

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[√] Surveillance

Name of Management Organisation : **Stabat POM – PT. Langkat Nusantara Kepong, subsidiary of Kuala Lumpur Kepong Bhd**
 Plantation Name : **PT Langkat Nusantara Kepong: Basilam Estate, Tanjung Beringin Estate and Gohor Lama Estate**
 Location : Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia
 Certificate Code : **MUTU-RSPO/095**
 Date of Certificate Issue : 04 August 2017 Date of License Issue : 11 September 2021
 Date of Certificate Expiry : 03 August 2022 Date of License Expiry : 03 August 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	29 June – 02 July & 09 July 2021	Arif Faisal Simatupang (Lead Auditor), Asystasya Aishah Silalahi, Dwi Haryati, Johannes Kapri Pandiangan	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	06 August 2021

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Figure 1. Location Map of PT Langkat Nusantara Kepong

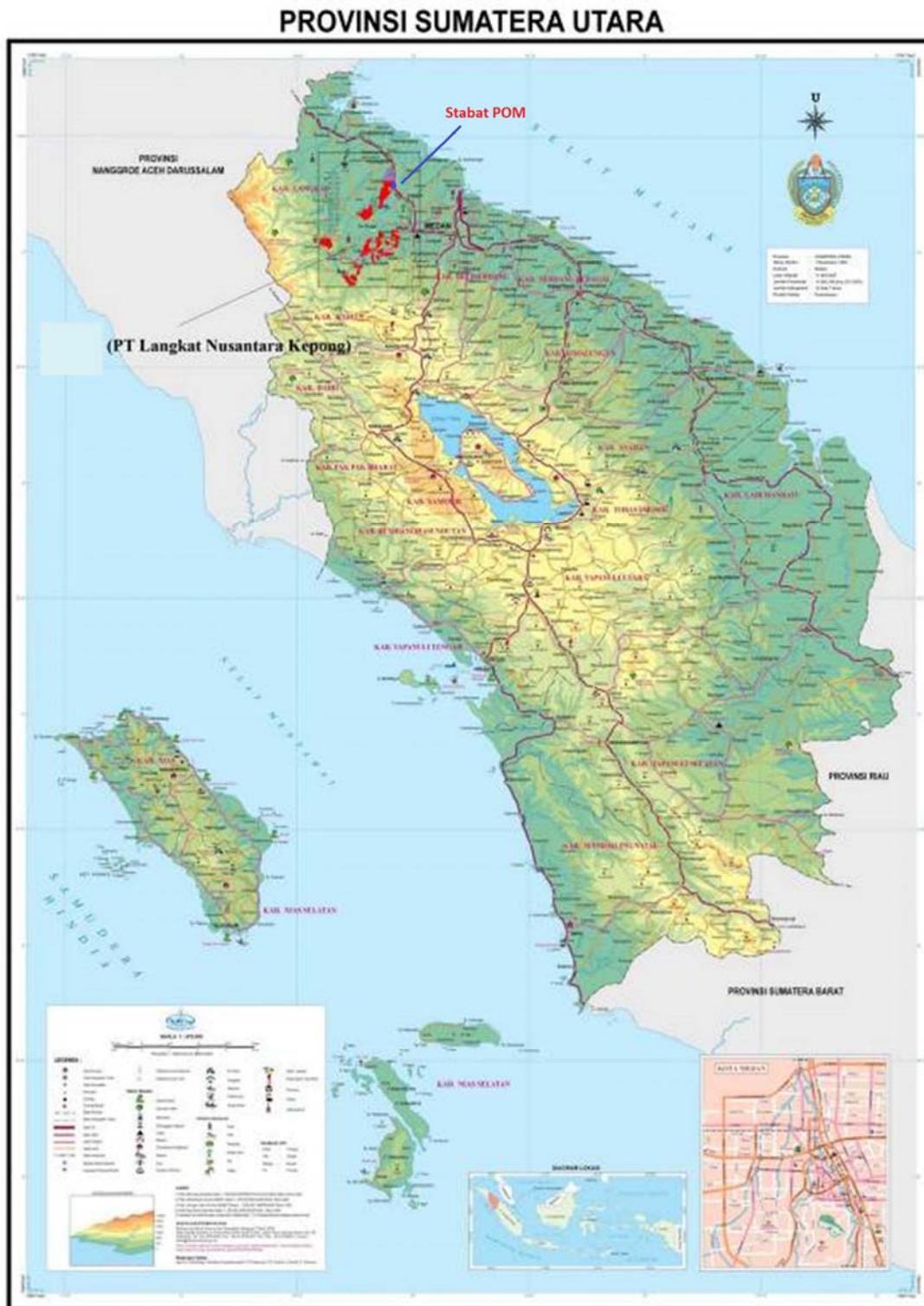


Figure 2. Operational Map of Tanjung Beringin Estate

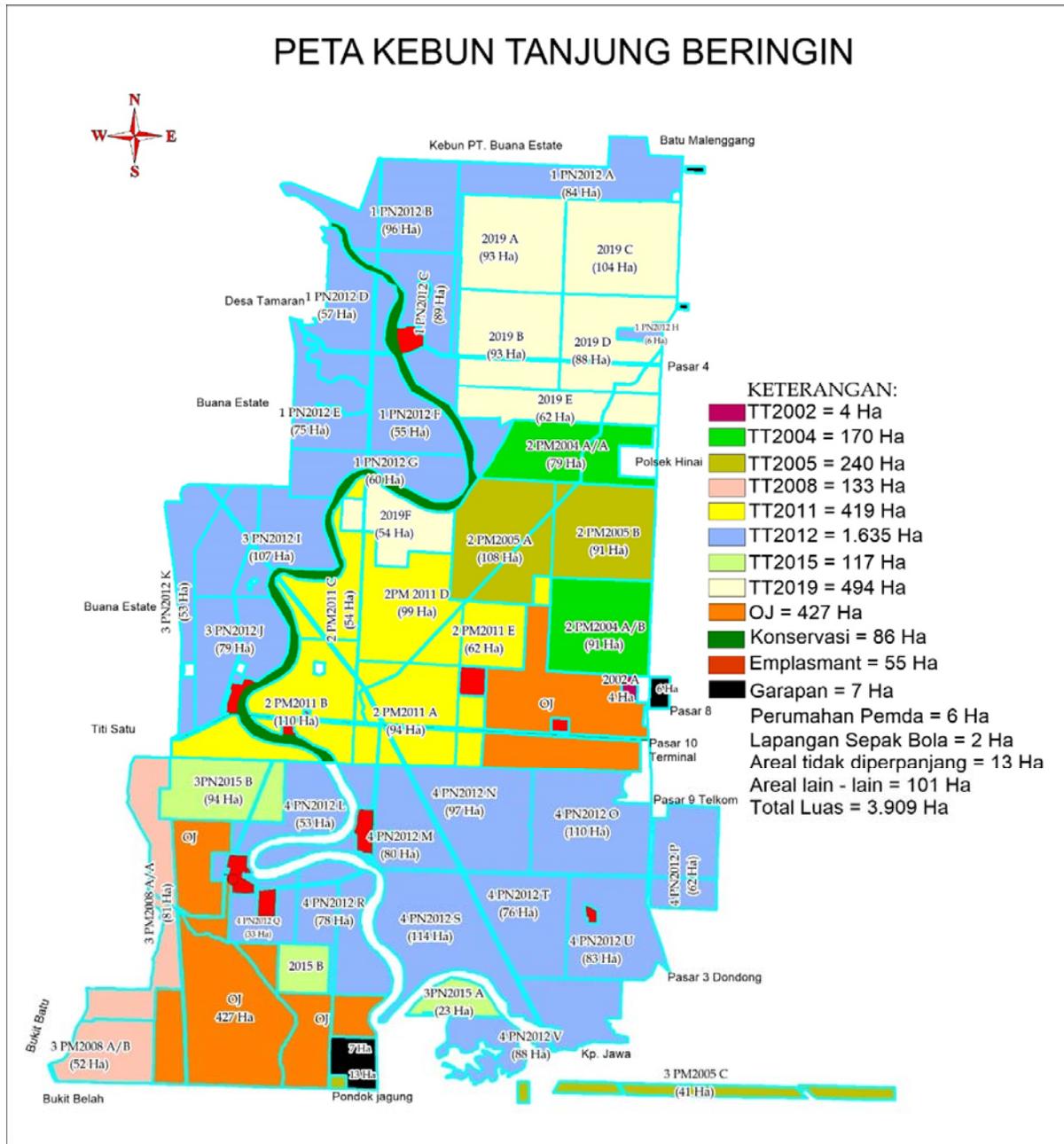


Figure 3. Operational Map of Basilam Estate

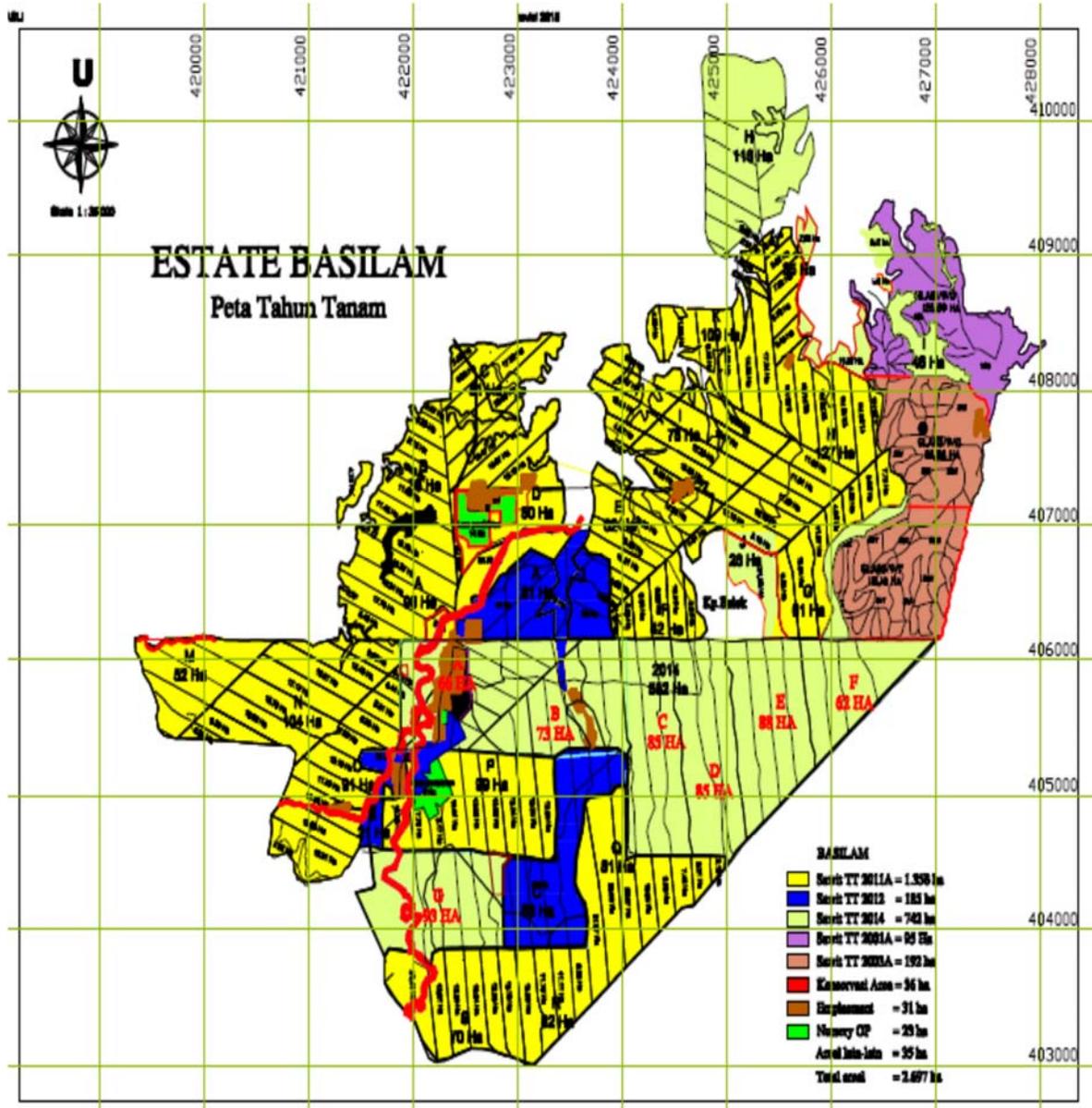
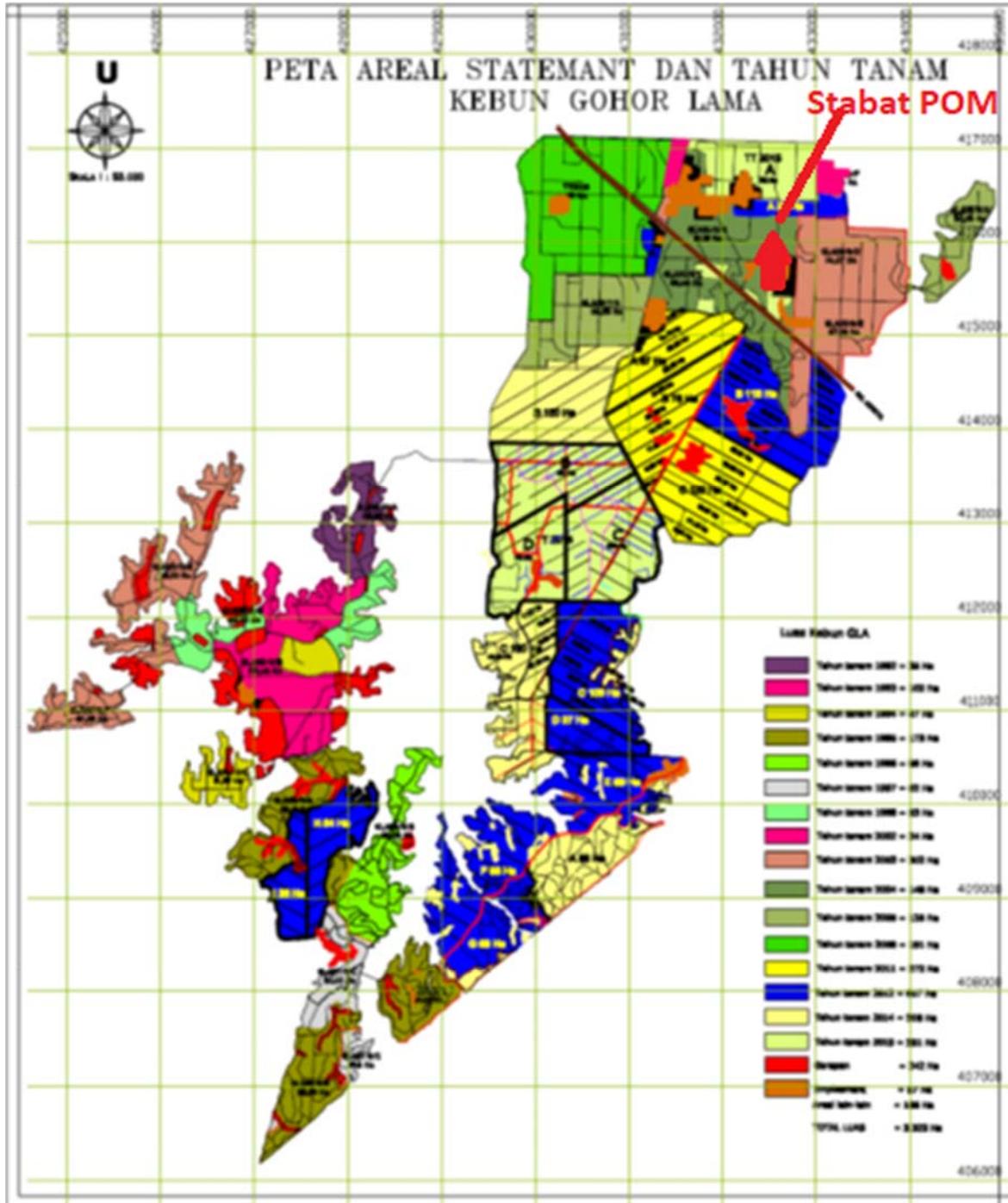


Figure 4. Operational Map of Gohor Lama Estate



Abbreviations Used

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

POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RKL/RPL	:	<i>Rencana Kelola Lingkungan / Rencana Pemantauan Lingkungan</i> (environment management and monitoring plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SIO	:	<i>Surat izin operator</i> (operator license card)
SOP	:	Standard Operational Procedure
SSOP	:	Sustainability Standard Operational Procedure
TPS	:	<i>Tempat Penyimpanan Sementara</i> (temporary storage area)
UKL/UPL	:	<i>Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan</i> (environment management and monitoring)
WTP	:	Water Treatment Plant
WWTP	:	Waste-water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020. 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Langkat Nusantara Kepong - Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Stephen Tiong Mee Ing	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 Liaison Office: Komplek Kantor Direksi PTPN II Jl. Medan – Tanjung Korawa KM 17.5 Medan, Sumatera Utara 20362	
1.2.4	Telephone	061 – 7720 0717 / 794 0229	
1.2.5	Fax	061 – 794 7412	
1.2.6	E-mail	mi.tiong@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Stephen Tiong Mee Ing	
1.2.9	Registered as RSPO member	18 October 2004 Registration Number 1-0014-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	In the ASA-4, there is a reduction in the scope of supply based, previously in ASA-3 consist of 4 estates namely Tanjung Beringin Estate, Basilam Estate, Gohor lama Estate, and Maryke Estate. On ASA 4, the Maryke Estate become the scope of Tanjung Keliling Mill (PT LNK). Therefore, in ASA 4, the scopes of Stabat POM consist of Tanjung Beringin Estate, Basilam Estate and Gohor lama Estate.	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Stabat POM	Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 45' 40.55" E 98° 23' 33.19"

1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Tanjung Beringin Estate	Tanjung Beringin Village, Hinai Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 47' 28.74"	E 98° 23' 17.74"	
	Gohor Lama Estate	Gohor Lama Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 46' 2.97"	E 98° 23' 7.76"	
	Basilam Estate	Basilam Village, Wampu Sub District, Langkat District, Sumatera Utara Province, Indonesia	N 03° 40' 15.49"	E 98° 18' 1.95"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		9,929.10 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	• Total area		9,929.10 Ha		
	• Mature area		7,011.00 Ha		
	• Immature area		1,781.00 Ha		
	• HCV		123.10 Ha		
	• Pertamina (state-owned oil mine company) area		2.00 Ha		
	• Toll road		64.00 Ha		
	• PLN (state-owned electricity company) area		3.00 Ha		
	• Housing		192.00 Ha		
	• Road		122.00 Ha		
	• Boundary drain		159.00 Ha		
	• Sludge of POM		13.00 Ha		
	• Drain		2.00 Ha		
	• Areal occupied by PEMDA (local government)		6.00 Ha		
	• Football Field		2.00 Ha		
	• Nursery Oil Palm		14.00 Ha		
	• OJ		408.00 Ha		
	• Occupation area		14.00 Ha		
	• Not extended HGU (land title) area		13.00 Ha		
	<i>Note: area statement of new scope in ASA 4 (Tanjung Beringin Estate, Gohor Lama Estate, and Basilam Estate).</i>				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Tanjung Beringin Estate	Gohor Lama Estate	Basilam Estate	Total
	2001	-	-	101.00	101.00
	2002	-	-	-	-
	2003	-	-	179.00	179.00

2004	-	-	-	-
2005	-	76.00	-	76.00
2006	-	-	-	-
2007	-	-	-	-
2008	129.00	186.00	-	315.00
2009	-	-	-	-
2010	-	-	-	-
2011	423.00	272.00	1,360.00	2,055.00
2012	1,635.00	597.00	187.00	2,419.00
2013	-	-	-	-
2014	-	309.00	750.00	1,059.00
2015	117.00	342.00	-	459.00
2016	-	-	-	-
2017	-	348.00	-	348.00
Sub Total Mature	2,304.00	2,130.00	2,577.00	7,011.00
2017	-	193.00	-	193.00
2018	-	259.00	-	259.00
2019	494.00	428.00	-	922.00
2020	407.00	-	-	407.00
Sub Total Immature	901.00	880.00	-	1,781.00
TOTAL	3,205.00	3,010.00	2,577.00	8,792.00

Note: Planting year of new scope in ASA 4 (Tanjung Beringin Estate, Gohor Lama Estate, and Basilam Estate).

1.6.2	New Planting area after January 2010	- Ha
1.6.3	Planting Cycle	2 nd Cycle

1.7 Description of Mill and Supply Base

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
Out put (tonnes)				Extraction (%)	Out put (tonnes)	Extraction (%)	
	Stabat	70	186,878.70	43,859.56	23.47	6,505.84	3.48

**Production data source from 12 months before assessment (June 2020 to May 2021)*

Note: Production of previous (ASA 3) scopes (Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, and Maryke Estate).

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
FFB (tonnes/year)						%	
	Maryke	2,704	2,461	56,865.91	23.11	1,758.12	3
	Tanjung Beringin Estate	3,909	3,212	68,216.79	21.24	66,706.46	98
	Gohor Lama Estate	3,323	3,057	46,872.02	15.33	45,703.78	98

	Basilam Estate	2,697	2,572	70,081.84	27.25	68,560.23	98
	TOTAL	12,633	11,302	242,036.56	21.42	182,728.59	75
	*Production data source from 12 months before assessment (June 2020 to May 2021) Note: Production of previous (ASA 3) scopes (Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, and Maryke Estate).						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Padang Brahrang (Certified)	PT Langkat Nusantara Kepong	-	1,800	808.89		
	Bekiun (Certified)	PT Langkat Nusantara Kepong	-	1,588	1,354.53		
	Tanjung Keliling (Certified)	PT Langkat Nusantara Kepong	-	1,779	979.13		
	Bukit Lawang (Certified)	PT Langkat Nusantara Kepong	-	1,280	1,007.56		
	TOTAL				4,150.11		
	*Production data source from 12 months before assessment (June 2020 to May 2021) Note: Production of previous (ASA 3) scopes (Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, and Maryke Estate).						
1.7.4	Product categories		FFB, CPO, PK				
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)		
			MB	IP	MB	IP	
	FFB Processed		26,300	223,284	-	186,878.70	
	CPO Production		6,300	52,398	-	43,859.56	
	Palm Kernel (PK) Production		1,100	7,842	-	6,505.84	
	Note: Production of previous (ASA 3) scopes (Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, and Maryke Estate).						
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (MT)				
	• CSPO sold as RSPO certified product		41,250.28				
	• CSPK sold as RSPO certified product		6,270.75				
	• CSPO sold under other scheme		0				
	• CSPK sold under other scheme		0				
	• CSPO sold as conventional		1,945.45				
	• CSPK sold as conventional		0				
	Note: Production of previous (ASA 3) scopes (Tanjung Beringin Estate, Gohor Lama Estate, Basilam Estate, and Maryke Estate).						
1.8.3	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Tanjung Beringin Estate	3,909.10	2,304.00	67,000	20.86		
	Gohor Lama Estate	3,323.00	2,130.00	50,000	16.36		
	Basilam Estate	2,697.00	2,577.00	72,000	27.99		

TOTAL		9,929.10	7,011.00	189,000	21.38		
*Projected FFB production for 14 August 2021 to 13 August 2022 Note: Projection of new scope in ASA 4 (Tanjung Beringin Estate, Gohor Lama Estate, and Basilam Estate).							
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)	Extraction (%)	
Stabat	70	170,000	40,800	24	6,800	4	Identity Preserved
		19,000	4,560		760		Mass Balance
*Projected CSPO and CSPK production for 14 August 2021 to 13 August 2022 Note: Projection of new scope in ASA 4 (Tanjung Beringin Estate, Gohor Lama Estate, and Basilam Estate).							
1.9	Other Certifications						
	ISPO Certificate No. MUTU-ISPO/176 dated 22 August 2019						
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
MANAGEMENT UNIT		LOCATION	Cover age Area (Ha)	Time Bound	Status		
P O M	Estate (Supply Base)						
INDONESIA							
Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur	7,971	2019	Certified		
	Hutan Hijau Mas	Berau, Kalimantan Timur	7,288	2019	Certified		
Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur	14,086	2017	Certified		
	Anugerah Surya Mandiri	Berau, Kalimantan Timur	2682	2021	-		
-	Kebun PT Putra Bongon Jaya	Kutai Barat, Kalimantan Timur	16,062	2022	-		
MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2019	Certified		
	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	6,399	2021	-		
KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2019	Certified		
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka	14,065	2015	Certified		
	Kebun Bumi Makmur Sejahtera Jaya	Belitung, Belitung	364	2021	-		
Parit Sembada POM	Parit Sembada	Belitung, Bangka	3,990	2016	Certified		
	Alam Karya Sejahtera	Belitung, Belitung	6,012	2019	Certified		
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified		
Nilo POM 2	Kebun Nilo Timur	Pelalawan, Riau	6,681	2014	Certified		
	Ladang Mutiara (SWP)	Pelalawan, Riau	1,363	2019	Certified		

Nilo POM 1	Kebun Nilo Barat	Pelalawan, Riau	6,179	2014	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2013	Certified
Stabat POM (LNK)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2020	Certified
	Padang Brahrang	Langkat, Sumatera Utara	2,827	2014	Certified
Tg Keliling POM (LNK)	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified
	Maryke	Langkat, Sumatera Utara	2,024	2014	Certified
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, Johor	2,977	2011	Certified
	Sg Peggeli	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, Johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
See Sun	Renggam, Johor	589	2011	Certified	
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemong, Pahang	1,578	2012	Certified
	Tuan	Telemong, Pahang	1,353	2012	Certified
	Kemasul	Mengkarak, Pahang	459	2020	-
Tanjung Malim POM	Changkat Asa	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013

Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
	Kuala Gris	Kuala Krai, Kelantan	2,429	2020	-
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
SABAH, MALAYSIA					
Mill I	-	Tawau, Sabah	-	2020	-
Pinang POM	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong	Tawau, Sabah	2,864	2009	Certified 2009
	Pangeran	Tawau, Sabah	2,855	2009	Certified 2009
	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
Pinang	Pang Burong	Tawau, Sabah	2,548	2009	Certified 2009
	Sri Kunak	Tawau, Sabah	2,770	2009	Certified 2009
	Tundong	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlet	Tawau, Sabah	1,834	2009	Certified 2009
Lungmanis	Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
	Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
LIBERIA					
No Palm Oil Mill	Butaw Estate	Liberia	8,011	2022	-
Plan Bay Mill	Plam Bay Estate	Liberia	13,007	2022	-
<p>*KLK Time Bond Plan has been updated on 27 October 2020 and was developed by sustainability team</p> <p>Kuala Gris Estate and Kemasul Estate are included as the estate's NPP for conversion of rubber to oil palm has been approved by RSPO Secretariat on 8/7/2019</p> <p>PT Menteng Jaya Sawit Perdana area has been reduced to 2,384 ha. This is mainly due to removal of Hutan Tanaman Rakyat area from its concession.</p> <p>PT Bumi Makmur Sejahtera Jaya – 364 ha, became a subsidiary of KLK in 2018.</p> <p>KLK revised time bound plan has been consented by RSPO Secretariat on 27 October 2020. The justification for the revision is as follow:</p> <ol style="list-style-type: none"> 1. PT Bumi Makmur Sejahtera Jaya (Indonesia): 2021 due to HGU 2. PT Anugrah Surya Mandiri (Indonesia): 2021 due to development is still pending 3. PT Menteng Jaya Sawit Perdana (Indonesia): 2021 due to HGU 4. PT Putra Bongan Jaya: 2022, due to 4,460 Ha of the concession has yet obtain HGU and palm oil mill has yet to be constructed. The acquisition was completed in September 2018 					

	<p>5. Palm Bay Palm Oil Mill, Palm Bay Estate, Butaw Estate (Liberia): 2020, due to equatorial palm Ltd have been confronted with many challenges since embarkation on the RSPO certification journey, they are as follow:</p> <ul style="list-style-type: none"> - Social issues: local workforce and stakeholders are poorly educated with capabilities to comprehend international requirements. There requirements are either disregarded or ignored, and not understood. Training and implementation have become a huge task both for the estate and palm oil mill. - Lack of infrastructure and services: there are limited technology or services providers in Liberia that are crucial for operations and compliance e.g.: schedule waste contractors/ local certification body and little support on maintenance of public infrastructure for e.g. road condition are extremely poor during the wet months. Many of the above have to imported and brought into the estate from far. - Covid-19: This pandemic has impacted the estate and POM operations. Many work delays have been recorded since the first quarter this year. We foresee this could continue under the new norm. - The POM has not been able to operate in full capacity since its inception, and it is now only running 4 days a week. The remaining units i.e. kernel crushing plant and biogas plant which are supposed to be constructed and operate together with the POM are still pending. The project has been halted due to the issues highlighted in point b and point c.
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	There is no associated smallholder in this certification scope.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
	<p>1. Arif Faisal Simatupang (Lead Auditor) Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of best management practices of agronomy and processing. During this assessment, he verified the aspects of plantation legality and supply chain.</p> <p>2. Asyastasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one-year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this assessment, she verified the aspects of Occupational Health and worker welfare.</p> <p>3. Dwi Haryati (Auditor), Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, GHG Workshop by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest, and Social Accountability SA 8000 Training. RSPO audit experience since March 2015 and ISPO since May 2014. During this audit, she assessed environmental, social, conservation, and GHG aspect.</p> <p>4. Johannes Kapri Pandiangan (Auditor Trainee). Bachelor of Agriculture Department of Agricultural Socio-Economics, Faculty of Agriculture. Has experience of working for 7 years as an operational staff of one of the leading private oil palm plantation companies in Indonesia. The trainings he has attended include: Training on emergency response to forest and land fires by the Riau Province BKSDA, IHT Certification System and ISPO P&C, IHT Awareness ISO 17021 and 17065, IHT Awareness RSPO, Training Lead Auditor ISO 14001:2015, Training Lead Auditor ISO 9001: 2015 and ISPO Training and LA RSPO P&C training 2018. In this audit activity, verification is carried out on aspects of the long-term economic plan, transparency and BMP under the supervision of the Lead Auditor.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
	<p>Number of auditors : 3 auditors and 1 Trainee Number of days at site : 5 days Number of working days at site : 15 Working days</p>
2.2.2	Assessment Process
	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Langkat Nusantara Kepong – Stabat POM to the requirements of Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020, and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

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 4** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC).

The opening meeting and closing meeting were held attends by company's MR, mill and estates managers, supervisors, field assistant, head administration and document control of each unit.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
	<p>Stabat POM</p> <ul style="list-style-type: none"> • Security Post. Observation related to the acceptance of FFB and employment aspect of securities. • Weighbridge Station. Observation and interview related of supply chain implementation, and weighbridge calibration. • Grading Station. Observations and interviews related to the process and criteria for sorting, sampling techniques, handling of FFB that did not pass the selection, adamination of the results of sorting the K3 aspects and employment. • FFB processing stations (sterilizer, thresher, digester, press, kernel). Observations and interviews related to the processing of FFB, yield quality, losses, OSH aspects and employment. • Boiler Station. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Engine room. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Chemical warehouse. Field observations and interview related chemical management, OHS, and environmental aspect. • Sparepart Warehouse. Field observations and interview related sparepart management, OHS, and environmental aspect. • Workshop. Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect. • Waste-Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management. • Solid waste area. Observation related to waste management and observation of leachate drainage. • Water treatment plant. Observation for water usage monitoring and interview with operator related workers welfare and OHS. <p>Tanjung Beringin Estate</p> <ul style="list-style-type: none"> • Leaf eater caterpillar control by trunk injection, Block 2012 A Division IV. Observation and interviews related working procedure, OHS, employment, and environmental.. • Woodies spraying, Block 2012 R Division IV. Observation and interviews related working procedure, OHS, employment, and environmental. • FFB Harvesting, Block 2011 B Division IV. Observation and interview with foreman and harvester related FFB quality, harvesting round, OHS, and employment. • FFB transporting, Block 2011 B Division IV. Technical observation of FFB transportation and workers PPE. • Barn owl box, Block 2012 D Division I. Observation of IPM, related to supress rat infestation by installing and monitoring barn owl boxes. • HGU Poles No. 57,58, dan 59, Block 2012 B Division I. Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency. • Workers housing complex, Division IV. Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism

- **Agrochemical storage.** Observation of warehouse conditions, chemical stock, and OHS/emergency response facilities
- **Material Storage.** Observations related to warehouse conditions, PPE stock, and K3/emergency response facilities
- **Firefighting storage.** Observations related to fire fighting facilities and monitoring of fire fighting facilities.
- **Hazardous waste temporary storage.** Observation of stored waste types, symbols, OHS facilities, and hazardous waste management.
- **Premix area.** Observation of hazardous waste management in premix area and potential for environmental pollution.

Gohor Lama Estate

- **Immature oil palm, Replanting area of 2019, Block 2019 A.** Observations related to replanting mechanism, Zero burning method, cover crop, and nutrient cycle.
- **Observation of beneficial plant, Block 2019 A, 2015 D.** Observation of beneficial plant from the species of *Antigonon leptopus* and *Turnera subulate* in main road for leaf eater caterpillar control.
- **Spraying Circle & Path, Block 2015 A.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **FFB Harvesting, Block 2015 D.** Observation and interview with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Fire monitoring tower, Block 2015 D.** Observation of fire preventive action by building fire monitoring tower.
- **Leaf eater caterpillar control by trunk injection, Block 2014 C.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **Pheromone trap application, Block 2019.** Observation of *Oryctes rhinoceros* biological control by establishing pheromone trap.
- **Fertilizer application, Block 2012 F.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **Occupation area, Block 2018 A.** Observation of some HGU area that occupied by community, as well as conflict potency.
- **Worker's housing complex, worship and sport facilities.** Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism.
- **POME Land Application, Block 2019 A.** Observation for POME management as nutrient cycle by land application, as well as environmental and OHS aspects.

Basilam Estate

- **Woodies spraying, Block 2011 A Division I.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **FFB Harvesting, Blok 2011 A Divisi I.** Observation and interview with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **HCV Area Buluh Kecil Riparian River, Block 2011 M Division I.** Observation the implementation of management in HCV of riparian area, and boundary marking.
- **HGU Poles No. 40, 41, dan 42, Division I.** Observation of land demarcation aspect and maintenance of HGU pole, as well as land dispute potency.
- **Manuring activity, Block 2011 N Division I.** Observation and interviews related working procedure, OHS, employment, and environmental.
- **Domestic waste landfill, Block 2011 A Division I.** Observation related domestic waste management.
- **Workshop.** Observation of activities in workshop, use of PPE, emergency response facilities, and waste management.
- **Agrochemical storage.** Observation of warehouse conditions, chemical stock, and OHS/emergency response facilities.

	<ul style="list-style-type: none"> • Fertilizer storage. Observation of warehouse conditions, fertilizer stock, and OHS/emergency response facilities. • Hazardous waste temporary storage. Observation of stored waste types, symbols, OHS facilities, and hazardous waste management • Premix area. Observation of hazardous waste management in premix area and potential for environmental pollution • Cleaning house and PPE/tools storage of spraying workers. Observation related to management of agrochemical material and waste, cleaning and emergency response facilities, and PPE storage • Barn owl box, Block 2011 N Division I. Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes. • Clinic. Observation of clinical conditions and medical waste management
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process Consultation of stakeholders for PT Langkat Nusantara Kepong was held by:</p> <ul style="list-style-type: none"> • Public Notification on website www.mutucertification.com on 01 May 2021 • Public consultation meeting with government institution on 29 June 2021 • Public consultation meeting with internal stakeholders and contractor on 29 & 30 June 2021 • Consultation with relevant NGO (Walhi, Sawit Watch, WWF, and AMAN) via e-mail on 25 June 2021
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (Recertification) will be conducted eight (8) months to twelve (12) months after Certificate issued.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of LNK Stabat POM – PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and Three (3) oil palm estates.

During the assessment, there is no Nonconformity assigned against Major Compliance Indicator raised; no nonconformity assigned against Minor Compliance Indicator raised; and one (1) opportunity for improvement were identified

MUTUAGUNG LESTARI found that LNK Stabat POM– PT. Langkat Nusantara Kepong, Kuala Lumpur Kepong Bhd complied with the requirements of **Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020, and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.**

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY	
1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1 The company has list or information which is available for public and/or relevant stakeholders presented in appropriate languages (Bahasa) and forms. The types of information provided to the public are contained in the Document Master List, for example: HGU documents, EIA, SIA, UKL / UPL, RKL / RPL Reports, Company Policy, HCV, compensation record, etc. The list of documents that can be accessed by the public is available in bahasa. As a result of interviews with village representatives such as the Village, it was found that the company had good relationships and communications with the village authorities. The village also knows the mechanism for requesting information by sending letters, telephone calls or direct visits to the plantation office.</p> <p>1.1.2 The company provides information to stakeholders through the submission of mandatory reports, for example:</p> <ul style="list-style-type: none"> • UKL/UPL & RKL / RPL report for semester II of 2020 to the Langkat District Environmental Agency on February 23, 2021 • Report of Hazardous and Toxic Waste in the first quarter of 2021 to the Langkat Regency Environmental Office, April 6, 2021. • SIMPEL electronic report no. ID TTE 1625453422-7020 with period July to December 2020. • Fourth quarter of 2020 OHS Team report submitted to the Manpower Office of Sumatera Utara Province on January 8, 2021 • First Quarter 2021 OHS Team report submitted to the Manpower Office of Sumatera Utara Province on April 14, 2021. • Mandatory manpower report of Stabat POM No. 20851.20201112.0001 reported on November 12, 2020. Obligation to report back on November 12, 2021. • Mandatory manpower report of Gohor Lama Estate No. 20851.20201113.0001 reported on November 13, 2020. Obligation to report back on November 13, 2021. • Mandatory manpower report of Tanjung Beringin Estate No. 20762.20201123.0001 reported on November 23, 2020. Obligation to report back on November 23, 2021 • In plantation legality aspect, the company has sent the latest plantation progress report (LPUP) period of Semester 	

II of 2020 to Plantation Agency on 10 March 2021, and the latest HGU (land title) usage annual report of 2020 to Land Agency on 11 January 2021.

1.1.3 & 1.1.4

The Company 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.

The company has shown documents recording responses or information services to requests for information from stakeholders contained in the incoming and outgoing mail books. Based on the logbook document of incoming and outgoing letters, there are no letters related to requests for information. In general, the incoming letter is a request for assistance. One example is an application letter dated February 4, 2021 regarding an application for assistance for the labor-intensive road repair of Tanjung Mulia Village and repairs have been made on February 10, 2021.

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

1.1.5

The company has a list of stakeholders in each plantation and mill unit which was updated on May , 2021. The list of stakeholders consists of workers' organizations, service providers, government offices, contractors, and NGOs. The list of stakeholders informs stakeholders, addresses and telephone/email. The company has appointed a PIC who is responsible for communicating and consulting with relevant stakeholders, namely the estate manager and public relations department.

Status: Comply

1.2

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

1.2.1 & 1.2.2

The code of conduct policy is contained in the Employee Code of Conduct document which is effective as of October 1, 2014. The core section of the Code of Conduct provides several points, for example: Conflicts of interest, Confidential Information, Internal Information and Securities Trading, Asset and Fund Protection, Business Records and Controls, Compliance with Law, Personal Rewards/Rewards, Occupational Health Safety, Violence and Harassment, Other Interests Outside of Work, Fair and Courteous Behavior, Offenses, Criminal Activities, Complaints; Reporting Violations of the Guidelines, Updates to the Guidelines and Exceptions to the application of the guidelines. This policy has been socialized to workers, such as:

- On 4 January 2021 to Stabat POM workers
- On 5 and 25 January 2021 to Tanjung Beringin Estate workers
- On 3, 8, 9, 10 March 2021 to Gohor Lama Estate workers

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

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

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1**There is compliance with all applicable local, national and ratified international laws and regulations.****2.1.1.****Environment aspect:**

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

Worker welfare aspect

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

OHS aspect

- Steam turbine operator on behalf of DEM with license number 9578/PM/PTPXI/2020 valid until November 30, 2025
- Steam turbine operator on behalf of HS with license number 9556/PM/PTP/XI/2020 valid until 30 November 2025
- Sterilizer operator on behalf of LGM with license number 10037.OPK3-PUBT-B.I/VIII/2016 valid until 23 August 2021
- Sterilizer operator on behalf of MSN with license number 10036.OPK3-PUBT-B.I/VIII/2016 valid until 23 August 2021
- Boiler operator on behalf of JDMK with license number P.15.7321.OPK3-PUBT-B.I/IV/2020 valid until 15 April 2025
- Boiler operator on behalf of RF with license number 16932.OPK3-PUBT-B.I/XI/2020 valid until 30 November 2025
- Gohor Lama Estate welder on behalf of DA with certificate number 5/7/AS.02.00/VII/2019
- Gohor Lama Estate welder on behalf of HS with certificate number 5/6/AS.02.00/VII/2019

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 Unit of Certification has implemented integrated pest management,

Legal Compliance

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

2.1.2

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

2.1.3

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

Status: Comply

2.2

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

2.2.1

The company shows a list of stakeholders explaining the names of stakeholders, contact persons and addresses, and telephone/email numbers that can be contacted. A list of stakeholders is available for each estate. Based on the document, it is known that there are 7 local contractors working at Gohor Lama Estate, 2 local contractors working at Tanjung Beringin Estate, and 3 contractors working at Stabat POM.

2.2.2, 2.2.3

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

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

The cooperation agreements shown by the company include:

- Work agreement letter No. 0153/LNK-GLA/SPB/III/2021 with PT Betani Langkat Palm which was agreed on March 25, 2021 for upkeep activity in Gohor Lama Estate.
- Work agreement letter no. 0543/LNK-PKS/SPPPP/IX/2020 with PT Gemilang Indah Sentosa which was agreed on 7 September 2020 for provision of security personnel.

The company shows examples of regulatory compliance, for example:

- Proof of payment of BPJS Employment PT Stabat Maju Perkasa for the period May 2021
- Salary slips for cleaning service workers May 2021, the basic wage is Rp2,587,788 and daily wage is Rp123,228

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 Mill didn't received FFB from indirect suppliers, but direct suppliers, that are Estate owned by PT Langkat Nusantara Kepong (LNK), but under RSPO certification scope of Tanjung Keliling Mill of PT LNK (RSPO Certificate No. MUTU-RSPO/149). Therefore, the geolocation and legality status already clear. Those Estates are Padang Brahrang Estate, Bekiun Estate, Tanjung Keliling Estate, Bukit Lawang Estate, Maryke Estate.

Status: Comply

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

3.1

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

3.1.1

The management plan at estate level was evidenced with a document of Economic Indicators for Estate (5 Years) from 2019/2020 – 2023/2024 which include projected OER and KER, FFB Production, Pesticide usage, production cost projection, and revenue projection. The document consists of capital expenditure (buildings, plant and machinery, etc.),

indirect cost (salaries, fees, medical, etc.), and operational cost of plantation activity.

An annual evaluation is available for each management unit in the Annual Report which contains information on production, yield improvement, expenditure to date, proportional estimate, original estimate and reasons for over/under expenditure.

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

3.1.2

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

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

The company also has records of replanting realization for the 2019/2020 period in several plantations, such as 458 ha in Gohor Lama Estate, and 427 ha in Tanjung Beringin Estate.

3.1.3

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

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

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

Status: Comply

3.2

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

3.2.1

The company has implemented commitments to reduce environmental impacts, for example:

- Mill effluent management and monitoring. WWTP management, conducts mill effluent quality tests and reports it to the Environmental Agency of Langkat Regency.
- Air quality management and monitoring, namely by carrying out road maintenance, conducting air quality tests and reporting it to the Environmental Agency of Langkat Regency.
- Surface water management and monitoring. Conduct a groundwater quality test and report it to the Environmental Office of Langkat Regency.
- Hazardous and toxic waste management. The company has a licensed hazardous and toxic waste Temporary Storage and monitors hazardous and toxic waste.
- The company has shown documentation related to the fire management training program together with the surrounding community which has been implemented. Some of the documentation include :
 - Recorded fire emergency response training with the Gohor Lama Village community on February 4, 2021 and

- was attended by 18 representatives from company and related villages.
- Minute of meeting fire emergency response training with the Tanjung Beringin Village and Suko Mulyo Village on February 8, 2021 and attended by 29 representatives.
- Minute of meeting fire emergency response training with the Basilam Village on May 7, 2021 and attended by 19 representatives.

There is no specific continuous improvement for Legal and supply chain implementation.

3.2.2

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

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

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

	Status: Comply	
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3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Company already has an estates SOP (starting from Land Clearing to Harvest) that has been documented, including in the revised SOP Sustainability document dated August 10, 2017 and authorized by the General Manager. The SOP includes major processes such as harvesting (SOP number 10), transportation (SOP number 11), fertilization (SOP number 7C), IPM (SOP number 17) and supply chain (SOPs 31 and 32). Company also has Circular letter related to safe working practice in the mill and use of PPE has been mentioned on President Director Circular Letter (073.A/Presdir/SE/III/2017, dated 13 February 2017) Related to PPE management and Implementation.

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

3.3.2 and 3.3.3

Based on the results of document review and interviews with the management, it is known that the certificate holder routinely conducts inspection or monitoring activities according to the operational procedures performed by Internal Audit Division, Mandau Central Laboratory (MCL), Mill Controller / Mill Advisor and Agronomist PT Applied Agricultural Resources Indonesia (PT AARI). Inspections are also conducted through inspections conducted by local unit staff such as managers, assistants or supervisors (foremen) such as inspections on harvesting activities. The company has procedures related to monitoring activities for operational activities such as explained monitoring conducted by PT AARI conducted every 6 months and monitoring the quality of FFB production and picking loose fruit which is carried out every 4 months by MCL. The procedure also explains the follow-up to the findings of nonconformities. In addition, the company also done internal audit on dated 24 May – 03 June 2021 for Stabat POM and it supply base. All of the findings have been fulfilled.

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

	Status: Comply	
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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.

The company already has an environmental impact analysis document in the form the positive impacts and negative impacts of operational activities, which consist of:

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

Based on the results of verification of documents (environmental documents and area maps) and interviews with management, it was known that the Tanjung Beringin Estate area was previously managed by the Gohor Lama Estate, so that the Tanjung Beringin environmental documents are included in the Gohor Lama Estate environmental documents. Environmental management and monitoring plans are listed in the environmental monitoring and management matrix (in each environmental document). In the Management plan matrix, it is explained about the types of significant impacts, sources of impact, location, period etc. The replanting impact study has been explained in the monitoring and environmental management report documents per semester, including evaluation results for all parameters monitored and managed.

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

There are result of environmental monitoring and measurement that have exceeded the quality threshold, for example the noise quality standard in the boiler and engine room of the POM Stabat. Therefore, workers who work in these areas are required to use PPE from noise, namely ear muffs. Furthermore, it will be monitored whether the results of this analysis consistently exceed the quality standards. This is intended to take appropriate solutions to these problems.

The company 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 company 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 PT LNK 2020/2021 social impact management and monitoring plan document which was compiled on June 25, 2020 by involving the village community around the plantation. The social impact management plan informs positive and negative impacts, involved stakeholders, action plans, PIC, targets and implementation status. Based on the result of the evaluation, it is know that the impact that arises for example related to the issue of waste management of company that may not be known by the village. This must be taken by a solution by conducting socialization to village around related to handling, monitoring and waste management and fire monitoring activities and the installation of signs around the company area.

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

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

Procedures related to recruitment, selection, promotion, retirement, and layoffs are listed in Collective Labor Agreement between PT LNK and worker union. The document describes the acceptance of the job through a selection process and a clear consideration of its intent and purpose. Workers can get promotions and demotions. Promotions and demotions are carried out based on the performance and achievements of workers. Termination of employment can be carried out

on workers who during the probationary period do not show satisfactory results, workers die, workers submit resignations, and so on.

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

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

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

3.5.2

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

The company shows examples of employee promotions, for example:

- Decision letter regarding promotion of employees on behalf of KHL to become Junior Supervisor at Stabat POM on November 1, 2020.
- The results of the assessment and promotion of the Tanjung Beringin Estate harvest employee on behalf of HM to become the upkeep foreman on February 1, 2020.

Status: Comply

3.6

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

3.6.1

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

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

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

3.6.2

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

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

Status: Comply

3.7

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

3.7.1, 3.7.2

The company shows the training program documents and the realization of the training for each unit, for example:
Training Program

Tanjung Beringin Estate

- Re-training for first aid kit holder
- Training for contractor workers in December 2020
- Training of spraying and manuring technique
- Re-socialization of Sustainability Policy of KLK

Gohor Lama Estate

- Socialization of code of conduct
- Training and simulation of emergency response
- Training on pest and disease control in oil palm plantations in June 2021

Stabat POM

- Training for grading and loading ramp worker
- Socialization of hazardous material and hazardous waste management
- Supply chain training

Training program realization

- Training for contractor worker of Tanjung Beringin Estate on 8 December 2020
- Driving Safety Training on December 11, 2020 for 29 employees of Tanjung Beringin Estate
- Training and socialization of firefighters with village communities around February 8, 2021 which was attended by 29 participants
- Training of manuring technique and OHS on February 25, 2021 for 10 manuring worker at Tanjung Beringin Estate.
- Manuring calibration on July 10, 2020 for 8 fertilizer workers (contractors) at Gohor Lama Estate
- First aid kit holder training on May 21, 2021 for 33 foreman at Gohor Lama Estate
- Socialization of minimum wage and collective labour agreement on February 8, 2021 to 32 Stabat POM workers
- Training for hazardous waste operators Stabat POM on November 5, 2020
- Supply Chain training on June 14, 2021 for 13 employees related to supply chain

Based on interview with worker in estate and mill, it is known that they received some training about OHS or work procedure from company.

3.7.3

The company has conducted supply chain related training to personnel who are responsible for supply chain on June 14, 2021 to 13 employees.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1, 3.8.2

The Mill implements module D (IP) and module E (MB) in its supply chain system. However, since initial certification, the Mill only received FFB from Estates that are certified, consist of own scope of certification and another scope of certification:

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

Tanjung Beringin Estate Gohor Lama Estate Basilam Estate	PT LNK	Gohor Lama POM	MUTU-RSPO/095
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3.8.3

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

Product	Last Year Projected Certified Volume (MT)	Last 12 Months Actual Certified Volume (MT) (Jun 2020 to May 2021)	Next Year Projected Certified Volume (MT)
FFB IP	223,284	186,879	170.000
FFB MB	26,300	-	19.000
CSPO IP	52,398	43,860	40.800
CSPO MB	6,300	-	4.560
CSPK IP	7,842	6,506	6.800
CSPK MB	1,100	-	760

3.8.4

The Mill has registered as RSPO member under Kuala Lumpur Kepong Berhad (No. 1-0014-04-000-00), and also registered in RSPO Palm Trace as Stabat POM – PT Langkat Nusantara Kepong with License ID CB109558, and Member ID RSPO_PO1000005803. The reporting requirements has been conducted by the Mill through RSPO Palm Trace.

3.8.5

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

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

3.8.6

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

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

3.8.7

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

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Jun-20	18,841.28	0.00	18,841.28
Jul-20	19,909.56	0.00	19,909.56

Aug-20	19,894.29	0.00	19,894.29
Sep-20	17,337.54	-	17,337.54
Oct-20	10,645.40	-	10,645.40
Nov-20	13,091.04	-	13,091.04
Dec-20	9,643.03	-	9,643.03
Jan-21	11,952.09	-	11,952.09
Feb-21	11,487.77	-	11,487.77
Mar-21	20,863.57	-	20,863.57
Apr-21	17,335.47	-	17,335.47
May-21	15,877.66	-	15,877.66
Total	186,878.70	-	186,878.70

Product	Last Year Projected Certified Volume (MT)	Last 12 Months Actual Certified Volume (MT) (Jun 2020 to May 2021)
FFB IP	223,284	186,879
FFB MB	26,300	-
CSPO IP	52,398	43,860
CSPO MB	6,300	-
CSPK IP	7,842	6,506
CSPK MB	1,100	-

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

3.8.8

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

Transaction ID	Shipping	Seller	Buyer	Product	Volume*	Model	Status
TR-ad3ede7c-385c	30-06-2021	Stabat POM – PT LNK	PT. Musim Mas	CSPK	200.24	IP	Confirmed
TR-be4a933d-2143	30-06-2021	Stabat POM – PT LNK	PT. Musim Mas	CSPO	500.39	IP	Confirmed

3.8.9

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

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

3.8.10

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

3.8.11

There is no new contractors and transporter since Initial Certification until this ASA 4.

3.8.12

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

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

Mass Balance record of CPO

Period	All CPO Production (MT)			CSPO Dispatch (MT)				Stock of CSPO
	CSPO	Non Cert CPO	Total	RSPO	Other Scheme (ISCC)	As Non Cert	Total CSPO Dispatch	
Stock from previous month								1,425.52
Jun-20	4,508.232		4,508.232	2,438.89	-	1,945.45	4,384.34	1,549.41
Jul-20	4,699.723		4,699.723	5,507.27	-		5,507.27	741.86
Aug-20	4,690.193		4,690.193	3,553.86	-		3,553.86	1,878.19
Sep-20	3,998.602		3,998.602	5,000.00	-		5,000.00	876.80
Oct-20	2,472.787		2,472.787	2,800.00	-		2,800.00	549.58
Nov-20	3,102.985		3,102.985	3,000.00	-		3,000.00	652.57
Dec-20	2,241.880		2,241.880	2,450.00	-		2,450.00	444.45
Jan-21	2,720.278		2,720.278	2,000.05	-		2,000.05	1,164.68
Feb-21	2,703.604		2,703.604	2,999.66	-		2,999.66	868.62
Mar-21	4,925.178		4,925.178	4,946.29	-		4,946.29	847.51
Apr-21	4,070.205		4,070.205	4,054.26	-		4,054.26	863.45
May-21	3,725.895		3,725.895	2,500.00	-		2,500.00	2,089.35
Total	43,859.562	-	43,859.562	41,250.28	-	1,945.45	43,195.73	2,089.35

Mass Balance Record of PK

Period	All PK Production (MT)			CSPK Dispatch (MT)				Stock of CSPK
	CSPK	Non Cert PK	Total	RSPO	Other Scheme (ISCC)	As Non Cert	Total CSPK Dispatch	
Stock from previous month								225.11
Jun-20	574.988		574.99	569	-		569.36	230.74
Jul-20	686.656		686.66	554	-		553.64	363.76
Aug-20	715.649		715.65	696	-		696.36	383.05
Sep-20	747.942		747.94	1002	-		1,002.01	128.98
Oct-20	386.160		386.16	298	-		297.99	217.15
Nov-20	416.197	-	416.20	203.37	-		203.37	429.97
Dec-20	309.117	-	309.12	596.45	-	-	596.45	142.64
Jan-21	395.395	-	395.40	350.77	-	-	350.77	187.27
Feb-21	382.855	-	382.86	300.80	-	-	300.80	269.32
Mar-21	736.692	-	736.69	900.00	-	-	900.00	106.01
Apr-21	622.151	-	622.15	400.00	-	-	400.00	328.16
May-21	532.041	-	532.04	400.00	-	-	400.00	460.21
Total	6,505.84	-	6,505.84	6,270.75	-	-	6,270.75	460.21

3.8.13, 3.8.14

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

Variable	Budget rate of previous license	Actual rate from 12 months data previous the audit	Budget rate for next license
OER	24.00	23.47	24.00
KER	4.00	3.48	4.00

3.8.15

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

3.8.16

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

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

For example, there was agreement of CSPO sales amount of 500 MT to PT Musim Mas on 11 May 2021. The dispatch conducted several time, and finished on 18 May 2021. The dispath has been announced on 20 May 2021 with transaction TR-220bc3a3-0b6b with the status of 'confirmed'.

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

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

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

This policy has been socialized to employees, for example

- The socialization on 15 March 2021 to Stabat POM workers
- Socialization on 14 June 2021 to 35 workers of Gohor Lama Estate
- Socialization on 5 January 2021 to 56 workers of Tanjung Beringin Estate

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

4.1.2

In terms of conflict resolution, the company has a dispute resolution policy described in the Land dispute resolution procedure No SSOP-6 No revision 1 dated 3 June 2018. It is explained that in the process of resolving land conflicts, it is carried out through a negotiation process. Negotiation agreements are reached freely and voluntarily (without coercion) based on deliberation and consultation according to the FPIC method. Violence should also be avoided in dispute resolution.

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

Status: Comply

4.2

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

4.2.1; 4.2.2

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

Based on interview to the workers and Village Officials surrounding the company, was known that the workers and stakeholders understood the procedure. If there are complaints or grievance, as much as possible resolved by deliberation, if it cannot be resolved by deliberation then it will be resolved through legal channels. However, if another party wants to bring to the RSPO Complain System, the company will invite it.

4.2.3

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

4.2.4

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

Status: Comply

4.3

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

4.3.1

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

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

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

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

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

Status: Comply

4.4

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

4.4.1

The plantation area is an *erfpacht* (ex-Dutch Colonial) rights converted into *HGU* by the Agrarian Law No. 5 year 1960. The company managed a total **9,929.10 ha** area and all of them has had land title of *HGU* total **9,929.10 ha**. The variance of 0.72 ha is due to the differentiation of measurement method by Land Agency and by the company.

Land Use Title

- Basilam Estate, total *HGU* of **2,361.68 ha**.
 - Decree of Head of Land National Agency No. 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1, 2, 3 for **93.07 ha** area.
 - Decree of Head of Land National Agency No. 57/HGU/BPN/2000 issued on 9 May 2003 with certificate of Land Use Title No 3 for **2,268.61 ha** area.
- Gohor Lama Estate, total *HGU* of **5,207.96 ha** area.
 - Decree of Head of Land National Agency 43/HGU/BPN/2002 issued on 29 November 2002 with certificate of Land Use Title no 1, 2, 3, for **74.45 ha** area.
 - Decree of Head of Land National Agency 57/HGU/BPN/2000 issued on 9 May 2003 with certificate of Land Use Title no 4, 5, covers area **4,576.97 ha**.
 - Decree of Head of Land National Agency 119/HGU/BPN RI/2009 issued on 8 September 2009 with certificate of Land Use Title no 16, covers area **556.54 ha**.
- Tanjung Beringin Estate, total *HGU* of **2,360.18 ha**.
 - Decree of Agrarian Ministry No. 70/HGU/KEM-ATR/BPN/VII/2019 issued on 25 July 2019 with certificate of Land Use Title no 212 – 220, totaled **2,360.18 Ha**.

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

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

Plantation Permit

The company has had a Plantation Business Permit (for estates) dated 4 October 2016 and Industrial Business Permit (for Mill) dated 6 August 2019 issued by government Online Single Submission (OSS) body. Current plantation business permit including industrial business permit do not cover the information of plantation area and mill's capacity.

4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6

Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then nationalized by Government of Indonesia on the basis Constitution Law (Law No: 86 of 1958) about *Erfpacht* Right, Then *erfpacht* rights are converted to Land Use Tittle based Basic Agrarian Law (Agrarian Law No. 5 tahun

1960). Therefore, can be concluded that the lands not came from any community land acquisition.	
Status: Comply	
4.5	
No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.	
4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7, 4.5.8	
Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then nationalized by Government of Indonesia on the basis Constitution Law (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands not came from any community land acquisition. The company also has no plan to conduct any new plantation development.	
Status: Comply	
4.6	
Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
4.6.1, 4.6.2, 4.6.3, 4.6.4	
Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then nationalized by Government of Indonesia on the basis Constitution Law (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands did nor came from any acquisition from community land or customary land.	
Status: Comply	
4.7	
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.	
4.7.1, 4.7.2, 4.7.3	
Based on document review and stakeholder consultation, obtained information that the areas that are managed by PT LNK are legally owned by PT Perkebunan Nusantara (PTPN) II, which is formerly has been established since the Dutch colonial era. Then nationalized by Government of Indonesia on the basis Constitution Law (Law No: 86 of 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (Agrarian Law No. 5 of 1960). Therefore, can be concluded that the lands did nor came from any acquisition from community land or customary land.	
Status: Comply	
4.8	
The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.	
4.8.1, 4.8.2	
From the initial certification until ASA 3, there are land disputes that are being progressed of settlement through the years. Currently, some areas that still in disputed numbered of 7 ha in Gohor Lama Estate and & 7 ha in Tanjung Beringin Estate (total occupation is 14 ha). However, the land dispute did not rise to conflict. It has been verified by field observation and stakeholder consultation.	
The HGU areas have been established since the Dutch colonial era. Then nationalized by Government of Indonesia on the basis Constitution Law (Law No: 86 of 1958) about Erpacht Right. Then erpacht rights are converted to Land Use Tittle based on Agrarian Law No. 5 of 1960.	
4.8.3	
In terms of conflict resolution, company have a dispute resolution policy explained in the SOP on land dispute resolution	

No SOP-26 dated 1 August 2013. Resolutions submitted includes conducting deliberations with the defendant to move from the disputed area, paying compensation in accordance with what was agreed upon to the defendant, transferring the defendant to another place offered by the management of the plantation (compensation will be paid according to the market price).

4.8.4

The land disputes have been participatory mapped including has been informed in operational maps. Based on field observation of land dispute area in Block 2018 A of Gohor Lama Estate, it is showed that the land demarcation between disputed land and company's operational area has been set in the field and mapped accordingly in operational maps.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1 until 5.1.7

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

5.1.8 and 5.1.9

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

Status: Comply

5.2

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

5.2.1 to 5.2.5

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

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

The company has a KLK Sustainability policy which was signed by the Chief Executive Officer on 30 August 2018 which one of the points is related to equal employment opportunities. The company ensures equal opportunities in the workplace. There is no discrimination based on ethnic origin, caste, disability, nationality, religion, gender, union membership, and so on. This policy has been socialized to employees, for example on 28 December 2020 to Stabat POM workers. Based on interviews with representatives of worker unions, it is known that there are no complaints of worker discrimination. In addition, from the results of interviews with representatives of Gohor Lama Village, it is also known that the company provides work opportunities for villagers.

6.1.2

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

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

6.1.3

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

- Job vacancies for harvesters submitted to Gohor Lama Village, Mekar Jaya Village, Bukti Melintang Village in September 2020
- List of applicants who passed the field test and result of the test on 2 December 2020

6.1.4

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

6.1.5

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

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

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

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

6.1.6

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

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

- Harvester of Gohor Lama Estate with employee number 0002L02605 in April 2020 gets a basic salary of IDR 2,467,000 and a fixed allowance of IDR 355,000.
- Harvester of Gohor Lama Estate with employee number 0002C02605 in May 2020 gets a basic salary of IDR 2,467,000 and a fixed allowance of IDR 355,000.

Status: Comply

6.2

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

6.2.1, 6.2.2, 6.2.3

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

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

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

- Gohor Lama Estate harvester salary slip with *N/K* 0002L02605 which informs the value of basic salary of IDR 2,467,000 and a fixed allowance of IDR 355,000, pruning premium payment, harvesting equipment costs, harvest incentive premium and deduction
- Gohor Lama Estate harvester salary slip with *N/K* 0002C02605 which informs the value of basic salary of IDR 2,467,000, fixed allowance of IDR 355,000, overtime, technical premium payment and deductions.
- Boiler operator salary slip with employee number 1530 informing the value of basic salary of IDR 2,801,131, fixed allowance of IDR 355,000, overtime, IDR 1,787,866, and deductions.

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

Based on interviews with workers, it is known that there are no complaints related to payment of wages. In addition, the payment of overtime has also been in accordance with applicable regulations. For example, a boiler operator in May 2021 works overtime for 98 hours and gets an overtime wage of IDR 1,787,866. Workers also get 12 days annual leave in 1 year if they have worked in the company for 12 months.

The terms of employment are stated in the Collective Labor Agreement for the period 2018 – 2020. This has been determined based on the Decree of the Head of the Langkat Regency Manpower Office Number: KEP.568-.3/DISNAKER/2019 concerning Registration of Collective Labor Agreements between PT Langkat Nusantara Kepong and the worker union of PT LNK on January 31, 2019 and valid for 2 years since it was legalized in January 2019.

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

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

6.2.4, 6.2.5

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

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

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

6.2.6

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

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

- Gohor Lama Estate harvester salary slip with NIK 0002L02605 which informs the value of basic salary of IDR 2,467,000 and a fixed allowance of IDR 355,000, pruning premium payment, harvesting equipment costs, harvest incentive premium and deduction
- Gohor Lama Estate harvester salary slip with NIK 0002C02605 which informs the value of basic salary of IDR 2,467,000, fixed allowance of IDR 355,000, overtime, technical premium payment and deductions.
- Boiler operator salary slip with employee number 1530 informing the value of basic salary of IDR 2,801,131, fixed allowance of IDR 355,000, overtime, IDR 1,787,866, and deductions.

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

6.2.7

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

Status: Comply

6.3

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

6.3.1, 6.3.3

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

6.3.2

Based on interviews with the Tanjung Beringin Estate and Stabat POM workers unions, during 2021 there has been no official meeting with company management due to the Covid-19 pandemic. However, meetings are still held when necessary to submit complaints.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1, 6.4.4

The company has a KLK Sustainability policy which was signed by the Chief Executive Officer on 30 August 2018, one of the points of which is the prohibition of employing child labour. This policy has been socialized to employees, for example on 28 December 2020 to Stabat POM workers. Based on the review of employee list documents, there are no employees under 18 years of age. Then from the field observation to operational activities at the estate and POM, no child labor was found. There is also a sign regarding the prohibition of employing children in employee housing areas or estate offices and POM.

Policies related to the prohibition of employing children are also written in the work agreement with contractors, for example in the Wholesale Agreement between PT LNK and PT Cahya Lili Puspita No. 0154/LNK-GLA/SPB/III/2021 the contractor's obligation section states that it is not permissible to employ workers under the age of 18 years.

6.4.2, 6.4.3

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

Status: Comply

6.5

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

6.5.1

The company has a complaint handling procedure in the SOP No.1 Request and Provision of Information, Communication, and Submission of Complaints dated August 10, 2017. Based on the SOP, complaints can be submitted verbally or in writing. Complaints can also be submitted via the complaint logbook, worker union, suggestion box, or foreman. In addition, based on KLK's Sustainability Policy, it is stated that there is zero tolerance for any form of harassment, intimidation or violence. This policy has been socialized to employees, for example on 28 December 2020 to Stabat POM workers. Based on interview with worker, they understand the mechanism to submit complaint.

6.5.2

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

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

This policy has been socialized to employees, for example on 28 December 2020 to Stabat POM workers.

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

6.5.3

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

6.5.4

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

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1, 6.6.2

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

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

Status: Comply

6.7

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

6.7.1

The company has an OHS organization which has been approved by the Sumatera Utara Provincial Manpower Office based on the Decree of the Head of the Regional I Labor Supervision Unit No. KEP.04-7/DTK-UPT PK.WIL.I/2020 dated January 14, 2020. The composition of the OHS team consists of a coach, chairman, secretary, and members for the Gohor Lama, Tanjung Beringin, and Basilam estate. Secretary of OHS team on behalf of Deni Adriansyah and has an Appointment as General OHS Expert. The company shows the Decree of the Minister of Manpower of the Republic of Indonesia No. KEP.P.2400/NAKER-BINWASK3/III/2019 concerning Appointment of General OHS Expert on behalf of H. Abdul Rahman which was issued on March 29, 2019 and is valid for 3 years.

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

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

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

6.7.2

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

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

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

- Socialization on 28 December 2020 to 66 employees of Stabat POM
- Socialization on 8 March 2021 to 39 employees of Gohor Lama Estate
- Socialization on 5 March 2021 to 50 employees of Tanjung Beringin Estate

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

6.7.3

Based on field observation to operational activity in estate and mill, it is known that all workers wear PPE. For example, spraying workers wear PPE such as helm, apron, mask, gloves, boots, and faceshield. And worker in mill also use earplug or earmuff, according to the station work. Based on interview with workers, it is known that PPE is from company and for

free. Company will replace the PPE if it is broken or damage because of the work.

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

6.7.4

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

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

The details of the number of employees are as follows

- Gohor Lama Estate. The total number of employees registered by BPJS for Manpower and Health is 349 people.
- Tanjung Beringin Estate. The total number of employees registered by BPJS for Manpower and Health is 369 people.
- Stabat POM. The total number of employees registered by BPJS for Manpower and Health is 73 people.

In addition, the company provides clinic in each estate and workers can go to clinic for free.

Based on document review of Summary Report of Work Accident periode of 2020 – June 2021, there are fatality work accidents. Company showed the example of claim for death benefit from work accident, such as the report of work accident in Stabat POM on 12 June 2020 to BPJS for stage 1 and stage 2 on 12 June 2020. Also the other document to claim the death benefit such as employee attendance records, copy of ID card, family card, and BPJS card, and also the minutes of work accident. Company showed the receipt of death benefit that received by the heir in 29 January 2021.

6.7.5

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

- Stabat POM : Fatality Rate 0, frequency rate: 0, Severity Rate 0
- Tanjung Beringin : Fatality Rate 2.6, Frequency rate: 5.9, Severity Rate 11,878.5
- Gohor Lama : Fatality Rate 0, frequency rate: 16.5, Severity Rate 16.5

Status: Comply

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

7.1

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

7.1.1

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

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

- Report on attack and control of caterpillars and bagworms in Division II Tanjung Beringin Estate for the period of May 2021. It is known that there was no attack of caterpillars that eat oil palm leaves so that no control was carried out.
- Recapitulation of census data of Oryctes Division II Gohor Lama Estate for the period February 2021. Based on

the results of the census, it is known that there were no Oryctes attacks so no control was carried out.

Based on the results of field visits to the immature plantation area for the 2019 planting year Gohor Lama Estate, it was found that there were no signs of oryctes attack in the area. The company has also installed pheromone traps as one of the implementations of biological pest control in the company's area. In the planting area, the company has also planted useful plants such as *Turnera subulata* and *Antigonon leptopus* as a home for natural enemies of caterpillars.

7.1.2

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

7.1.3

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

Status: Comply

7.2

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

7.2.1

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

7.2.2

The company has shown the pesticide use document for the last 1 year for each estate which is contained in the Pesticide monitoring and use document for the 2020 period. An example is the use of Prima Up pesticide with the active ingredient Glyphosate at Gohor Lama Estate. Based on this document, it is known that the use of pesticide prima up for 1 year is 4,280 liters with pesticide use per hectare of 1.42 liters/ha and the active ingredient content per hectare is 0.68 liters/ha

7.2.3

The company has shown documents on pesticide use in the last 3 years for each estate. An example is the use of pesticides with the active ingredient Glyphosate. Based on the document, it is known that there has been a decrease in the use of pesticides with the active ingredient Glyphosate from 8,201 liters in 2019 to 4,280 liters in 2020. Based on the document, it is known that since 2018 until the time of the audit there was no longer any use of pesticides with the active ingredient Paraquat.

7.2.4

Based on the results of the study of pest and disease observation and control documents, it is known that the use of pesticides for pest control is based on observations/census results. Based on the results of interviews with company management, it is known that the company does not allow the use of pesticides to control plant-disturbing organisms without a census. In addition, based on the list of pesticides used, it is known that there are no post-growing pesticides. In SOP 17 Integrated Pest Control dated August 10, 2017 revision 2, where at the point of control with chemicals it can be done if the census results have exceeded the economic threshold value. The company has also used natural enemies as a pest control method, for example the use of *Tyto alba* as a pest control for rats.

7.2.5

The company has shown a list of pesticides used documents and documents on the use of pesticides for the last 1 year.

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

7.2.6

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

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

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

7.2.7

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

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

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

7.2.8

The company has documents related to the handling of pesticide waste in the following documents SOP for the Management of Hazardous and Toxic and Non-hazardous and toxic waste (SOP 23 revision 4 dated May 2, 2020). In the SOP, it is explained related to the classification of waste types and sources of waste, storage of hazardous and toxic waste in divisions or estate that do not have a hazardous waste warehouse is carried out for a maximum of 7 days then sent to a temporary storage place for hazardous and toxic waste, 200 l and 20 l of used large packaging is reused for a mixing place after washing 3 times, storage in a licensed temporary storage place for hazardous and toxic waste is carried out for a maximum of 90 days equipped with a label and symbol, transportation is carried out by licensed transporters and collectors and reported to the Environmental Agency every 3 months.

The company shows evidence that each pesticide package has been stored and is not used for other purposes, for example monitoring the entry and exit of used pesticide packaging for the period of 2021. The document explains the number of pesticide packages that leave the central warehouse and those that enter (after field application) to the Hazardous Waste Warehouse. Pesticide packages that go in and out are recorded based on each type of pesticide from each farm.

The results of field observations in residential areas showed no indication of using used pesticide packaging for other uses. The results of field observations at Hazardous Waste Warehouse at Stabat POM, Gohor Lama Estate, Tanjung Beringin Estate and Basilam Estate show that used packaging has been stored in Hazardous Waste Warehouse.

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

7.2.9

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

7.2.10

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

7.2.11

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

Status: Comply

7.3

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

7.3.1

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

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

- POME : managed using a pond system before being utilize to the Land Application for application as liquid fertilizer.
- Empty Fresh Bunch (EFB) : EFB is sent back to the plantation as organic fertilizer to reduce the use of chemical fertilizers, improve soil structure and reduce soil erosion.
- Fiber and shell : Palm fiber and shells are used as fuel for boiler.
- Emissions : emission level must follow the threshold set by the government, and in accordance with the environmental

- management matrix (UKL-UPL) of Mill, it is known that air quality monitoring is carried out every six months.
- Boiler ash : boiler ash is applied to plantation in certain areas.
 - Domestic waste : domestic waste must be disposed of in a landfill not less than 500 meters from water sources, burning it is prohibited.

The company has a permit for temporary storage and / or utilization of hazardous waste from the Government for Stabat POM based on Langkat Regency Decree No. 660-03/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-Stabat POM which was issued on February 25, 2020 by the OSS system on behalf of the Langkat Regency.

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

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

These documents include a balance sheet, logbook and manifest / festronic of hazardous waste. Based on the results of the document review by comparing the balance sheet and logbook, it can be seen that the delivery of waste to the hazardous waste warehouse for April and May 2021 has been appropriate and there is no difference in the amount submitted. Likewise, the comparison between the balance sheet and the waste transportation Festronic carried out on May 5, 2021 shows that the balance document shows that the amount of hazardous waste in the month after transportation (June 2021) starts from empty. Thus, it can be concluded that there are no recording errors and differences based on the Balance Sheet, Logbook and Festronic documents, this shows that the company has documented the storage and handling of Hazardous waste properly. The festronic document is data on the results of transportation from all TPS owned by PT LNK that are within the scope of certification include Gohor Lama Estate, Basilam Estate and Tanjung Beringin 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 and toxic materials waste recording document shown in the hazardous waste logbook document. For example, based on the hazardous waste logbook study for the period January - March 2021 signed by the Daily Implementation and the Trustees, it is known that the shelf life of hazardous and toxic materials waste does not exceed 180 days.
- Report on the Implementation of hazardous and toxic materials waste Management for quarter 1 of 2021 dated April 6, 2021.
- A quarterly hazardous waste balance report contains a waste balance and hazardous manifest, the company has sent a hazardous waste management report for the first quarter of 2021 to the Environment of Langkat Regency on April 6, 2021.
- Minutes of submission of hazardous waste dated May 5, 2021 signed by the carrier, namely PT SDLI and PT IC and the party producing hazardous waste, namely PT LNK.

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

7.3.2

Based on interviews with company management and the Head of Hazardous Warehouse at Gohor Lama Estate, Basilam

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

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

7.3.3

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

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

Status: Comply

7.4

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

7.4.1

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

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

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

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

7.4.2

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

Soil analysis results

- The results of the Gohor Lama Estate soil analysis with a test date of June 24, 2020. The test parameters are soil pH, organic content of C, N, P, and cation exchange capacity.
- The results of the Tanjung Beringin Estate soil analysis with a test date of July 13, 2019. The test parameters are soil pH, organic content of C, N, P, and cation exchange capacity.

Leaf sample analysis results

- The results of the analysis of the leaves of Basilam Estate on August 26, 2020 with test parameters, namely nutrients N, P, K, C, Mg as Major Elements and nutrient B as Minor Elements.

- The results of the analysis of the leaves of Gohor Lama Estate on August 26, 2020 with test parameters, namely nutrients N, P, K, C, Mg as Major Elements and nutrient B as Minor Elements.

7.4.3

The company has shown the application documents for empty bunches and POME as one of the nutrient recycling strategies. One example is the EFB application in May 2021 at the Tanjung Beringin Estate with a total of 2,673 tons

7.4.4

The company fertilizes plants in accordance with the Palm Oil Fertilization Recommendation 2020/2021 PT. Langkat Nusantara Kepong made by AAR (PT. Applied Agricultural Resources Indonesia). Fertilization recommendations are based on the results of leaf analysis conducted every year. The company has shown the fertilization realization documents for each estate. The examples are as follows:

1. Realization of OPCOM32A fertilization in February 2021 in division III Gohor Lama Estate amounted to 35.91 tons
2. Realization of OPCOM32A fertilization in January – February 2021 at Tanjung Beringin Estate amounted to 293.54 tons
3. The realization of Fertibor fertilization on immature plants in February 2020 at Tanjung Beringin Estate was 39.76 tons
4. Realization of Kieserit fertilization in February 2021 in Division II Gohor Lama Estate of 9.57 tons

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company has a soil suitability map report issued by AARI (Applied Agricultural Resources Indonesia) which included a description of the map unit, land unit code, general description, parent material, soil group, unit map percentage, texture, drainage, soil depth, slope, area and percentage of soil types. The map is available on a 1:60,000 scale.

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

7.5.2

Until the audit activity was carried out in 2021, the management unit had carried out replanting activities in the Gohor Lama Estate in 2017 to 2019. In addition there is also replanting in Tanjung Beringin Estate in 2019-2020. Based on field visits on the replanting area of Gohor Lama Estate for planting year 2017 and observations of Immature plants block 2019 A, it is known that replanting activities have been carried out with zero burning system. Besides that, the management of Immature Plants area has been managed according to procedures, for example cover crops planting.

7.5.3

From the results of the document review and field observations, no indication of peatlands was found. Based on the field observation on Gohor Lama Estate, the certificate holder has implemented procedures related to erosion management and optimal soil fertility management for productivity which among others regulate the technical management of the area with slopes / high erosion potential e.g. with cover crops, empty bunch application, and conservation terrace manufacture.

Status: Comply

7.6

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

7.6.1, 7.6.2 and 7.6.3

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 15th, 2018 and all peatlands are managed responsibly.

7.7.1 until 7.7.7

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

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

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

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

7.8.2

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

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

Based on the results of field visits to blok 2011 M Divisi 1 Basilam Estate, namely the Buluh River border which is an HCV area, it can be seen that the company has committed to managing the riparian area by providing signboards related to the protection of riparian areas such as logging, hunting, burning, and marking area boundaries and chemical application limits. For several HCV locations in the form of river boundaries, succession has been seen with the natural growth of local plants. In addition, the company also implements vetiver plantations along the canals to prevent landslides and erosion and maintains the canals with a washing / dredging program to protect them from silting.

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

7.8.3

PT LNK-Stabat POM has a permit for the use of waste water from the palm oil industry on the ground (land application) for PT Langkat Nusantara Kepong based on the Letter Decree number 660.3-09/K/2016, dated August 16, 2016 which was signed by the Head of the Langkat Regency and is valid for 5 years.

The company has tested mill effluent every month. Based on the results of testing the quality of mill effluent for the July-

December 2020 period conducted by an accredited laboratory, namely PT Adei Plantation & Industry Mandau, a KAN accredited central laboratory (LP-1182-IDN), it is known that the results of testing mill effluent parameters such as pH, BOD and COD are still below Quality Standards for the Minister of Environment and Forestry Decree No. 28 of 2003. In addition, the certification unit has also reported the results of monitoring of mill effluent for the first quarter (January - March) 2021 to the Environmental Agency of Langkat Regency on April 6, 2021.

7.8.4

The company has recorded the use of water for processing FFB. The average water use per tonne of FFB for the period October 2020 – May 2021 was 1.02 m³ / MT of FFB and was still in accordance with the set budget, while the water use budget was 1.50 m³ / metric tonne FFB

Status: Comply

7.9

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

7.9.1

The company has maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, the use of shells and Fiber in May 2021 is 2,857.98 metric tonnes which produces 262.04 kWh of electricity from the turbine with FFB Processed 15,877.66 metric tonnes. The use of renewable energy per tonne of palm product at the mill is 0.77 Kwh / metric tonne of FFB.

Status: Comply

7.10

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

7.10.1

Stabat POM has calculated GHG emissions for the period January-December 2020. The GHG calculation is still being carried out with calculations from 3 supply bases, namely Gohor Lama estate, Basilam estate, and Tanjung Beringin estate. In the ASA 4 assessment, the supply base from Bekiun estate, Padang Berahrang estate, Tanjung Kelling estate, Bukit Lawang estate and Maryke estate was excluded from the scope of certification and joined into the scope of Tanjung Kelling POM certification. Stabat POM has conducted GHG emission calculations period 2020 use of Calculator Palm GHG version 4.0. Accurate data has been input to the RSPO Palm GHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from Palm GHG calculator of the audit report which calculation option is applied "Apply full Version".

Summary Emissions:

Emission per product	tCO2e/tProduct
CPO	1.17
PK	1.17

Extraction	%
OER	23.65
KER	3.35

Production	ton/year
FFB processed	174,414
CPO produced	41,242.14
PK produced	5,849.42

Land use	Ha
Planted area on mineral soil	16,870
Planted on peat	0.00
Total oil palm planted area	16,870
Conservation Area (Forested)	339.70

Conservation Area (Non Forested)	0.00
FFB Production per hectarage	18.15 t/ha

Estate/Plantation field emission and Sinks

Description	Own		Group		3 rd Party		Total
	tCO ₂ e	tCO ₂ e/ tFFB	tCO ₂ e	tCO ₂ e/ tFFB	tCO ₂ e	tCO ₂ e/ tFFB	
Land conversion	86,603.98	0.50	0.00	0.00	0.00	0.00	86,603.98
CO ₂ emissions from fertilizer	9,423.47	0.05	0.00	0.00	0.00	0.00	9,423.47
N ₂ O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N ₂ O from Fertilizer	8,576.50	0.05	0.00	0.00	0.00	0.00	8,576.50
Fuel consumption	835.33	0.00	0.00	0.00	0.00	0.00	835.33
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks							
Crop sequestration	-	-0.47	0.00	0.00	0.00	0.00	-82,086.11
Sequestration in Conservation area	82,086.11	-0.01	0.00	0.00	0.00	0.00	-1,120.81
Total	22,232.37	0.13	0.00	0.00	0.00	0.00	22,232.37

Mill Emissions and Credits

Emission Source	tCO ₂ e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00

Palm Oil Mill Effluent (POME) Treatment

Diverted to compost	0 %
Diverted to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

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

7.10.2

The company did not carry out any new developments after 2014.

7.10.3

The company shows a list of sources of pollution from planting and replanting, transportation, use of fertilizers & spraying activities and use of shell and fiber. The resulting emissions are NO₂, CO₂, SO₂ and CH₄. The Certification Unit has carried out tests related to emissions and air quality in accordance with the company's RKL-RPL, from the results of emission and air tests it is known that all parameters are below the quality standard. In addition, every semester the company regularly reports to the Langkat Regency Environmental Agency.

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

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

Status: Comply

7.11

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

7.11.1

The company does not carry out new planting but instead performs replanting activities which are carried out mechanically. Based on the results of field observations to the Gohor Lama Estate replanting area in Block 2019 A, it is known that there is no burning or burn marks in the replanting area, replanting activities are carried out mechanically and the replanting area has been planted with oil palm and ground cover plants such as: *Mucuna bracteata*.

7.11.2

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

- on February 4, 2021 to 18 employees as a firefighting team at Gohor Lama Estate
- on February 8, 2021 to 29 Employees as a firefighting squad at Tanjung Beringin Estate
- on February 5, 2021 to 45 Employees as a firefighting squad at Stabat POM.
- on May 26, 2021 to 15 Employees as a firefighting squad at Basilam Estate

7.11.3

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

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

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

plantation after being taken over by PT. LNK.

7.12.2

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

7.12.3

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

7.12.4

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

The HCV management plan for the 2020-2021 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 company has implemented the 2019 – 2021 HCV management plan, for example:

- The company has conducted monthly monitoring of important, rare, endangered and vulnerable species. Monitoring also includes indications of catching / trapping, maintaining, trading RTEs and monitoring posters. For example:
 - a. Monitoring reports on the Basilam Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Cekakak Belukar* (*Halcyon smyrnensis*) and *Monyet ekor Panjang* (*Macaca fascicularis*). In addition there is no indication of capturing / trapping HCV areas.
- The company has installed a spray limit sign for 20 meters right and left of the river, namely red paint on the outermost palm oil tree in the river border area. Based on the results of field visits to the Basilam river Block 2011 M and Durhaka river Block 2011 A, there was no indication of spraying to the water body / border area and there was a spray limit sign.
- Socialization has been carried out to employees, for example:
 - a. Socialization of HCV, Wildlife and Spraying Boundaries of HCV areas to 52 employees Division I Gohor Lama Estate on 16 March 2020.
 - b. Socialization of HCV and wildlife to 22 Harvest employees Division II Basilam Estate.
- Planting woody plants such as Mahogany, Pulai and Trembesi at Basilam Estate and Maryke Estate. Based on the results of field visits to the riverbanks of the Basilam River in Blok 2011 M and the River Durhaka Blok 2011 A, it is

known that there are plants such as Mahogany and Trembesi that have been planted in the riverbank area.

- The company has installed an HCV and prohibition area notification plank, such as hunting, poisoning fish, spraying and prohibiting burning.

HCV management plan has been developed based on consultation with stakeholders such as the community surrounding the company. The company can show the Minutes of the preparation of the HCV management plan which was carried out on June 24, 2019 by involving the village communities around the Plantation, namely Gelugur Langkat Village, Minta Kasih, Bekiun, Namo Mbelin, Sido Makmur, Bukit Lawang, Padang Cermin, Naman Jahe, and Tanjung Keliling Village.

7.12.5

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

7.12.6

The 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 Basilam Estate and Gohor Lama Estate, it was found that the workers understood that hunting was prohibited and that they were penalized for hunting animals.

7.12.7

The company has an HCV area monitoring program including RTE species monitoring. The certification unit can show the results of monitoring of HCV areas including RTE species for the period August 2020 as follows monitoring reports on the Basilam Estate for the monitoring period of August 2020, the species encountered were: *Biawak* (*Varanus salvator*), *Cekakak Belukar* (*Halcyon smyrnensis*) and *Monyet ekor Panjang* (*Macaca fascicularis*). In addition there is no indication of capturing / trapping HCV areas. Company has implement the management and monitoring plan. The existence of protected species is maintained and is still found in the plantation area.

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

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

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

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

7.12.8

Based on the ASA 3 assessment, it was found that the company did not carry out any new land clearing activities or development of operational areas. The distribution of planting years in the operational area consists of 1979 - 2015. The planting year 2005 - 2015 is a replanting activity and a conversion activity from rubber and cocoa plantations to oil palm plantations. The company has shown an email from Aina Amara dated February 14, 2018 regarding PT LNK's disclosure

which states the approval of the disclosure. Based on the results of an environmental document review (DELH 2011), it is known that the Maryke Estate is an area that was converted from rubber and cocoa plantations to oil palm plantations.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

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

3.3 Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 27 October 2020.

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted prior to development. There is new planting after Jan 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p>Auditor verification There is new planting after 2010 in PT Putra Bongan Jaya and this is uncertified unit will follow sanction. For the other uncertified unit, there is no new planting after 1 January 2010.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.</p> <p>Auditor verification The company has procedure to resolve the land conflict which has explain that problem solving of conflict area.</p> <p>There is evidence of documented land dispute resolution for the uncertified units. No issue that obtain by web search.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There are few uncertified unit which not yet obtain the HGU consist of PT Bumi Makmur Sejahtera Jaya, PT Menteng Jaya Sawit Perdana and PT Putra Bonga Jaya for 4,460 Ha. These companys was planned to be certified in the end of 2021 and 2022.</p>

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

3.4.1. Identification of Findings, Corrective Actions and Observations at Surveillance 3

There is no outstanding Non-conformity during the Surveillance 3 assessment

3.4.2. Identification of Findings, Corrective Actions and Observations at Surveillance

There is no Non-conformity during the Surveillance assessment 4

3.4.3. Opportunity for Improvement

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

3.4.4. Noteworthy Positive Components

No	Description
1	The company's commitment to implement the principles of sustainable oil palm plantation management.
2	Good cooperation from the company and staff during the audit process

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues	Auditor Verification
<p>Gohor Lama Village</p> <p>There are no environmental or employment issues. The company has made efforts to develop the surrounding community through CSR programs, recruitment of local workers, etc. The community occupancy area in operational area has been resolved by consensus.</p>	<p>There are no negative issues that need further verification. The occupancy area in the HGU has been resolved by the company.</p>
<p>Department of Agriculture and Food Security of Langkat Regency</p> <ul style="list-style-type: none"> • The company has reported its business activities to the Plantation Office every semester. • There are no changes to the permits owned by the company • There are no environmental issues related to the company's operational activities. • The company has adequate and functioning fire fighting facilities and infrastructure. • No negative issues such as fire. • When there is a request for information from the agency, the company has received a pretty good response. 	<p>There are no negative issues that need to be verified. The company has fulfilled obligations such as licensing and mandatory reporting which have been described in the related indicators.</p>
<p>Local Contractors (PT Stabat Maju Perkasa dan PT Cahaya Lili Puspita)</p> <ul style="list-style-type: none"> • Contractors have received socialization related to SOPs and policies owned by the company, for example related to the policy on prohibiting child labor. • There are no problems with payment • Workers have been registered by BPJS • PPE provided by the contractor • Contractors' performance is monitored by company supervision. • There is no practice of bribery, corruption, and gratification between contractors and companies. 	<p>There are no negative issues that need further verification. This has been explained in the related indicators.</p>
<p>Environmental Agency of Langkat Regency</p> <p>The agency considers that the company has carried out its obligations related to compliance with environmental regulations, such as reporting on RKL RPL and UKL UPL every semester, hazardous waste and liquid waste every quarter. Fulfillment of permits such as temporary storage of hazardous waste (<i>TPS LB3</i>) and land application is still valid until this assessment. While the process of</p>	<p>There is no negative issue that need further verification. Based on document review and field observations, the company has demonstrated legal compliance related environmental, and no indications of environmental pollution.</p>

Public Issues	Auditor Verification
<p>extending the hazardous waste permit for Stabat POM which will expire in August 2021, the extension process has been shown through a new procedure that refers to the fulfillment of PT LNK Environmental Approval in accordance with the latest regulation in PP No.22 year 2021. In addition, there are no reports from company stakeholders regarding the issue of environmental pollution from PT LNK operational areas.</p>	
<p>Gender Committee (Stabat POM and Tanjung Beringin Estate)</p> <p>The Gender Committee is still active in the company. It has program includes socialization on sexual harassment, procedures for submitting reports of decency violations, reproductive health in general and so on. However, during the covid-19 pandemic in 2020-2021 the realization of activities has not been fully fulfilled. Female workers have the right to get leave for menstruation (H1) and maternity leave (H2). There are no issues related to sexual harassment and discrimination of female workers.</p> <p>Regarding the needs of pregnant women, new mothers, and breastfeeding mothers, the company provides supporting facilities for young mothers to give their reproductive rights in the midst of their work activities. For example, health facilities for health checks, childbirth; breastfeeding rooms and posyandu activities to monitor the health and nutrition of mother and children. However, there is no information explained by employees that there has been an information collection activity from the company to identify the needs of young mothers.</p>	<p>The company has facilitated women workers with the same rights such as the right to work opportunities, reproductive health, work and others. However, regarding the request for RSPO indicators about the company efforts to identify the needs of young mothers. Further clarification is needed from the auditor to see other supporting evidence.</p>
<p>Worker Union of Tanjung Beringin Estate and Stabat POM</p> <ul style="list-style-type: none"> - There are no casual daily worker or contract worker. All workers are permanent workers. - The minimum wage still refers to the 2020 Sectoral Minimum Wage of Langkat Regency. - Calculation of overtime is in accordance with applicable regulations. The shortest working day at mill is Saturday. - Worker union did not held meetings between management or with company management during 2020 – 2021 due to the Covid-19 pandemic condition. - There were no complaints from worker related to wages, discrimination, or immoral acts. 	<p>There are no negative issues. The fulfillment of employment aspects such as the implementation of minimum wages, overtime payments, or employee complaints have been verified by the auditor.</p>

Public Issues	Auditor Verification
<ul style="list-style-type: none"> - Worker feel that they do not need a worker cooperative because the location of the estate is near the city, making it easy to meet the needs of daily life. - The company provides PPE for employees. 	
<p>Manpower Agency of Langkat Regency</p> <ul style="list-style-type: none"> - There are no issues related to industrial relations that have reached the Agency. - Regarding the minimum wage, Langkat Regency has the Langkat Regency Minimum Wage in 2021 with a value of IDR 2,711,000 per month. However, if the company in 2020 uses the Sectoral Minimum Wage of Langkat Regency and the value is bigger than the 2021 Minimum Wage of Langkat Regency, then the company is allowed to use the 2020 Minimum Wage of Langkat Regency. - The company is advised to immediately negotiate the formulation of a new CLA. 	<p>There are no negative issues. The fulfillment of employment aspects such as the implementation of minimum wages, overtime payments, or employee complaints have been verified by the auditor.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Langkat Nusantara Kepong Bhd Stabat POM</p>  <p>MD Nasrudin Ismail 7 July 2021 PT. LNK</p> <p>MD NASRUDIN ISMAIL PRESIDENT DIRECTOR</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Arif Faisal Simatupang 7 July 2021</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Department of Agriculture and Food Security of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
2	Environmental Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
3	Land Agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	-	✓
4	Manpower agency of Langkat Regency	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	-	✓
5	Local Contractor (PT Stabat Maju Perkasa)	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
6	Local Contractor (PT Cahaya Lili Puspita)	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
7	Gohor Lama Village	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	✓	-
8	Gender Committee (Stabat POM and Tanjung Beringin Estate.	Langkat Regency, Sumatera Utara	-	Via telephone	30 June 2021	✓	-
9	Worker union of Stabat POM	Langkat Regency, Sumatera Utara	-	Via telephone	29 June 2021	✓	-
10	Stabat POM: <ul style="list-style-type: none"> - 1 Grading Workers - 1 Sterilizer Operators - 1 Boiler Operator - 1 Generator Operator - 1 WTP Operator - 2 Workshop Workers - 1 security - 1 weighbridge operator - 1 dispatch operator - 2 chemical storage workers - 1 Hazardous and toxic waste storage worker - 1 water intake worker. - 1 WWTP worker. - 1 spareparts storage 	Langkat Regency, Sumatera Utara	-	Observation and Interview	01 July 2021	✓	-
11	Tanjung Beringin Estate: <ul style="list-style-type: none"> - 2 harvesters - 2 trunk injection workers - 6 spraying worker - 1 agrochemical storage officer - 1 welder - 1 hazardous waste storage officer 	Langkat Regency, Sumatera Utara	-	Observation and Interview	01 July 2021	✓	-

	- 2 FFB transporting worker						
12	Gohor Lama Estate - 2 storage officers - 5 spraying workers - 4 harvesters - 2 operators of trunk injection - 1 POME LA operator	Langkat Regency, Sumatera Utara	-	Observation and Interview	30 June 2021		-
13	Basilam Estate - 1 harvesting worker - 5 pesticide operators - 5 fertilizer workers - 1 mechanic - 1 agrochemical and material storage officer	Langkat Regency, Sumatera Utara	-	Observation and Interview	02 July 2021	✓	-
14	Sawit watch	-	info@sawitwatch.or.id	Email	25 June 2021	-	✓
15	WWF	-	Wwf-indonesia@wwf.or.id	Email	25 June 2021	-	✓
16	AMAN	-	rumahaman@cbn.net.id	Email	25 June 2021	-	✓
17	WALHI	-	informasi@walhi.or.id	Email	25 June 2021	-	✓

Appendix 2. Assessment Program

Date	Clauses To Be Audited	Auditor / PIC
Monday, 28 June 2021		
10.30 – 13.30 13.30 – 17.00	Flight from Jakarta to Kualanamu Traveling from Kualanamu to PT Langkat Nusantara Kepong	All Auditor
Tuesday, 29 June 2021		
08.00 – 09.00 09.00 – 12.00	Opening Meeting (virtual) <ul style="list-style-type: none"> • Presentation of unit of certification profile • Presentation of audit process and audit plan Document review Virtual consultation of stakeholders with: Government agencies (referring to the consultation letter), local communities, local contractors, scheme smallholder, gender committee, worker union, worker cooperative, etc	Company's Representatives Lead Auditor All Auditor All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review Continue Virtual consultation of stakeholders	All Auditor
Wednesday, 30 June 2021		
08.00 – 12.00	Field Observation of Gohor Lama Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review Continue Virtual consultation of stakeholders	All Auditor
Thursday, 01 July 2021		
08.00 – 12.00	Field Observation of Tanjung Beringin Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides 	All Auditor

	<ul style="list-style-type: none"> application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation of Stabat POM <ul style="list-style-type: none"> • Observation of supply chain (FFB receiving, weighbridge) • Observation of FFB grading, processing activity, product despatch • Observation of chemical storage, hazardous waste storage, fire control simulation, etc • Observation of WWTP, WTP, EBA 	All Auditor
Friday, 02 July 2021		
08.00 – 12.00	Field Observation of Basilam Estate <ul style="list-style-type: none"> • Observation of HGU poles, and other land demarcation aspects. • Observation of harvesting & FFB transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc) • Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, clinic, waste management, etc) • Observation of housing complex, school, worship place, sport facilities, domestic waste management, etc. • Observation of HCV/conservation area & POME Land Application (if any) 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review	All Auditor
Friday, 09 July 2021		
09.00 – 10.30	Closing Meeting (Virtual) Presentation of audit result (NCR, OFI), conclusion and recommendation.	All Auditor
10.30 – 15.00 16.30 – 19.00	Traveling from PT Langkat Nusantara Kepong to Kualanamu & Rapid Test Flight from Kualanamu to Jakarta	All Auditor