 issued on 20 May 2015 with certificate of Land Use Title no 1, 2, 3, 4, 5, 6, 7, 8, 9 and valid until 31 December 2030.
- Bukit Lawang Estate with total area are **1,417.00 ha** based on Decree of Head of Land National Agency No. 55/HGU/BPN/94 issued on 13 August 1994 with certificate of Land Use Title no 2, 3 and 4 and valid until 31 December 2024
- Tanjung Keliling Estate with total area are **2,405.88 ha** based on Decree of Agrarian Ministry No. 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1 and 2 and valid until 31 December 2024. Decree of Agrarian Ministry No. 1/HGU/BPN.12/VI/2017 issued on 21 June 2017 with certificate of Land Use Title no 163 – 173 and valid until 21 June 2052.
- Maryke Estate with total area are **2,703.60 Ha** based on Decree of Head of Land National Agency No. 57/HGU/BPN/2000/A/8 issued on 9 May 2003 with certificate of Land Use Title no 1 and valid until 31 December 2024.
- Padang Brahrang Estate with total area are **1,949.01 ha** based on Decree of Head of Land National Agency No. 35/HGU/BPN/90 issued on 24 December 1990 with certificate of Land Use Title no 1 and valid until December 2020. The Company already has the *HGU* renewal document for Padang Brahrang Estate based on Decree No. 33/HGU/KEM-ATR/BPN/V/2022 dated 20 May 2022 with an approved area of 1,724.22 Ha. The area of 224.79 Ha is temporarily suspended until there is an *inkracht* decision.

#### Plantation Business Permit

- Plantation Business Permit based on Langkat Regent Decree No.: 525-16/K/2015 dated 21 April 2015. The capacity of Stabat (Gohor Lama) POM is 70 tons of FFB/hour. The letter also covers the area of the Tanjung Keliling estate, Bekiun Estate, Maryke Estate, Bukit Lawang Estate and Padang Brahrang Estate)
- Plantation Business Permit issued from OSS Management and Organizers Institutions on October 17, 2018
- Approval of Palm Oil Factory Principles No. 525.26-931/Hutbun/2016 dated May 20, 2016 with a capacity of 80 tons of FFB per hour
- Industrial Business Permit (Tanjung Keliling POM) PT Langkat Nusantara Kepong from the OSS Management and Organizer Institution on August 6, 2019.

##### 4.4.2 – 4.4.6

The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the *erпахt* rights were converted into *HGU* based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960. The following is a brief history of land acquisition for PTPN II (Persero) in the Langkat area:

- In 1958 through Law No. 86 of 1958 juncto with Government Regulation No. 19 of 1959 the former concession area was nationalized.
- Then to accommodate the nationalized plantation companies, the Government established a New State Plantation Center.

- In 1968 the State Company that manages the plantations changed its name to the State Plantation Company
- In 1976 the State Plantation Company changed its name to PT Perkebunan.
- For plantation companies in the Langkat area managed by PTP II

Based on the results of interviews with stakeholders such as the National Land Agency, Plantation Agency of Langkat Regency and interviews with representatives of the surrounding community, information was obtained that PT LNK's operational area is PTPN II land which was previously a Dutch Colonial heritage that had been nationalized. This is also explained in Decision Letter of HGU, for example in Decision Letter HGU No. 55/HGU/BPN/1994 dated August 13, 1994 explained that:

"The land for which HGU is being applied for has the status of state land ex-concession rights of NV Cultuur Maaschappij based on nationalization according to Law No. 86 of 1958 in conjunction with Government Regulation No. 19 of 1959."

**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 – 4.5.8

The results of the verification of legality documents and interviews with relevant stakeholders, it is known that there are no new development areas or no new planting in the scope of certification. The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the erpacht rights were converted into HGU based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960.

In the Decision Letter of HGU, for example in Decision Letter HGU No. 55/HGU/BPN/1994 dated August 13, 1994 explained that the status of the land is ex-concession rights of NV Cultuur Maaschappij based on nationalization according to Law No. 86 of 1958 in conjunction with Government Regulation No. 19 of 1959. Based on the results of interviews with stakeholders such as the National Land Agency, Plantation Agency of Langkat Regency and interviews with representatives of the surrounding community, information was obtained that PT LNK's operational area is PTPN II land which was previously a Dutch Colonial heritage that had been nationalized.

**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.**

#### 4.6.1-4.6.4

The company already has an SOP to verify the legality of the land and all rights related to plantation land in:

- SOP number 27 concerning Land Acquisition for the procurement of plantation land. The SOP describes procedures for land acquisition for plantations which include identification of land ownership by third parties including community, customary rights and other land uses.
- SOP number 26 on land dispute resolution, including identification of compensation for land used for plantations

The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the erpacht rights were converted into HGU based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960. The following is a brief history of land acquisition for PTPN II (Persero) in the Langkat area:

- In 1958 through Law No. 86 of 1958 juncto with Government Regulation No. 19 of 1959 the former concession area was nationalized.
- Then to accommodate the nationalized plantation companies, the Government established a New State Plantation Center.
- In 1968 the State Company that manages the plantations changed its name to the State Plantation Company
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- For plantation companies in the Langkat area managed by PTP II

Based on the results of interviews with stakeholders such as the National Land Agency, Plantation Agency of Langkat Regency and interviews with representatives of the surrounding community, information was obtained that PT LNK's operational area is PTPN II land which was previously a Dutch Colonial heritage that had been nationalized. This is also explained in Decision Letter of HGU, for example in Decision Letter HGU No. 55/HGU/BPN/1994 dated August 13, 1994 explained that:

"The land for which HGU is being applied for has the status of state land ex-concession rights of NV Cultuur Maaschappij based on nationalization according to Law No. 86 of 1958 in conjunction with Government Regulation No. 19 of 1959."

<b>Status: Comply</b>
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#### 4.7

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

##### 4.7.1; 4.7.2

The company already has an SOP to verify the legality of the land and all rights related to plantation land in:

- SOP number 27 concerning Land Acquisition for the procurement of plantation land. The SOP describes procedures for land acquisition for plantations which include identification of land ownership by third parties including community, customary rights and other land uses.
- SOP number 26 on land dispute resolution, including identification of compensation for land used for plantations

The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the erpacht rights were converted into HGU based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960.

In the Decision Letter of HGU, for example in Decision Letter HGU No. 55/HGU/BPN/1994 dated August 13, 1994 explained that the status of the land is ex-concession rights of NV Cultuur Maaschappij based on nationalization according to Law No. 86 of 1958 in conjunction with Government Regulation No. 19 of 1959. Based on the results of interviews with stakeholders such as the National Land Agency, Plantation Agency of Langkat Regency and interviews with representatives of the surrounding community, information was obtained that PT LNK's operational area is PTPN II land which was previously a Dutch Colonial heritage that had been nationalized.

##### 4.7.3

The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the erpacht rights were converted into HGU based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960.

The company has carried out social impact management to manage the positive and negative impacts of the company. One of the points discusses is the accessibility of the surrounding community, social responsibility and others. From the results of the interview with stakeholders, known that one of the benefits of the existence of plantations is that the surrounding community is recruitment of local workers etc.

<b>Status: Comply</b>
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#### 4.8

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

##### 4.8.1; 4.8.3

The land managed by PT LNK, legally belongs to PTPN II (Persero), is one of the Dutch colonial heritage plantation lands which was nationalized by the Government of Indonesia on the basis of Law No. 86 of 1958 (Erpacht Rights). Then the erpacht rights were converted into HGU based on the Basic Agrarian Law (undang-Undang Pokok Agraria) No. 5 of 1960.

Based on the document area statement PT LNK – Tanjung Keliling POM and interviews with management, known that there are land dispute. In this regard, the company has shown several completion progresses, such as:

##### **Padang Brahrang Estate**

Nambiki Village

- The arable area has been controlled by the company based on court decisions (both Stabat Court and Medan High Court decisions) dated July 21, 2020. However, there is still an appeal from the cultivators. When the surveillance-2 assessment was

carried out, the company was still waiting for the decision on the cassation.

#### **Bekiun Estate**

- Based on the verification of legal documents and interviews with stakeholders, it is known that the company continues to make persuasive efforts in terms of handling land disputes. Some of the land settlement updates are described as follows:
- On December 30, 2020, a meeting of the Beruam village farmer group was held
- On August 14, 2021, a review of the arable area has been carried out
- On January 10, 2022 a meeting was held with the chief of occupant
- On January 24, a meeting was held with the village heads of Beruam and Bersadi regarding the data collection of occupant who were willing to receive the *tali asih*.
- On January 29, 2022, *tali asih* has been given to people who are willing to return the land
- Until the surveillance-2 audit is conducted, not all occupant are willing to return the land.

#### **4.8.2**

From the initial certification until surveillance-2, there are arable area that are being progressed of settlement through the years. Currently, some areas that still in disputed such as in Padang Brahrang Estate and in Bekiun Estate.

#### **4.8.4**

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

**Status: Comply**

### **PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

#### **5.1**

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

##### **5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5, 5.1.6**

The company does not receive FFB from other sources. However, the company has a policy to facilitate the entry of smallholders / other farmers in the supply chain as stated in the KLK Sustainability Policy which was passed on August 30, 2018.

##### **5.1.7**

The company shows the Test Result Certificate No. 510.3-118/SKHP/UPT-ML/X/2021 dated 19 October 2021 for weigh bridge calibration carried out by the Legal Metrology Technical Implementation Unit of the Trade and Industry Office of Langkat Regency with the type of Electronic Bridge Scales Capacity 50,000 Kg Scale 10 Kg with the brand Avery Weigh Tronix Type ZM510-SD4 and serial number 200750798.

##### **5.1.8, 5.1.9**

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

**Status: Comply**

#### **5.2**

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

##### **5.2.1 ;5.2.2; 5.2.3; 5.2.4;& 5.2.5**

To date, the Company has not received FFB from other sources. However, the company has a policy to facilitate the entry of smallholders / other farmers in the supply chain as stated in the KLK Sustainability Policy which was passed on 30 August 2018. Based on the result of interview community, it is known that currently there is no smallholder that interested to join RSPO Certification.



**Status: Comply**
**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**
**Any form of discrimination is prohibited.**
**6.1.1**

Unit of certification had a policy concerning the ethical codes in all operational activities and transactions. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained that the company seeks to prevent discrimination in the workplace, stated specifically as follows:

- The Group provides equal opportunities in work requirements by only providing the equal requirements, and seeking the ability and expertise of workers.
- Respect for diversity, and prevent discrimination against gender, race or ethnicity, and beliefs.

UoC had provided equal opportunities in recruitment and operational activities showed by the list of workers in all units, it is known that all workers comes from various ethnicity, race, gender, and beliefs. Furthermore, based on the interviews with representatives from Tanjung Keliling Village and Tamaran Village, it is known that the certification unit also accepts local villagers in accordance to company's needs and their competencies.

Based on the interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example, most of maintenance workers were female workers.

**6.1.2**

There were no migrant workers during this recertification assessment. UoC showed job vacancy announcements and work agreement letters between workers and company which showed that there was no payment requested during the recruitment process. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the manpower agency, gender committee, labor unions, and workers (harvesters and mill operators) at Tanjung Keliling POM, Tanjung Keliling Estate, Bekiun Estate, Padang Brahrang Estate, and Bukit Lawang Estate, it is known that workers have never felt that the company has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in labor unions, politics, or age. There was no difference in the communication between superiors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by the superiors. The company also didn't request any payment during the recruitment process.

**6.1.3**

During recruitment process, the company had set the standard of competence that required based on the offered position. Selection had include evaluation of skills, performance and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of the worker as well. Records on manpower procedure had been documented, as verified randomly to the several documents, here as follows:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of written test, the result of interview test, and work agreement letter. For example, a worker on behalf of ELG (initial) who started working on 1 August 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of ARS (initial) who had a promotion based on worker's appraisal, from maintenance foreman to technical clerk.

**6.1.4**

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as pesticide application and fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. All pregnant workers placed in non-agrochemical works such as day care and housing area maintenance.



UoC also showed list of pregnant woman and breastfeeding mothers that showed all women placed in non-agrochemical works (housing area maintenance, daycare officer, and office staff).

#### 6.1.5

Gender committees had been formed and still active until today which are chaired by the board along with the head of gender committee. The structure of the gender committee consists of male and female workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers especially women.

UoC then showed the gender committee program in 2021 to 2022, namely: the socialization of the dangerous of chemical substance to the pregnant woman, cervix and breast cancer screening test, socialization of sexual harassment grievance procedure, socialization of pregnant woman health, etc.

UoC showed the SOP in handling sexual harassment grievances (NO. SOP 27 rev-03) revised on 10 August 2017 which stated the procedure in handling grievances related to sexual harassment and violence despite of any gender. Based on the interviews with harvesting, pesticide application, and mill workers, they also knew of the existence of the gender committee because it had been routinely socialized by the management.

#### 6.1.6

Equal payment of wages has been made by the unit of certification properly, taking into account the ability, performance, expertise, work period and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the UoC already had a wage scale structure for each worker based on position and grade (not based on gender or origins).

Based on the interviews with workers (harvesters, maintenance workers, and mill operators), the workers already know that there was 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 payslip. Based on the document review of worker's payslip in both gender and the interviews with the workers in the same grade, it's known that the monthly wages received are in accordance with the grade owned by each worker. For example: the male worker on behalf of SHR (initial) and the female worker on behalf of SM (initial) in the same type of work received the same wage for the period of June.

<b>Status: Comply</b>
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### 6.2

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

#### 6.2.1

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2022 to 2024 written in Bahasa. This CLA has been registered in Manpower Agency of Langkat District No. 568-223.3/Pdf/PKB/II/2022. CLA had been routinely disseminated by the certification unit to all employees, one of the socializations that was carried out on 18 May 2022 which was attended by 37 workers in Bukit Lawang Estate.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the collective labor agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 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 were no late payments every month.

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

#### 6.2.2 and 6.2.3

UoC has collective labor agreement provided in 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. These all stated in each worker's work agreement. Explanations related to the contents of the collective labor agreement, including:

- Article 11 concerning annual paid leave which explains that workers have the right of 12 days paid leave if they worked for 12 months continually.
- Article 19 concerning overtime and its payment which explains that the working time in the company is 7 hours per day or 6 working days in a week (palm oil estate and mill), in which the total working hours are 40 hours in a week and if there were any works after working time mentioned before, will be calculated as overtime.
- Article 20 concerning wages which explains that the lowest wage of worker couldn't be lower than the minimum wage set by the government every year.

In addition, remuneration is generally stated in collective labor agreement, and specifically stated in a decree explain these matters, as follows:

- Decree of Sumatera Utara Governor No. 188.44/794/KPTS/2021 concerning the minimum wage of the regencies in Langkat District in 2022 which stated that the minimum wage of Langkat District in 2022 is Rp. 2,711,000/month.
- Management Decree No. 117/Dir.SDM/SE/III/2022 concerning worker's wage in 2022 is Rp. 75 % basic wage and 25 % permanent allowance. For workers with the lowest wages are employees with 0-1 year of work period, as much: Rp. 2,397,000 for the basic wage and Rp. 355,000 for the permanent allowance.

UoC showed overtime payment in May and June 2022 that has been in accordance with applicable laws for workers on behalf of DK and YK (initial) as boiler operator, and TW and DA (initial) as security. In the payslip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation. Payslip has inform accurately consist of basic wages, overtime, allowance, working days, leaves, and deduction.

A review of payslip document (harvesting workers and maintenance workers) for June 2022, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, workers' wages on behalf of PY (initial), SP (initial), DP (initial) have a different wages based on wage scale structure in 2022 and all wages above the minimum wage.

UoC also showed paid leave letter which showed that annual leave was given 12 days of paid leave in a year. For example, the paid leave letter on behalf of STR (initial), who took 1 day of paid leave and the days of paid leave left was 2 days. This paid leave had been approved by the supervisor on 27 July 2022.

Unit of certification had shown their consistency in this ASA-2 assessment of work agreements that are owned by every worker so there were no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties.

#### **6.2.4**

UoC has provided welfare facilities to occupants in the form of housing, water supply, educational facilities, mosque, school transportation and other facilities in each unit. Based on the field visit in the housing area, it revealed that workers were provided with adequate housing facilities with 3 bedrooms, 1 bathroom and there was daycare for children in each unit. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers.

In addition, the company also provided waste disposal sites for domestic waste management. For health services, the company provides clinics and paramedics. Based on field observations, it's known that the facilities and infrastructure provided for workers are still functioning properly.

In general, the facilities provided by the certification unit are in good condition and sufficient quantities related to the number of workers in each unit. Based on field observation, all housing has well-maintained drainage. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing which repaired if there were damage (usually if there were any damage, the worker will inform it and it will be handled directly by the company).

#### **6.2.5**

Based on the interview with the workers and occupants also by field observation, it's known that UoC located close to Stabat City so it's accessible to go to the nearest market for workers and occupants. Besides, there were accessible food sources that sell workers' daily needs and small cafeteria in the workers' area for lunch. In addition, there were also workers who open small business stalls to sell daily necessities in each housing.

#### 6.2.6

In Indonesia there were no living wage standard is established, so UoC still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conducting an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2022 has been included in the calculation of housing facility costs, educational cost, daycare facility, health cost, electricity, and water costs. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage as much as IDR 5,017,111

Based on interview with works and document verification, the calculation data of prevailing wages is rational in accordance with the local price.

#### 6.2.7

During the assessment, there were still contract workers in UoC operational area. The current employee status are permanent workers and contract workers. Based on the document review and interview with the workers, it's known that there were contract workers in harvesting work, as follows:

- Padang Brahrang Estate has 26 contract workers in harvesting while the permanent workers in harvesting was 53 workers.
- Tanjung Keliling Estate has 27 contract workers in harvesting while the permanent workers in harvesting was 104 workers.
- Bekiun Estate has 12 contract workers in harvesting while the permanent workers in harvesting was 42 workers.

Based on the document review and the interview with the contract workers in harvesting, it's known that they worked in replanting areas as a manual upkeep worker in immature plant last year but they placed in harvesting worker as this year the immature plant has turn into mature plant. Besides, on the work agreement letter, it stated that the worker worked in estate and didn't define as the harvesting worker.

Based on the document review and the interview with the management, it's known that the period of work agreement letter of contract worker in harvesting made as a year because the UoC needed enough time to evaluate the worker since the current issue in Langkat District is the abuse of drugs.

In addition, UoC also showed the worker's urine test results from National Narcotics Agency in February 2022 which proved that some workers' urine contains of narcotics so they were on rehabilitation.

**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

Unit of certification had a policy concerning the rights of workers to establish labor union. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy explained that KLK Group committed to respect and protect human rights including the rights of workers to freedom of association, collective bargaining, to form and join labor unions of their choice.

Based on the interviews with labor union representatives, it explained that the company had given freedom of association and labor unions have been formed. The establishment of the union was in accordance with the applicable laws and regulations and has been recorded in Manpower Agency of District, for instance the Registration Number. 568-443.3/DISNAKERTRANS/2013 of Federation of Plantation Labor Union (SPBP) PT. Langkat Nusantara Kepong on 29 May 2013 issued by the Manpower Agency of Langkat District. UoC gave the freedom for worker to express their aspiration democratically and there was no intervention towards labor union activity.

Based on the document review, it's known that the UoC also documented the number of labor union's member operating in UoC operations area, for instance Labor Union of PT. LNK in Stabat POM and its supply base were as follows:

- The total member of the labor union in Tanjung Keliling Estate was 119 workers.
- The total member of the labor union in Bekiun Estate was 90 workers.
- The total member of the labor union in Bukit Lawang Estate was 124 workers.
- The total member of the labor union in Padang Brahrang Estate was 74 workers.
- The total member of the labor union in Tanjung Keliling POM was 74 workers.

### 6.3.2

UoC has well-documented the records of meetings between labor unions and management representatives as well as with internal union meetings. The following are examples of records of meetings conducted by labour unions in 2022, for instance: The meeting between the labor union (SPBP) and management representatives in Tanjung Keliling Estate on 29 June 2022 to discuss about the worker's grievance, and the socialization about the prohibition of bringing the child to the estate area attended by 16 members of labor union and the management representatives.

Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings whenever it's needed. The meetings accommodated in bipartite and internal meeting and there has been no labor issue that brought to Manpower Agency.

### 6.3.3

Based on the interviews with the labor union representatives, there was no interference in the selection or labor union operational activities. All processes of selecting, decisions making and planning activities, members' aspirations to their representatives run democratically. The worker who is currently placed as the Chairman of the Labour Union in each unit is a worker at PT. LNK, then there will be no conflict of interest that occurs with the company because there were no workers who have the authority as decision-makers (staff class and above). UoC also involved the labor union in drafted collective labor agreement.

The establishment of the union was in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency. Unit of certification was giving freedom for workers to express their aspirations and did not give any intervention related to labor union activity. Based on the interview with workers, it's known that there were no mandatory to be the member of labor union. The membership of labor union is voluntary.

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

### Children are not employed or exploited.

#### 6.4.1

UoC showed the human rights policy stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy explained that the company committed to protect the children's rights by supporting the children's welfare and protecting children against exploitation, sexual harassment, human trafficking, and children worker.

UoC also had a SOP in recruitment No. SSOP 29 dated on 10 April 2019. It stated that the group prohibited to recruit employees under the age of 18 years old. UoC also showed the recruitment document in accordance with the recruitment requirements such as application letter of workers on behalf of ELG (initial), statement of police report, identity card (KTP), family identity card (KK) which stated that the worker is above the minimum age of worker.

Uoc also showed that they had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 5 February 2022 to contractor workers and workers. This socialization also delivered in bipartite meetings and daily morning brief to all workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. UoC also put a warning board which disallowance the children existence in the work area.

#### 6.4.2

UoC also showed the recruitment document in accordance with the recruitment requirements such as application letter of workers on behalf of ELG (initial), statement of police report, identity card (KTP), family identity card (KK) which stated that the worker is above

the minimum age of worker.

Based on document verification in list of workers in all units and field observation, there were no underage workers.

#### 6.4.3

Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. UoC also did not employ young worker and there were no internship program during the audit.

#### 6.4.4

UoC also showed that they had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 5 February 2022 to contractor workers and workers. This socialization also delivered in bipartite meetings and daily morning brief to all workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. UoC also put a warning board which disallowance the children existence in the work area.

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

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

#### 6.5.1

UoC showed the policy concerning on sexual harassment, violence, abuse, and reproductive rights stated in the KKK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy explained that the company doesn't tolerate any forms of violence, intimidation, and harassment. In terms of that, this policy encourages the workers to report of all sexual harassment experienced by workers.

In addition, UoC also had a SOP concerning on the procedure in handling sexual harassment No. SOP 27 dated on 10 August 2017. It stated about the mechanism for reporting any forms of violence or harassment from the common case to the severe case. UoC showed the record of the company's socialization for any policies related to sexual harassment, for instance the socialization which was conducted on 8 February 2022 attended by 46 workers in Bekiun Estate.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union).

Based on the documents review and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment and violence had been routinely socialized by the management, and they had a good understanding in explaining the procedure of reporting any forms of sexual harassment and violence.

Based on the interviews with the gender committee and daycare officer, the company had given 15 minutes for breastfeeding woman and provided certain place for breastfeeding.

#### 6.5.2

UoC showed the record of the company's socialization for any policies related to sexual harassment, for instance the socialization which was conducted on 8 February 2022 attended by 46 workers in Bekiun Estate.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union).

#### 6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the UoC has provided a certain place for breastfeeding at daycare with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

UoC has specifically provided the need for new mother or breastfeeding workers to breastfeed by setting a special time for



breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities. UoC also showed the result of new mother's needs identification by showing the questionnaire on new mother's need on behalf of LL and AP (initial). This document informed the needs of new mother as follows: counselling after the give birth, paramedics' guidance, daycare, and breastfeeding room.

#### 6.5.4

UoC showed the procedure in handling sexual harassment No. SOP 27 dated on 10 August 2017. It stated about the mechanism for reporting any forms of violence or harassment from the common case to the severe case. The procedure also described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower).

Based on the interviews with workers it's known that the workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee.

**Status: Comply**

### 6.6

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

#### 6.6.1

Unit of certification had a policy concerning the ethical codes in all operational activities and transactions. This policy is stated in the KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO. This policy generally explained that the group committed to provide workers and communities welfare by respecting and recognizing the rights in the workplace including respecting employee rights, no forced labor, no child labor, providing safe and healthy workplace, etc. UoC also committed to respecting the rights of indigenous and local communities and facilitating the inclusion of smallholders into the supply chain.

UoC also showed the SOP of workers management (No. SSOP 29) concerning on recruitment system validated on 10 April 2019 which stated that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents.

UoC showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to anti-bribery, anti-corruption, and anti-forced labor. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does work.

Based on the interviews with manpower agency, gender committee, labor union, and workers at Mill and Estates, it's known that workers have never felt discriminated and forced to work by the company. There were no significant obstacles related to employment or violations of company regulations. UoC provided 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 incentive payment. No penalty was 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.

There were no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation. This statement proof by there was an overtime statement letter from the workers before doing overtime work.

#### 6.6.2

There were 5 migrant workers who work in the company's operational area but all migrant workers worked as the Directors. In addition, the rights and obligations of workers are also clearly stated in company regulations. UoC still have contract workers but all the rights for daily workers has been in accordance with the applicable law. Based on the interview with the contract workers, it's known that there was no recruitment fee during the recruitment process.

**Status: Comply**

### 6.7

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

#### 6.7.1

#### **OHS Organization**



- Stabat POM – Decree of the Head of the Manpower Office of North Sumatra Province No. 566/326-7/DTK/SU/IX/2021 dated October 29, 2021 concerning Ratification of OHS Committee PT Langkat Nusantara Kepong Tanjung Keliling POM Langkat Regency with secretary on behalf of Sugiarto with General OHS Decree No. 5/3860/AS.02.04/IV/2020 April 15, 2020 valid for 3 years. (15 April 2023)
- Estate - Decree of the Head of the Manpower Office of North Sumatra Province No. 566/324-7/DTK/SU/IX/2021 dated October 29, 2021 concerning Ratification of OHS Committee PT Langkat Nusantara Kepong Rayon Binjai Langkat Regency with secretary on behalf of H. Abdul Rahman with General OHS Decree No. 5/53005/AS.01.03/IV/2022 dated 28 April 2022 valid for 3 years (28 April 2025).

### **Periodic Meeting**

The company shows the recording of periodic meetings, for example the recording of the P2K3 meeting on 28 June 2021 through Ms. Teams. The topics discussed briefly include: OHS (PPE, Safety Briefing, Motor Vehicles, Health Checks), Face shield trial reports, Annual stakeholder consultations with villages, Unsafe Action on fertilization activities, Hazardous waste processing, Child labor, and work accidents.

Thus, it can be concluded that the company already has an OHS organization with an adequate number of personnel in accordance with the laws and regulations.

### **6.7.2**

#### **Emergency Response Procedure**

The company has SOP No. 24 Occupational Health and Safety and Emergency Response 2nd Revision dated 2 May 2020. The document briefly explains, among others:

- Occupational Health and Safety including: Work Accidents, OHS Committee, HIRARC, Training related to OHS, SIO, PPE, Health Checks, Pregnant & lactating women, LOTO, confined spaces, work permits, OHS Internal Audit, OHS review, and Force Majeure.
- Emergency Response, including: Emergency response equipment, Building fire emergency response, Chemical spill emergency response, Emergency response to natural disasters – floods.

The company has SSOP No. 33 Land Fire Emergency Response dated January 1, 2020. The document briefly explains the following: No burning policy, Firefighting team and job description, Firefighting equipment, Fire tower, Embankment/water source, Fire control, Training and simulation, Socialization, Documentation, Internal Audit and Review.

Based on the results of field observations of Best Practice activities at the Estate, it is known that for Best Practice activities in the field a first aid kit has been provided by the foreman. In addition, based on the results of the interview, it was found that the worker concerned could briefly explain the function of the first aid kit that was brought. During field observation in Mill and Estates, there is evacuation route and assembly point signs.

Thus, it can be concluded that the company already has emergency response procedures that are understood by workers and that first aid workers are available in the field.

### **6.7.3**

Based on the results of field visits such as operational activities at the Estate (Spraying, Harvesting, Fertilizing) and Mill (Processing Processes), it is known that workers have used adequate PPE and are in accordance with the hazard identification and risk control documents that have been determined. In addition, workers also stated that PPE is provided by the company and will be replaced if it is damaged or does not provide the maximum protection function included PPE with short lifetime such as rubber gloves and mask.

Based on the results of field visits and interviews with workers, it is known that the company has provided sanitation facilities that can be used by workers to be able to remove PPE, clean themselves and put on their personal clothes.

So, it can be concluded that the company can show evidence that it has provided appropriate Personal Protective Equipment (PPE), and it is provided free of charge to all workers and sanitation facilities are available for workers who use pesticides so that workers can remove PPE, clean themselves and put on their personal clothes.

**6.7.4**

The company shows records of BPJS payments, for example proof of payment for BPJS Health and Employment at PT Langkat Nusantara Kepong in June 2022 via bank transfer on June 14, 2022, with details:

- Bekiun Estate: Health 279 participants.
- Padang Brahrang: 216 participants
- Tanjung Keliling Estate: 301 participants
- Basilam Estate: 363 participants
- Tanjung Keliling POM: 84 participants

In addition, based on the results of field visits and interviews with workers at the Mill and Estate, it was conveyed that the company had provided BPJS (Health and Employment) facilities and provided Health facilities in the form of a clinic that workers could use for treatment and if further treatment was needed, they would be referred to Health facilities level 1 in accordance with the BPJS owned.

Thus, it can be concluded that the company has shown evidence that workers have been provided with health services and are protected by occupational accident insurance.

**6.7.5**

The company shows the recording of work accidents using Lost Time Accident (LTA), briefly as follows:

Description	October 2021 - June 2022				
	TJK	BKN	PBR	BLG	POM
Fatality Rate	0.0	0.0	0.0	0.0	0.0
Incident Rate	10.3	7.3	40.0	0.0	23.2
Frequency Rate	7.0	5.0	27.4	0.0	15.8
Severity Rate	0.0	14.9	58.2	0.0	39.4
Lost Time Accident	0.0	14.9	17.1	0.0	15.8

The company can show an Investigation Report on the occurrence of work accidents, for example the occurrence of work accidents for process workers at Tanjung Keliling POM on June 14, 2022 accompanied by a Work Accident Case Report Form from BPJS Ketenagakerjaan.

**Status: Comply**

**PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**
**7.1**

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

**7.1.1**

The company has shown the SOP document for OPT observation and control as stated in the Sustainability SSOP with the number SSOP.17. Integrated Pest Management and Control (IPM), which among others explains the following:

1. Major pests and diseases
2. Basics of integrated pest control and census criteria
3. Biological control
  - Planting useful plants
  - Owl
4. Cultural control
  - Planting cover crops
  - Manual control
  - Chopping and spreading of fallen trees
5. Chemical control is only carried out if the spread of destructive pests exceeds the threshold and uses approved pesticides.

6. Supervision
7. Census
8. Training.

The company shows the implementation of the Integrated Pest Management plan, for example as follows:

1. Beneficial Plant and Barn Owl Box

The company shows documentation related to the application of biological pest control, for example:

- The results of the field visit at the Estate found beneficial plants planted on the side of the road.
- Checklist for monitoring the condition of owl cages at Bekiun Estate, Bukit Lawang Estate, Padang Brahrang Estate and Tanjung Keliling Estate.

2. Pest Census

The company shows pest census records, for example the results of the Bekiun Estate rat attack census in April 2022 Division 4 for the 2020 planting year covering an area of 588 Ha, found 351 trees were attacked with a percentage of 5%.

Based on the results of field visits and interviews on Bekiun Estate pest control activities, it is known that chemical pest control is based on the results of pest attack detection and census.

Thus, it can be concluded that the company has an IPM plan that is implemented and monitored to ensure effective pest control.

**7.1.2**

Based on the results of document review and field observations, it was found that the company had used *tyto alba* as a natural enemy of pests and beneficial plants including *turnera subulata* and *antigonon*. All of these species are not classified as invasive species according to the Minister of Environment and Forestry No. P.94/MENLHK/SETJEN/KUM.1/12/2016, so it can be concluded that there is no use of invasive species for pest control.

**7.1.3**

Based on document review, field observation, as well as interview with the workers and external stakeholders, it is known that the company did not use fire for pest control.

**Status: Comply**

**7.2**

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

**7.2.1**

Based on the results of a review of the pesticide use list document, for example in 2021, it is known that the company has used pesticides selectively to deal with targeted pests and weeds or diseases. The pesticides used for example as follows:

Merk	Active Ingredients	Permit Number	LD50	WHO	Target
Becano	Indaziflam	RI. 01030120124 279	>500	III	Broad-Leafed Weeds, Narrow- Leafed Weeds
Round Up	Glyphosate Isopropylam monium 480 g/l	593/KPTS/SR. 330/M/9/2020	>500	III	Broad-Leafed Weeds, Narrow- Leafed Weeds
Basta	Ammonium Glufosinate	RI. 01030120175 826	>1,000	II	Broad-Leafed Weeds
Ratgone	RODIFAKU M 0.005 %	RI. 011201199512 12	OCUT ORAL 10 Gram bait (3 blocks)	III	Rat

Mega Cyper 250 EC	CYPERMET RIN 50 g/l	510/KPTS/SR. 330/M/8/2019	>2,000	II	Oryctes, Caterpillar
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### 7.2.2

The company shows a record of pesticide use contained in the Costing Book document for each unit, for example the use of Basta Pesticide for circle spraying activities at Bekiun Estate in June 2022 as follows:

- Active Ingredients: Ammonium Glufosinate (15%)
- LD50: >1,000
- Application Area: 139 Ha
- Active Ingredients/ Ha: 0.16 g/Ha
- Total Applications: 144 L

### 7.2.3

As part of reducing the use of pesticides, the company has integrated biological control in pest control, for example by using beneficial plants aimed at controlling Palm leaf eating caterpillar pests and tyto alba for controlling rat pests. Based on the results of field observations on Estate, it is known that the beneficial plant in a well-maintained condition and planted on the edge of the road.

### 7.2.4

Based on the results of document studies and interviews, it is known that the use of pesticides for animal pest control is based on the results of the pest attack census, for example the use of the Ratgone pesticide is based on pest census records, for example the results of the Bekiun Estate rat attack census in April 2022 Division 4, 2020 planting year covering an area of 588 Ha, found 351 affected trees with a percentage of 5%.

So, it can be concluded that there is no preventive use of pesticides by the company.

### 7.2.5

Based on the results of the study of the list of pesticides used and field observations in the pesticide storage warehouse, it is known that the company does not use pesticides that are listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

### 7.2.6

The company shows training records to personnel handling pesticides, for example Spray Equipment Maintenance Training at Bukit Lawang Estate on March 9, 2021. In addition, based on interviews with spray workers, it was found that workers could briefly explain the safe working procedures for spraying activities.

Thus, it can be concluded that the company has shown evidence that the work using pesticides has been handled by trained workers.

### 7.2.7

The results of field observations of chemical storage warehouses, it is known that chemical storage warehouses are in accordance with Government Regulation number 74 of 2001 concerning the Management of Hazardous and Toxic Materials. Among them are equipped with hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and releasing chemicals, MSDS, storage of pesticides are grouped by type and available secondary containment which is clean.

### 7.2.8

revision 4 dated May 2, 2020). In the SOP, it is explained related to the classification of waste types and sources of waste, storage of hazardous and toxic waste in divisions or estate that do not have a hazardous waste warehouse is carried out for a maximum of 7 days then sent to a temporary storage place for hazardous and toxic waste, 200 l and 20 l of used large packaging is reused for a mixing place after washing 3 times, storage in a licensed temporary storage place for hazardous and toxic waste is carried out for a maximum of 90 days equipped with a label and symbol, transportation is carried out by licensed transporters and collectors and reported to the Environmental Agency every 3 months.

The company shows evidence that each pesticide package has been stored and is not used for other purposes, for example monitoring the entry and exit of used pesticide packaging for the period of 2022 to date June. The document explains the number of pesticide packages that leave the central warehouse and those that enter (after field application) to the Hazardous Waste Warehouse. Pesticide packages that go in and out are recorded based on each type of pesticide from each farm.

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

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

#### 7.2.9

Based on the results of interviews with management representatives, it is known that the company does not apply pesticides by air.

#### 7.2.10

The company can show records of special health checks to workers who handle pesticides including cholinesterase and follow-up records of workers who experience health problems last done in 2022. Meanwhile, spirometry health checks cannot be carried out in accordance with the explanation in indicator 3.6.2.

#### 7.2.11

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

<b>Status: Comply</b>
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### 7.3

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

#### 7.3.1

The company has a record of identification of waste sources listed in the 2021/2022 environmental aspect list and evaluation document which has been approved by the Mill Manager and the Manager of each plantation. Besides that, the company also has several procedures related to waste management and utilization, including:

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

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

The company has a permit for temporary storage and / or utilization of hazardous waste from the Government for Tanjung Keliling POM based on Langkat Regency Decree No. 660-09/K/2014 dated June 30, 2014 and valid for five years (until June 2019). At the time of this assessment, it has already a permit issued through the OSS system. The company shows a printout of the hazardous waste management operational permit for Producer-Tanjung Keliling POM which was issued on February 25, 2020 by the OSS system on behalf of the Langkat Regency. Regarding the management and transportation of Hazardous waste, the company collaborates with the official hazardous waste collection contractor, namely PT Sumatra Deli Lestari Indah and PT Indostar Cargo. The company

can show the cooperation agreement and licensing requirements that have been owned by PT SDLI and PT Indostar Cargo as the waste carrier.

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

These documents include a balance sheet, logbook and manifest / festronic of hazardous waste. Based on the results of the document review by comparing the balance sheet and logbook, it can be seen that the delivery of waste to the hazardous waste warehouse until June 2022 has been appropriate and there is no difference in the amount submitted. Likewise, the comparison between the balance sheet and the waste transportation Festronic carried out on March 3, 2022 shows that the balance document shows that the amount of hazardous waste in 3 month after transportation (June 2022) according to the amount in the warehouse. Thus, it can be concluded that there are no recording errors and differences based on the Balance Sheet, Logbook and Festronic documents, this shows that the company has documented the storage and handling of Hazardous waste properly. The festronic document is data on the results of transportation from all Temporary Waste Storage owned by PT LNK that are within the scope of certification include Tanjung Keliling Estate, Bukit Lawang Estate, Padang Brahrang Estate, Maryke Estate and Bekiun Estate. The company has kept records well so that waste management data can be traced easily and there are no discrepancies in the recording.

The company also has supporting documents, including:

- Hazardous waste recording document shown in the hazardous waste logbook document. For example, based on the hazardous waste logbook study for the period January - June 2022 signed by the Daily Implementation and the Trustees, it is known that the shelf life of Hazardous waste does not exceed 180 days.
- Report on the Implementation of Hazardous waste Management for quarter 1 & 2 of 2022 dated 22 July 2022 .
- A quarterly hazardous waste balance report contains a waste balance and hazardous manifest, the company has sent a hazardous waste management report for the quarter 1 & 2 2022 to the Environment of Langkat Regency on 22 July 2022.
- Minutes of submission of hazardous waste dated March 30, 2021 signed by the carrier, namely PT SDLI and PT IC and the party producing hazardous waste, namely PT LNK.

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

Solid waste is reused by the unit of certification. The solid waste that is reused is empty bunch which are reused as fertilizer. The shell and fiber are reused as boiler fuel.

- The number of use of EFB for the January - June 2022 period was 13,153 tons.
- The number of shells used for the January - June 2022 period is 1,863 Tons
- Total use of Fiber for the January - June 2022 period is 10,291 Tons
- POME management is reused with land applications. Before being channeled to the Land Application, the liquid waste is first managed in the WWTP pond. The SLO for Utilization of Liquid Waste is currently at the disposal stage, as explained in indicator 2.1.1 while the utilization of Liquid Waste for the January-June 2022 period is 112,550 M3

### 7.3.2

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



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

### 7.3.3

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

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

**Status: Comply**

## 7.4

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

### 7.4.1

The company shows procedures related to maintaining soil fertility, one of which is contained in the Sustainability Standard Operating Procedure (SSOP) document, SSOP 7. Seedling, Planting and Maintenance of Oil Palm Plants, revision 3 dated November 15, 2021. At point C. Maintenance of oil palm plantations, including explain about:

- **Road Maintenance in Mature Plantation Areas.**  
All roads are re-covered in the first year, preferably with laterite, the roads are leveled with a convexity suitable for the compactor, if no coating material is available, light grass is allowed to grow but is mowed periodically, the roads are provided with adequate surface and underground drainage.
- **Circle Treatment.**  
The planting area must always be free of weeds and debris to facilitate the removal of loose fruit and reduce the absorption of nutrients by weeds. Treatment is done by spraying the disc (3 times a year, with glyphosate herbicide 2 times and contact herbicide 1 time), scratching the disc (2 times a year, after sprouting).
- **Oil Palm Land Treatment and Ground Cover Development.**  
Weed control in Immature (spot spraying and weed eradication in circle); Eradication of Weeds in Mature (keeps the circle clean and makes picking loose fruit easier, keeping the weeds/ harvesting path with a lawn mower to improve accessibility); and Land Care Before Replanting (blocks to be replanted must be maintained until the last 1 year before felling for replanting).
- **Terrace/sillpit Maintenance.**  
The terraces/sillpit are maintained by lifting the landslides, returned to the terraces, with a rotation once a year. Sillpit is maintained by removing the soil mass that enters the sillpit. The beans that spread into the sillpit were moved towards the fort.
- **Maintenance of Drainage Ditches.**  
Lifting/digging the soil that covers the trench, so that the size of the trench remains the same as before, is carried out 2 times a year.
- **Maintenance of Water Level.**  
Maintenance of water level for existing plants in peat areas, the water level should be maintained at an average limit of 60 cm from the soil surface (range 50-75cm), through a network of water control structures, such as water embankments, sand bags, and etc.
- **Fertilization Based on Soil and Leaf Analysis Results.**  
Factors that need to be considered in determining the report are (soil, climate, results of fertilization research, plant age, plant productivity, realization of fertilization twice a year, results of leaf and soil nutrient analysis, and results of visual observations in the field).

Based on the results of document studies and field observations, it was found that several implementations that have been carried out by companies such as companies have applied POME and used pruned midrib as an alternative nutrient source.

**7.4.2**

The company shows the recorded leaf and soil analysis results contained in the Oil Palm Manuring Recommendation 2021 – 2022 document for each Estate. The parameters analyzed include:

- Leaves: N, P, K, Mg, B
- Soil: pH, C-Organic, P, K, Ca, Mg, C.E.C

**7.4.3**

The company shows a nutrient recycling strategy such as the Empty Fruit Bunch application and POME, for example the period October 2021 – June 2022 as follows:

- POME: 112,550 M3
- EFB: 19,730 Tons

**7.4.4**

The company shows a record of the fertilization plan and realization for each estate, for example for the financial year period October 2021 – September 2022 recommended and applied fertilizers include NK (17:30), Borate, Kieserite, Opcom, and Fertibor. For example in Bukit Lawang dan Bekiun Estate with the following details:

Unit	Plan (Kg)	Realization (Kg)	Achievement
Bukti Lawang Div. 2	948.28	721.15	76%
Bekiun (All Division)	4,052.76	2,810.48	69%

The realization of fertilizers applied in accordance with the recommendations and their achievements in several units is still not 100% because the financial year is still running.

**Status: Comply**

**7.5**
**Practices minimize and control erosion and degradation of soils.**
**7.5.1**

The company shows maps that inform the distribution of soil types and slope levels made by PT AAR Indonesia, including:

- Tanjung Keliling Estate:
  - Slope Map Scale 1 : 45.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 75.000 with soil groups including: dystropepts, kandiuults, tropaquepts, hydrandepts, dystrandepts.
- Padang Brahrang Estate:
  - Slope Map Scale 1 : 25.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 50.000 with soil groups including: eutrandepts, tropofluvents, tropoquepts, hydrandepts, dystrandepts, tropoquepts, eutropepts.
- Bekiun Estate:
  - Slope Map Scale 1 : 50.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 75.000 with soil groups including: dystropepts, kandiuults, tropaquepts, eutropepts.
- Bukit Lawang Estate:
  - Slope Map Scale 1 : 50.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 25.000 with soil groups including: eutropepts, tropaquepts, hapludox, dystropepts.

Based on the study of documents and field observations, it is known that there is no marginal soil with a peat type and an area with a slope of >40%.

**7.5.2**

Based on the results of the study of the Slope Map document, it is known that there are no areas with a slope of >40%, in addition, based on field observations, for example in the Replanting Year 2020 Blok 2020H Bekiun Estate area, no extensive replanting activities were found in areas with steep slopes.

**7.5.3**

Based on the results of document review and field visits, it was found that the company did not carry out new plantings and only carried out replanting activities.

**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

The company shows maps that inform the distribution of soil types and slope levels made by PT AAR Indonesia, including:

- Tanjung Keliling Estate:
  - Slope Map Scale 1 : 45.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 75.000 with soil groups including: dystropepts, kandiuults, tropaquepts, hydrandepts, dystrandepts.
- Padang Brahrang Estate:
  - Slope Map Scale 1 : 25.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 50.000 with soil groups including: eutrandepts, tropofluvents, tropoquepts, hydrandepts, dystrandepts, tropoquepts, eutropepts.
- Bekiun Estate:
  - Slope Map Scale 1 : 50.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 75.000 with soil groups including: dystropepts, kandiuults, tropaquepts, eutropepts.
- Bukit Lawang Estate:
  - Slope Map Scale 1 : 50.000 with slopes between 0 – 38%.
  - Land Unit Map Scale 1 : 25.000 with soil groups including: eutropepts, tropaquepts, hapludox, dystropepts.

The maps above also provides information regarding drainage conditions and the general condition of the survey area.

### 7.6.2; 7.6.2

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

**Status: Comply**

## 7.7

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

### 7.7.1; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7

Based on the results of the study of the soil type map document and field visits, it is known that there is no peat soil type in the PT Langkat Nusantara Kepong area so this indicator is not relevant.

**Status: Comply**

## 7.8

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

### 7.8.1

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

### 7.8.2

The company has implemented riparian management in accordance with its SOP, namely not applying chemicals to locations near water bodies, as well as marking chemical application boundaries on river boundaries. The determination of the riverbank area is

based on the results of the HCV study carried out in 2016. The certification unit can also show documents related to river bank management records as an effort to conserve water sources in the RKL-RPL document and the management of the HCV area, including:

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

Based on the results of field visits to Blondong River Block 11 K Tanjung Keliling Estate, it can be seen that the company has committed to managing the riparian area by providing signboards related to the protection of riparian areas such as logging, hunting, burning, and marking area boundaries and chemical application limits. For several HCV locations in the form of river boundaries, succession has been seen with the natural growth of local plants. In addition, the company also implements vetiver plantations along the canals to prevent landslides and erosion and maintains the canals with a washing / dredging program to protect them from silting.

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

### 7.8.3

The certification unit has tested mill effluent every month. Based on the results of testing the quality of mill effluent for the Jan-Jun 2022 period conducted by an accredited laboratory, namely PT Adei Plantation & Industry Mandau, a KAN accredited central laboratory (LP-1182-IDN), it is known that the results of testing mill effluent parameters such as pH, BOD and COD are still below Quality Standards for the Minister of Environment and Forestry Decree No. 28 of 2003. In addition, the certification unit has also reported the results of monitoring of mill effluent for the first quarter (April - June) 2022 to the Environmental Agency of Langkat Regency on July, 22 2022.

The permit for the utilization of waste water Tanjung Keliling POM is still in the process of issuing a permit. Currently, the process is still based on a permit for the assessment of the use of waste water.

Extension of the permit for the study of the utilization of Tanjung Keliling POM waste water on plantation land in PT LNK Tanjung Keliling with letter number 660-834/DLH LKT/2020 dated September 16, 2020 from the Agency of Environmental Langkat Regency and is valid for 1 year, and updated again in accordance with the latest regulations in accordance with the Technical Approval of Wastewater Utilization for Application to Soil from the Langkat Regency Environmental Service No. 660-315/DLH-LKT/2022 dated March 21, 2022, in the Technical Approval document explained, before the SLO is issued a Trial Time is required until December 2022.

### 7.8.4

The Certification Unit has recorded the use of water for processing FFB. The average water use per tonne of FFB for the period January 2022 – June 2022 was 1.25 m3 / Metric tonne of FFB and was still in accordance with the set budget, while the water use budget was 1.50 m3 / metric tonne FFB.

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

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

### 7.9.1

The company has maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, the use of shells and Fiber in June 2022 is 2,376.02 metric tonnes which produces 306.856 kWh of electricity from the turbine with FFB Processed 16,851 metric tonnes. The use of renewable energy per tonne of palm product at the mill is 18.21 kWh/metric tonne of FFB.

<b>Status: Comply</b>
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## 7.10

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

### 7.10.1 & 7.10.2

The unit of certification did not carry out any new developments after 2014. Tanjung Keliling POM PT LNK. Tanjung Keliling POM has conducted GHG emission calculations period 2021 use of Calculator Palm GHG version 4.0. Accurate data has been input to the

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

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

Production	ton/year
FFB processed	176,476
CPO produced	43,226
PK produced	7,245

Summary Emissions:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.38
PK	1.38

Extraction	%
OER	24.49
KER	4.11

Land use	Ha
Planted area on mineral soil	19.499
Planted on peat	0
Total oil palm planted area	19.499
Conservation Area (Forested)	431.60
Conservation Area (Non Forested)	-
FFB Production per hectare	18.83

#### Estate/Plantation field emission and Sinks

Description	Own		Total
Emissions Sources	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	
Land conversion	97562.22	5.00	97562.22
CO <sub>2</sub> emissions from fertilizer	10638.23	0.55	10638.23
N <sub>2</sub> O emissions from peat	0	0.00	0
N <sub>2</sub> O from Fertilizer	9836.22	0.50	9836.22
Fuel consumption	973.79	0.05	973.79
Peat oxidation	0	0.00	0
Sinks			
Crop sequestration	-90851.98	-0.51	-90851.98
Sequestration in Conservation area	-2678.25	-0.02	-2678.25
Total	25480.22	0.14	25480.22

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

Divert to compost	0 %
Divert to anaerobic digestion	100 %

#### POME Diverted to Anaerobic Digestion:

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

**7.10.3**

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

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

- Utilizing mill effluent that is applied for fertilization.
- Utilizing shells and fiber for boiler fuel for efficient use of diesel fuel.
- Monitor air quality through emission tests as stated in the RKL-RPL report.
- Conduct monitoring of POME including disposal of waste to WWTP before it is distributed to the Land application.
- Monitoring emissions and pollutants (air emissions, ambient, and odor) from plantations and estates which are conducted periodically every 6 months. Based on the test results Semester 1 on 2022, it is known that all parameters are in accordance with the provisions.

**Status: Comply**

**7.11**

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

**7.11.1**

UoC showed the procedure in land clearing stated in SSOP No. 33 concerning land fire emergency response validated on 1 January 2020. This procedure stated that the company committed to carry out land clearing without burning. In addition, UoC also showed KLK Group Sustainability Policy updated on 30 August 2018 validated by CEO which stated that the company implemented the policy of zero burning strictly in all KLK operational area including new planting and replanting activities.

Based on the field observation in the area of replanting block 2020 B in Tanjung Keliling Estate, it's known that there was no indication of the burnt land or any signs of fire usage in the replanting activities. Based on the interviews with the surrounding village (Tanjung Keliling Village, and Tamaran Village), it's known that there were no issues related to land fires.

Based on the interviews with the management and the Environment Agency of Langkat District, they also stated that the company is committed not to burn for land clearing activity and there was no case of land fires for the last 5 years.

**7.11.2**

In determining land fire prevention and control measures, the company has carried out several activities, as follows:

- The company has an emergency response team to handle fire emergencies. The company already has an emergency response team for each estate and factory.
- Fire emergency response simulation training for employees, for example on 28 March 2022 in Bekiun Estate and 29 March 2022 in Padang Brahrang Estate.
- Fire-prone locations are marked on the map and assigned different grades and colors according to the hazard based on the level of fire hazard and limiting factors in Fire control.
- Establish land clear procedures in the context of land fire control.
- Conduct socialization by involving related parties in efforts to prevent, estate control and land fires.
- Conduct training by involving competent parties and create applications to monitor hotspots in the Company's area and its surroundings.
- Establish good communication and actively collect data on lands in the concession and surrounding villages that will and have the potential to clear land by burning.
- Socializing the dangers of forest and land fires directly and indirectly for instance through the warning boards.

Based on the document review of prevention, management, and fire hazard control period of 2021, it's known that there was no fire incident in 2021. Based on the interview with the workers and field observation, it's known that the socialization regarding the prohibition of land burning has been delivered in every morning brief and warning board posted in strategic places which are accessible to read. Based on the field observations in fire emergency response warehouse and housing area, the fire emergency



tools and the fire extinguisher locations are quite complete and in good condition, discovered through the simulation of water pumps and hydrants.

### 7.11.3

The company has also involved stakeholders in adjoining locations for fire prevention and control measures by conducting socialization of land fire control to the community, for example on 11 May 2022 in Bekiun Village. Based on the interviews with the village representatives around the company, it's known that the company had socialized fire control to the community. In addition, there were also some warning boards prohibiting land burning activities and the dangers of land fires.

**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 and 7.12.8

The area of Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate, Maryke and Bukit Lawang Estate was previously the scope of certification from PT LNK's Stabat POM which has been RSPO certified and has carried out an ASA 1.2 assessment. In 2020 Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate, Maryke Estate and Bukit Lawang Estate have been excluded from the scope of the Stabat POM certification and merged into the scope of certification of Tanjung Keliling POM. Based on previous assessments on the Stabat POM, namely ASA 1.2 (2020) Areal Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate, Maryke Estate and Bukit Lawang Estate, it is known that PT LNK has sent an email to RSPO regarding PT LNK's Disclosure and has obtained approval of the disclosure on February 14 2018. In addition, based on a review of environmental documents and interviews with workers who have worked for more than 20 years, it is known that the Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate are former rubber and cocoa plantations operating from 1979 managed by PTPN. II. Currently, oil palm plantations are the result of conversion from the rubber and cocoa plantations and some of them have been replanting. therefore, the management unit is not obligated to perform RaCP

#### 7.12.2

Based on the document review, it was found that the certification unit did not clear any new land after 15 November 2018 so the HCS assessment was not valid and the existing HCV assessment was still valid. The certification unit has identified HCV by Aksenta's consultant in 2014 covering the entire area of PT LNK consisting of Gohor Lama Estate, Maryke Estate, Basilam Estate, Tanjung Beringin Estate, Bekiun Estate, Padang Brahrang Estate, Tanjung Keliling Estate and Bukit Lawang Estate. Based on the results of HCV identification, it is known that the total indicative HCV area is 154.58 ha. The HCV assessment was carried out by an assessment team approved by the RSPO and a review of the HCV assessment report was carried out by Yana Suryadinata (ALS). The HCV assessment has involved several parties such as the surrounding community (Tanjung Keliling Village, Bukit Lawang, Bekiun, Basilam, Kuala), government agencies such as the Langkat Regency Forestry and Plantation Service and the Langkat Regency Environmental Service. The assessment includes identification of HCV Areas and RTE Species. Of the 154.58 hectares of the HCV indication area, consisting of 8 estate. The determination of the HCV area in 2022 refers to the latest measurement data with Drone, as follows:

Estate	HCV	Non HCV Conservation	Total
PBR	0	1.4	1.4
TJ Keliling	62.9	17.6	80.5
Bekiun	9.8	4.7	14.5
Bukit Lawang	56.6	2.7	59.3
Maryke	92.4	54	146.4
Total	221.7	80.4	302

#### 7.12.3

Until now, this indicator is not relevant to Indonesia until a further decision is made by the RSPO.

#### 7.12.4, 7.12.7

Based on the 2014 HCV identification document, it is known that there is no peatland area and there is no indication that the peatland is HCV at PT. LNK. The certification unit has PT LNK's 2021-2022 HCV management plan which includes 8 estates. The HCV

management plan is the result of consultations with stakeholders such as the surrounding community (Gelugur Langkat Village, Minta Asih, Bekiun, Sido Makmur, Bukit Lawang, Namanjahe, Tanjung Keliling and Namo Mbelin Village) as well as Government Agencies namely the Department of Agriculture and Food Security, Langkat Regency. which was carried out on June 24, 2019. The HCV management plan for the 2021-2022 period of PT LNK is as follows:

- Installation of a signboard for notifications and prohibitions. For example marking the boundaries of protected species areas, managing protected species image banners, prohibiting illegal hunting, and completing basic information on the distribution of animals.
- Socialization to the public and employees.
- Monitoring of HCV areas including Flora and Fauna every month
- Make a mark along the small river channel.
- Planting woody plants in critical areas
- Growth monitoring of woody plants
- Making signs is prohibited from burning
- Carry out routine patrols in areas prone to fire.

The certification unit has implemented the 2021-2022 HCV management plan, for example:

- The company has conducted monthly monitoring of important, rare, endangered and vulnerable species. Monitoring also includes indications of catching / trapping, maintaining, trading RTEs and monitoring posters. For example:
  - a. Monitoring reports on the Bukit Lawang Estate for the monitoring period of June 2022, the species encountered were: *Monyet Ekor Panjang* (*Macaca fascicularis*), *Beruk* (*Macaca nemestriana*), *Kuntul Kerbau* (*Bubulcus ibis*). In addition there is no indication of capturing / trapping HCV areas.
  - b. Monitoring reports on the Tanjung Keliling Estate for the monitoring period of May 2022, the species encountered were: *Biawak* (*Varanus salvator*), *Berang-berang* (*Lutrinae* sp) and *Elang Tikus* (*Elanus caeruleus*). In addition there is no indication of capturing / trapping HCV areas.
- The company has installed a spray limit sign for 20 meters right and left of the river, namely red paint on the outermost palm oil tree in the river border area. Based on the results of field visits to the *Penceng* River Border Block 95 B Bukit Lawang Estate and the *Sei Penjara* River Border Blok 2018 D Bekiun Estate, there was no indication of spraying to the water body / border area and there was a spray limit sign.
- Socialization has been carried out to employees, for example:
  - a. The company showed the Minutes of the socialization of HCV, Wildlife and Spraying Limits for the HCV area to 48 Harvesters Tanjung Keliling Estate employees on December 11, 2021.
  - b. The company showed the Minutes of socialization of HCV and wildlife to 32 employees of Harvest & Spray Bukit Lawang Estate on March 8, 2020.
  - c. The company showed the Minutes of socialization of HCV and wildlife to 47 Harvest Workers at Maryke Estate Division 3 which was held on February 16, 2022
  - d. Socialization of the HCV area and PT LNK's HCV management to the community around the plantation (Minta Kasih Village, Tanjung Keliling) on May 25, 2022

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

Based on interviews with management representatives, it is known that the 2021 HCV management plan is still continuing to monitor HCV areas including monitoring of flora and fauna species as a company effort to defend HCV areas and flora and fauna species

#### 7.12.5

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

#### 7.12.6

The company has an SOP on the protection of Flora and Fauna, namely SOP 22 revision 1 dated 18 January 2018 related to HCV identification, management and monitoring of conservation and flora / fauna areas on 18 January 2018. This procedure explains that the company will disseminate the sanctions to each individual who works for the company if proven to have captured, injured, killed,

kept, possessed, cared for, transported and traded protected animals. The certification unit also conducts outreach to workers regarding the presence of flora and fauna around the company. Based on the results of interviews with spray and harvest workers at Tanjung Keliling Estate, Bukit Lawang Estate, Maryke Estate it was found that the workers understood that hunting was prohibited and that they were penalized for hunting animals.

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

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

### 3.3 Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Berhad Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Berhad has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Berhad is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Berhad on 16 July 2021.

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

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Positive assurance statement provided, which does include the new mill found in the revised time bound plan</p> <p>Auditor verification: There is internal audit that has been conducted for uncertified unit:</p> <ul style="list-style-type: none"> <li>- Sinergi POM</li> <li>- IPS POM</li> <li>- Nilo POM 1</li> <li>- Bumi Makmur Sejahtera</li> <li>- Prima POM</li> <li>- Putra Bongan Jaya POM</li> <li>- PWS POM</li> <li>- Segah POM</li> <li>- Palm Bay Mill</li> </ul>
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>The Company has conducted HCV assessment for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. Related to the new mills and newly acquired land are waiting for the concept plan to be approved.</p> <p>Auditor verification: Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided. The uncertified that follow RaCP is PT Menteng Jaya Sawit Perdana. For other uncertified unit, known that there is no new planting</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted

		<p>prior to development. There is new planting after January 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p>Auditor verification There is new planting after 2010 in PT Putra Bonga Jaya and this is uncertified unit will follow sanction. For the other uncertified unit, there is no new planting after 1 January 2010.</p>
2.1.4	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>SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.</p> <p>Auditor verification The company has procedure to resolve the land conflict which has explain that problem solving of conflict area.</p> <p>There is evidence of documented land dispute resolution for the uncertified units. No issue that obtains by web search.</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>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries. The company has a mechanism for dealing with complaints.</p>
2.1.6	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>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There's uncertified unit that still on HGU process:</p> <ul style="list-style-type: none"> <li>- PT Bumi Makmur Sejahtera</li> <li>- PT Menteng Jaya Sawit Perdana</li> </ul>



### 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 Audit

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
Non-Conformance Description (filled by auditor):					
<i>No Non-Conformance were found in this audit activity</i>					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

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

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Evidence observed</b> (filled by auditor):  <b>Non-Conformance Description</b> (filled by auditor):  <i>No Non-Conformance were found in this audit activity</i>			
<b>Root Cause Analysis</b> (filled by organization audited):			
<b>Correction</b> (filled by organization audited):			
<b>Corrective Action</b> (filled by organization audited):			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verified by</b> :			

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	<p><b>The unit of certification complies to relevant regulations</b></p> <p>The POM Stabat Land Application Permit has expired in August 2021. Based on the results of document review and interviews with management, it is known that the management unit is currently in the process of submitting an SLO for Liquid waste Land Application activities. Several stages of SLO management can be demonstrated by the management unit such as:</p> <ul style="list-style-type: none"> <li>• Technical Study on the use of wastewater for applications to soil in 2022.</li> <li>• Technical Approval for Utilization of Wastewater for Application to Soil from the Langkat Regency Environmental Service No. 660-315/DLH-LKT/2022 dated March 21, 2022, in the Technical Approval document explained, before the SLO is issued a Trial Time is required until December 2022.</li> </ul> <p>Based on this explanation, the management unit has the opportunity to ensure the progress of managing the SLO for the utilization of Wastewater until it is published.</p>
2	3.6.2	<p><b>The effectiveness of the H&amp;S plan to address health and safety risks to people is monitored.</b></p> <p>Based on the results of interviews with workers at the Estate and Mill, it was stated that the company has carried out health checks for employees including special health checks for workers with certain risks and general examinations for all employees, in addition the company also conducts initial health checks for new workers.</p> <p>The company shows a recording of a Medical Examination (MCU) including a General Health Examination for all employees (Mill and Estate), and a Special Health Examination for employees with certain risks including Audiometry and Cholinesterase. Meanwhile, the Spirometry examination cannot be carried out because the Covid-19 pandemic situation has not ended yet so that the implementation is postponed in accordance with the Memorandum from the Director of HR No. 76/Dir.SDM/M/VII/2022 dated 27 July 2022.</p> <p>The company can also show follow-up actions to workers who are identified as having health problems based on the results of the Health Examination, starting from transfers to other jobs to the implementation of re-Health Checks.</p> <p>However, based on the results of the review of the re-Health Examination recording, there are still workers whose re-examination is not in accordance with the recommended schedule, for example, an Audiometry re-examination. Subur (Tanjung Keliling POM) was recommended in March 2022 but realized in July 2022.</p> <p>Based on the explanation above, the company has opportunities for improvement including: <b>(OFI)</b></p> <ul style="list-style-type: none"> <li>• Realizing Spirometry Special Health checks if the Covid-19 pandemic conditions have been identified as safe and still paying attention to Health protocols.</li> <li>• Ensure that the follow-up implementation of the Re-Health Examination is in accordance with the recommended schedule.</li> </ul>

**3.4.4. Noteworthy Positive Components**

No	Description
1	The company's commitment to apply the principles of sustainable palm oil management
2	Good cooperation from the Personnel in Charge during the audit
3	Presentation of documents is quite good

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



Public Issues	Auditor Verification
<b>Tamaran Village</b> <ul style="list-style-type: none"> <li>• There are no conflicts / land disputes</li> <li>• There is no environmental pollution issue</li> <li>• The company has realized CSR to the surrounding community</li> <li>• The company has provided socialization related to the procedures and policies that apply in the company</li> <li>• The company provides information related to job vacancies</li> <li>• There is no discrimination between local residents and immigrants.</li> </ul>	<p>There are no issues that need further clarification. The audit team has verified and has been explained in the related indicators in the Report.</p>
<b>Perkebunan Tanjung Keliling Village</b> <ul style="list-style-type: none"> <li>• There are no land disputes or conflicts</li> <li>• No information or complaints related to environmental pollution</li> <li>• CSR assistance provided related to clean water, scholarships for school children, religious events etc</li> <li>• The company has provided socialization related to the procedures and policies that apply in the company</li> <li>• The company provides information related to job vacancies</li> </ul>	<p>There are no issues that need further clarification. The audit team has verified and has been explained in the related indicators in the Report.</p>
<b>Land Office of Langkat Regency (Handling of Disputes Department)</b> <ul style="list-style-type: none"> <li>• Land disputes occur in several estate of PT LNK. As for the land disputes that have occurred, there has been progress on their resolution</li> <li>• There is no report related to the latest land dispute/conflict at PT LNK. The reporting of land disputes is still related to previous disputes.</li> <li>• There is a renewal HGU of PT LNK's HGU. Currently, PT LNK already has a valid HGU.</li> <li>• The company has submitted periodic land use reports.</li> <li>• The company has good communication and coordination with agencies</li> <li>• The company area is a PTPN II plantation area originating from a Dutch plantation and not from a forest area or community area</li> </ul>	<p>The audit team has verified and has been explained in the related indicators in the Report. Regarding land disputes, it has been described in criterion 4.8</p>
<b>Environmental Agency</b> <ul style="list-style-type: none"> <li>• The company already has environmental documents that are in accordance with the provisions.</li> <li>• Reports on the implementation of environmental management and monitoring plans have been routinely reported by the company. The report is reported every semester.</li> <li>• The contents of the environmental management and</li> </ul>	<p>There are no issues that need further clarification. The audit team has verified and has been explained in the related indicators in the Report.</p>

Public Issues	Auditor Verification
<p>monitoring report carried out by the company are in accordance with KepmenLH No. 45.</p> <ul style="list-style-type: none"> <li>• The company already has a permit for temporary storage of hazardous and toxic waste that has complied with the provisions and the permit is still valid.</li> <li>• Reports on the management of hazardous waste on a regular basis have been reported by the company on a quarterly basis.</li> <li>• The company is currently processing the technical approval of the LA permit and has sent a technical review to the Environment Agency.</li> <li>• The company has reported routine liquid waste monitoring reports.</li> <li>• So far, no environmental pollution issues have been carried out by the company.</li> <li>• So far, there has been no issue of land fires in the company's area.</li> </ul>	
<p><b>Manpower Agency of Langkat District</b></p> <ul style="list-style-type: none"> <li>• Mandatory reports related to manpower have been submitted regularly in accordance with its period and the existing regulation.</li> <li>• The company has registered 1 labor union.</li> <li>• No complaints regarding labor issues (child labor, worker discrimination, forced labor and so on).</li> <li>• There were no information request or complaint from Manpower Agency of Langkat District. Every communication with the company is carried out through mobile applications.</li> <li>• There were no complaints related to salary shortages.</li> </ul>	<p>There were no negative issues that need further clarification. Several explanations have been described in the report.</p>
<p><b>Labor union (SPBP) of PT. LNK</b></p> <ul style="list-style-type: none"> <li>• Bipartite meetings of labor union and internal meetings held whenever it's needed.</li> <li>• The wages paid by the company were in accordance with the applicable minimum wage.</li> <li>• There were no work accidents during 2020-2021.</li> <li>• Labor union always involved in the Collaborative Labor Agreement drafting process.</li> <li>• There were still contract workers in the company.</li> </ul>	<p>There were no negative issues related to manpower that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>
<p><b>Gender Committee of PT. LNK</b></p>	<p>There were no negative issues related to gender discrimination that need any further verification. The explanation regarding the</p>



Public Issues	Auditor Verification
<ul style="list-style-type: none"> <li>There were no complaints regarding issues related to sexual harassment and violence against women.</li> <li>All woman in pesticides applicator worker and others work which related to chemical material if reported pregnant, the worker would be transferred to non-agrochemical work (e.g.: housing maintenance officer).</li> <li>The gender committee had socialized some policies related to pregnancy and sexual harassment.</li> <li>The company has had a policy to protect female workers from sexual harassment in the workplace as well as a grievance mechanism. The company also implemented some regulations related to reproductive rights such as menstruation leave and maternity paid leave.</li> </ul>	<p>interview output had been explained specifically in summary report.</p>
<b>Department of Agriculture and Food Security</b> <ul style="list-style-type: none"> <li>The authority of the PIC related to the company is to provide guidance and supervision.</li> <li>The last field visit during the 2021 Plantation Business Assessment activity, PT LNK received a Plantation Business Assessment for each Estate.</li> <li>So far, PT LNK has been quite good in coordinating with agencies and with the surrounding community, with evidence that there are no complaints or ongoing conflicts.</li> <li>PT LNK has been quite good at fulfilling its obligations to send periodic reports through the Plantation Business Activity Report and the Fire Prevention and Control Report.</li> <li>The company has partnered with the community through CSR activities, but it is recommended that regarding the CSR report, send a copy to the Department of Agriculture and Food Security of Langkat Regency.</li> <li>The price of FFB from the Plantation Service is determined by the province.</li> <li>Regarding reporting through SIPERIBUN, it has not yet been implemented in Langkat Regency.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<b>PT Citra Bintang Bumi Mandiri</b> <ul style="list-style-type: none"> <li>The contractor cooperates with PT LNK in the field of transporting CPO and PK from Stabat POM and Tanjung Keliling POM.</li> <li>The SPK has contained clauses related to compliance with regulations including the fulfillment</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues	Auditor Verification
<p>of BPJS, Minimum Wage and PPE which are evaluated periodically by PT LNK.</p> <ul style="list-style-type: none"> <li>• So far, the cooperation that has been established has been quite good and there have been no complaints including the payment.</li> <li>• The contractor has signed a statement that he is willing to be audited at any time.</li> </ul>	
<p><b>PT Brilda Sinar Gemilang</b></p> <ul style="list-style-type: none"> <li>• The contractor cooperates with PT LNK in the field of providing manpower for Plant Maintenance activities at Immature in the Padang Brahrang Estate dan Bakiun Estate.</li> <li>• The SPK has contained clauses related to compliance with regulations including the fulfillment of BPJS, Minimum Wage and PPE which are evaluated periodically by PT LNK.</li> <li>• So far the cooperation that has been established has been quite good and there have been no complaints including the payment.</li> </ul>	<p>There are no negative issues that need further verification.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Langkat Nusantara Kepong – Tanjung Keliling POM Management Representative</p>  <p><b><u>MD Nasrudin Ismail</u></b> Friday, 05 August 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Rizliani Aprianita Hasibuan</u></b> Friday, 05 August 2022</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
1	National Land Agency	Langkat Regency		By Phone	19 July 2022	✓	
2	Tamaran Village	Langkat Regency		By Phone	19 July 2022	✓	
3	Perkebunan Tanjung Keliling Village	Langkat Regency		By Phone	19 July 2022	✓	
4	Manpower Agency	Langkat Regency		By Phone	19 July 2022	✓	
5	Gender Committee	Langkat Regency		By Phone	19 July 2022	✓	
6	Labor Union	Langkat Regency		By Phone	19 July 2022	✓	
7	Department of Agriculture and Food Security	Langkat Regency		By Phone	19 July 2022	✓	
8	PT Citra Bintang Bumi Mandiri	Langkat Regency		By Phone	19 July 2022	✓	
9	PT Brilda Sinar Gemilang	Langkat Regency		By Phone	19 July 2022	✓	
10	Environmental Agency	Langkat Regency		By Phone	19 July 2022	✓	
11	Tanjung Keliling Mill • 1 Operator WWTP • 2 Warehouse Operator • 1 Engine room operator • 1 Boiler Operator • 1 Grading Operator • 1 Land Application Operator	PT LNK, Langkat Regency		Direct consultation	22 July 2022	✓	
12	Tanjung Keliling Estate • 1 warehouse store • 1 Premix Operator • Workshop Operator • 1 Hazardous Waste Operator	PT LNK, Langkat Regency		Direct consultation	22 July 2022	✓	
13	Bukit Lawang Estate • 1 warehouse store • 1 Premix Operator • Workshop Operator • 1 Hazardous Waste Operator	PT LNK, Langkat Regency		Direct consultation	23 July 2022	✓	
14	Bekiun Estate • 1 warehouse store • 1 Premix Operator • Workshop Operator • 1 Hazardous Waste Operator	PT LNK, Langkat Regency		Direct consultation	25 July 2022	✓	
15	Padang Brahrang Estate • 1 warehouse store • 1 Premix Operator • Workshop Operator • 1 Hazardous Waste Operator	PT LNK, Langkat Regency		Direct consultation	26 July 2022	✓	
16	World Wide Fund	Langkat Regency	<a href="mailto:wwf-indonesia@">wwf-indonesia@</a>	Via email	12 July 2022		✓

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
			<a href="http://wwf.or.id">wwf.or.id</a>				
17	Wahana Lingkungan Hidup Indonesia	Langkat Regency	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Via email	12 July 2022		✓
18	Sawit Watch	Langkat Regency	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	12 July 2022		✓

**Appendix 2. Assessment Program**

DATE	18 – 28 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 18 July 2022		
07.05 – 09.30	JAKARTA → KUALANAMU	All Auditor
10.00 – 15.00	KNO → PT LNK	
15.00 – 17.00	Opening meeting <ul style="list-style-type: none"><li>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).</li></ul>	
Tuesday, 19 July 2022		
08.00 – 12.00	Public Consultation by phone <ul style="list-style-type: none"><li>Public consultation to Government Agencies of Langkat by phone</li><li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li><li>Public consultation with Local Contractor &amp; Supplier</li><li>Interview with internal stakeholders (ex. Bipartite or Labour Union, Gender Committee and Cooperative committee members)</li></ul> Document review and completing audit checklist.	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"><li>Verification of stakeholder consultation result</li><li>Document review and completing audit checklist.</li></ul>	All Auditor
Friday, 22 July 2022		
08.00 – 12.00	Field Observation to Tanjung Keliling Estate Aspect to be verified: <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Environmental and Conservation/HCV management.</li><li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li></ul>	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation Tanjung Keliling POM <ul style="list-style-type: none"><li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO)</li><li>Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, Fire Control Simulation. POME Pond</li></ul>	All Auditor



DATE	18 – 28 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Implementation of Employment &amp; Occupational Health &amp; Safety Aspect, Processing Activity.</li> </ul>	
<b>Saturday, 23 July 2022 (Half Day)</b>		
08.00 – 12.00	<b>Field Observation to Bukit Lawang Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Environmental and Conservation/HCV management.</li> <li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>
<b>Sunday, 24 July 2022</b>		
<b>Day Off</b>		<b>All Auditor</b>
<b>Monday, 25 July 2022</b>		
08.00 – 12.00	<b>Field Observation to Bekiun Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Environmental and Conservation/HCV management.</li> <li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.0 – 17.00	<ul style="list-style-type: none"> <li>Verification of stakeholder consultation result</li> <li>Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Tuesday, 26 July 2022</b>		
08.00 – 12.00	<b>Field Observation to Padang Brahrang Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Environmental and Conservation/HCV management.</li> <li>Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>

DATE	18 – 28 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Wednesday, 27 July 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Continue field visit (if needed)</li> <li>• Verification of stakeholder consultation result</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Thursday, 28 July 2022</b>		
08.00 – 10.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)/</li> <li>• Comments, Responses and Questions</li> </ul>	
10.00 – 14.00	<b>PT LNK → KUALANAMU</b>	<b>All Auditor</b>
16.45 – 19.15	<b>KNO → CGK (GA 121)</b>	