

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

[✓] Surveillance

Name of Management Organisation : Kayung Agro Lestari Palm Oil Mill – PT Kayung Agro Lestari subsidiary of Austindo Nusantara Jaya Agri
 Plantation Name : PT Kayung Agro Lestari : Sungai Gemilang Teduh 1, Sungai Gemilang Teduh 2, Gunung Sejahtera Tumbuh 1, Gunung Sejahtera Tumbuh 2, and Mitra Laman Mayang Sentosa, Mitra Bina Satong Lestari, and Mitra Lestari Abadi Bersama
 Location : Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia
 Certificate Code : **MUTU-RSPO/137**
 Date of Certificate Issue : 11 November 2019 Date of License Issue : 11 November 2023
 Date of Certificate Expiry : 10 November 2024 Date of License Expiry : 10 November 2024

Assessment	Assessment Date	PT. Mutuagung Lestari Tbk Auditor	Reviewed by	Approved by
ASA-4	11 to 15 September 2023	Satria Adi Putra (LA Witnessing), Afiffuddin (Lead Auditor Witnesses), Benli Manurung, Erika Lucitawati, Indra Abadi	Rahmat Abdiansyah	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	04 December 2023

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Figure 1. Location Map of PT Kayung Agro Lestari

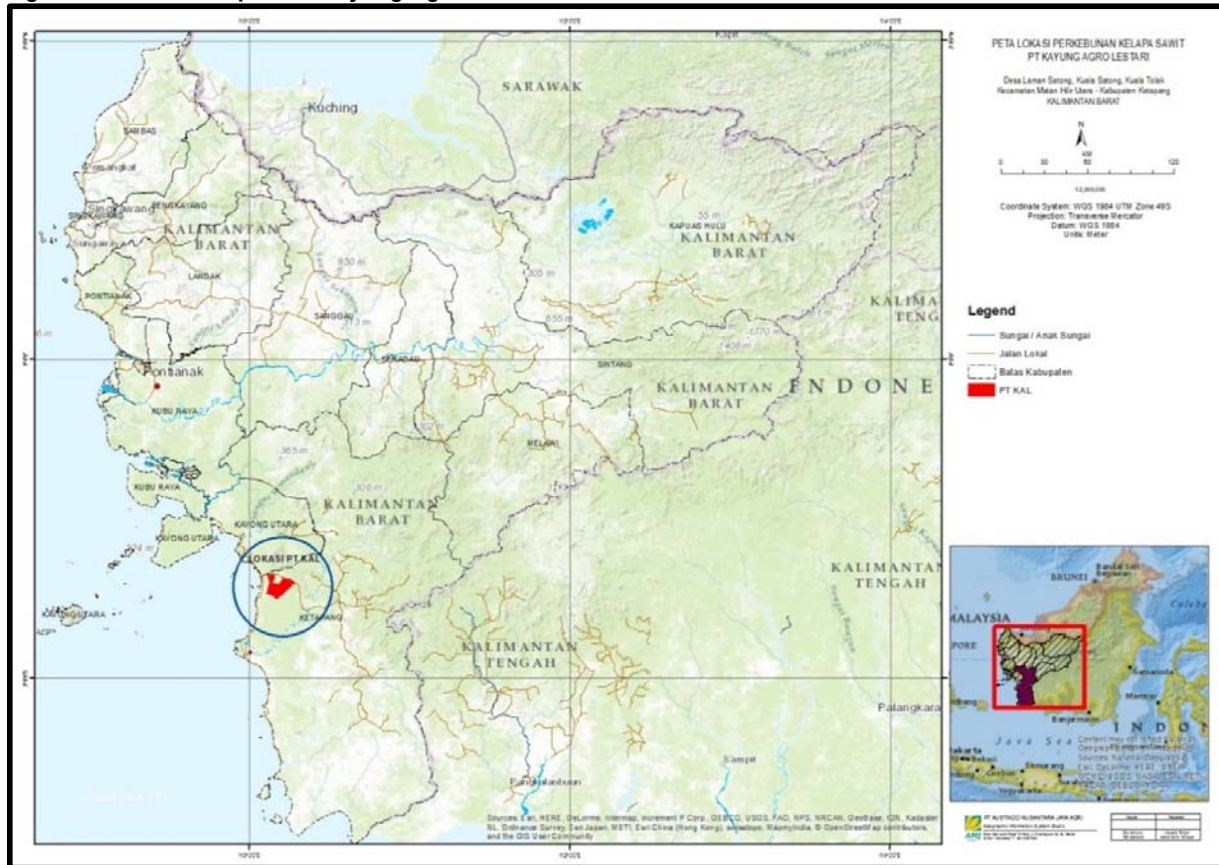
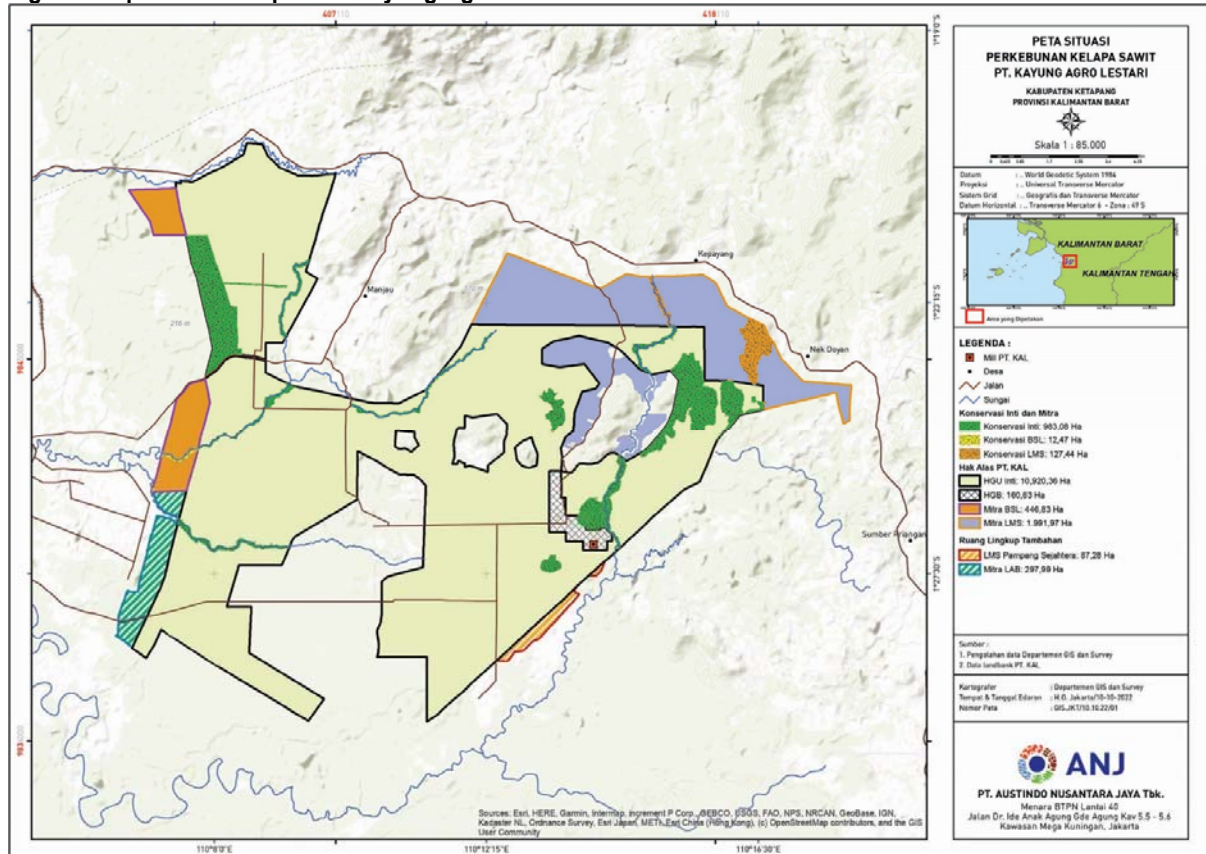


Figure 2. Operational Map of PT Kayung Agro Lestari



Abbreviations Used

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

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

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

	Gunung Sejahtera Tumbuh (GST-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 26' 25"	E 110° 13' 26"					
	Sungai Gemilang Teduh (SGT-1)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 24' 16"	E 110° 14' 13"					
	Sungai Gemilang Teduh (SGT-2)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 25' 39"	E 110° 09' 59"					
	Mitra Laman Mayang Sentosa (624 Smallholders)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 25' 54"	E 110° 13' 26"					
	Mitra Bina Satong Lestari (738 Smallholders)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 26' 25"	E 110° 13' 22"					
	Mitra Lestari Abadi Bersama (1170 Smallholders)	Laman Satong Village, Matan Hilir Utara Sub District, Ketapang District, Kalimantan Barat Province, Indonesia	S 01° 28' 02"	E 110° 06' 43"					
1.5	Description of Area Statement								
1.5.1	Tenure								
	• State		13,095.44 Ha						
	• Community		809.62 Ha						
1.5.2	Area Statement								
	Description	Own Estates	Smallholders	Total					
	• Total area	11,080.99	2,824.07	13,905.06 Ha					
	• Mature area	8,922.41	2,282.21	11,204.62 Ha					
	• Immature area	122.52	58.71	181.23 Ha					
	• Mill	14.30	-	14.30 Ha					
	• Infrastructure (warehouse, Emplacement)	146.33	-	146.33 Ha					
	• Others area	360.03	93.48	453.51 Ha					
	• Future Planted	532.32	249.76	782.08 Ha					
	• HCV	983.08	139.91	1,122.99 Ha					
1.6	Planting Year and Cycles								
1.6.1	Age profile of planting year								
	Planting Year	Hectarage (Ha)							
		GST 1	GST 2	SGT 1	SGT 2	MLMS	MBSL	MLAB	Total
	2010	7.55	395.76	108.37	-	48.10	-	-	559.78
	2011	1,092.59	1,303.55	818.53	-	1,001.73	-	-	4,216.40
	2012	1,288.04	503.89	1,323.52	556.09	440.31	208.59	-	4,320.44
	2013	17.78	94.20	120.21	1,247.04	379.00	79.79	124.69	2,062.71
	2016	-	-	-	45.29	0.00	-	-	45.29
	Sub Total Mature	2,405.96	2,297.40	2,370.63	1,848.42	1,869.14	288.38	124.69	11,204.62
	2013	-	-	-	72.63	13.03	13.79	18.02	117.47
	2016	-	-	-	49.89	-	-	-	49.89

	2017	-	-	-		-	-	13.87	13.87
	Sub Total Immature	-	-	-	122.52	13.03	13.79	31.89	181.23
	TOTAL	2,405.96	2,297.40	2,370.63	1,970.94	1,882.17	302.17	156.58	11,385.85
	*Based on explanations from management and observations in the field, it is known that the criteria that the Company determines as mature areas are areas that produce > 3.5 kg of FFB and areas that are 75% suitable for harvest. The areas in the 2013, 2016 and 2017 planting years are categorized as immature because these areas have experienced fires so that currently they do not meet the criteria for mature areas.								
1.6.2	New Planting area after January 2010				10,826.07 Ha				
1.6.3	Planting Cycle				1 st Cycle				
1.7	Description of Mill and Supply Base								
1.7.1	Description of Mill								
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel			
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)		
	KAL POM	90	309,759.71	63,034.17	20.35	10,619.84	3.43		
	Production data source from September 2022 to August 2023								
1.7.2	Description of Certification Scope of Supply Base								
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill			
						FFB (tonnes/year)	%		
	GST 1	2,922.63	2,405.96	55,986.75	23.72	55,986.75	100.00		
	GST 2	2,896.49	2,297.40	46,968.68	20.44	46,968.68	100.00		
	SGT 1	2,837.50	2,370.63	52,467.08	22.13	52,467.08	100.00		
	SGT 2	2,424.37	1,970.94	31,142.52	16.85	31,142.52	100.00		
	Mitra Laman Mayang Sentosa (624 Smallholders)	2,079.25	1,882.17	40,872.90	21.87	40,872.90	100.00		
	Mitra Bina Satong Lestari (738 Smallholders)	446.83	302.17	3,029.60	10.51	3,029.60	100.00		
	Mitra Lestari Abadi Bersama (1,170 Smallholders)	297.99	156.58	1,307.77	10.49	1,307.77	100.00		
	TOTAL	13,905.06	11,385.85	231,775.31	20.69	231,775.31	100.00		
	Production data source from September 2022 to August 2023								
1.7.3	FFB description from other source								
	Name of sources/ Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill				
					FFB (tonnes/year)				
	PT. Sinar Karya Mandiri (non certified)	Independent supplier	-	-	21,666.89				
	CV. Cahaya Sejati (non certified)	Independent supplier	-	-	37,277.91				
	CV. Abadi Loc Jaya (non certified)	Independent supplier	-	-	18,258.18				
	CV. Desy Cahaya Mandiri (non certified)	Independent supplier	-	-	371.09				
	Koperasi Produsen Serba Usaha (non certified)	Independent supplier	-	-	348.82				

	Mitra LMS (SKT) (non certified)	Associate smallholders	44	86.99	80.14			
	Propose Kemitraan (non certified)	Associate smallholders	-	-	98.65			
	TOTAL				78,101.67			
	Production data source from September 2022 to August 2023							
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 (11 November 2022 - 11 January 2024) (MT)	Last Year Actual Certified Volume (September 2022 - August 2023) (MT)				
	FFB Estate Processed		252,177.84	186,454.83				
	FFB Scheme or associate Smallholders Processed		44,510.00	44,748.19				
	CPO Production		53,059.88	47,426.72				
	Palm Kernel (PK) Production		8,356.14	8,259.28				
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (September 2022 - August 2023) (MT)						
	CSPO sold as RSPO certified product	40,000.00						
	CSPK sold as RSPO certified product	7,000.00						
	CSPO sold under other scheme	-						
	CSPK sold under other scheme	-						
	CSPO sold as conventional	5,000.00						
	CSPK sold as conventional	-						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	GST 1	2,922.63	2,405.96	59,000	24.52			
	GST 2	2,896.49	2,297.40	49,000	21.33			
	SGT 1	2,837.50	2,370.63	55,000	23.20			
	SGT 2	2,424.37	1,970.94	33,000	17.85			
	Mitra Laman Mayang Sentosa (624 Smallholders)	2,079.25	1,882.17	43,000	23.01			
	Mitra Bina Satong Lestari (738 Smallholders)	446.83	302.17	3,500	12.14			
	Mitra Lestari Abadi Bersama (1170 Smallholders)	297.99	156.58	1,500	12.03			
	TOTAL	13,905.06	11,385.85	244,000	21.78			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	KAL POM	90	244,000	51,240	21	8,540	3.5	MB
	*Projected CSPO and CSPK production for 12 months of certificate							

1.9	Other Certifications					
	ISO 9001:2015		-			
	ISO 14001:2015		EMS Certificate valid until 2024			
	ISO 45001:2018		ISO 45001 Certificate valid until 2024			
	SMK3		OHS Management System valid until 2025			
	Others		ISPO Certificate with period 2018 to 2023			
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara	2014	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	Certified
			Lembah Subur Tengah	2014		
			Lembah Subur Selatan	2014		
			Lembah Subur Utara	2023 (9.74 Ha)		Uncertified
			Koperasi Petani Binasari	2022		
	Jangkang (PT Sahabat Mewah Makmur)	2009	Jangkang	2009	Belitung Timur District, Bangka Belitung Province, Indonesia	Certified
			Balok	2009		
			Ladang Jaya	2009		
			Sari Bunga	2009		
			Air Ruak	2009		
			Mitra Lestari Cooperative	2019		Certified
			Mitra Anugerah Cooperative	2019		Certified
			Sambar Jaya Makmur Cooperative	2019		Certified
			Lindong Raya Cooperative	2022		Certified
			Berhimpun Sejahtera Cooperative	2025		Uncertified
			Tiong Sejahtera Cooperative	2023		Certified
			Gunung Nyerudong Cooperative	2023		Certified
			Bumdes Balok	2023		Certified
			Binanga (PT ANJ Agri)	2012		Estate Wilayah Timur
	Estate Wilayah Tengah	2012				
	Estate Wilayah Barat	2012				
	ANJA estate	2023			Uncertified	
	KAL POM (PT. Kayung Agro Lestari)	2019	Sungai Gemilang Teduh 1 (SGT-1)	2019	Ketapang District, Kalimantan Barat Province, Indonesia	Certified
			Sungai Gemilang Teduh 2 (SGT-2)	2019		
			Gunung Sejahtera Tumbuh 2 (GST-2)	2019		
			Gunung Sejahtera Tumbuh 1 (GST-1)	2019		

			Koperasi Laman Mayang Sejahtera	2019		Certified
			Koperasi Bina Satong Lestari	2021		Certified
			Koperasi Lestari Abadi Bersama	2022		Certified
			PT Galempa Sejahtera Bersama	2027	Empat Lawang District, Sumatera Selatan Province, Indonesia	Uncertified
	PMP POM (PT PPM)	2021	PT Putera Manunggal Perkasa	2021	Sorong Selatan District, Papua Barat Province, Indonesia	Certified
			Koperasi Sukka Mandiri Bersama	2021		Certified
			PT. Permata Putera Mandiri	2021		Certified
			Koperasi Maju Bersama Sejahtera	2025		Uncertified
	*TBP is updated September 2022 and has been approved by RSPO.					
	1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Associated smallholder has been included in certification scope.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-4	<p>1. Satria Adi Putra (Lead Auditor Witnessing). Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, ISCC Auditor, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000. During the audit, he witnessing Lead Auditor.</p> <p>2. Afiffuddin (Lead Auditor Witnessed). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Lead Auditor ISPO in 2016, RSPO P&C Lead Auditor Course in 2018, RSPO Supply Chain Certification Lead Auditor Course in 2021, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. During this audit, he assigned to verify legal aspect, land dispute, SCCS, BMP and OHS aspects.</p> <p>3. Benli Manurung (Auditor). Bachelor of Agriculture Majoring in Soil Science. He has more than 4 years of experience as a plantation operations staff in a private oil palm plantation company in Indonesia. The training he has attended include: ISPO, RSPO, Lead auditor of ISO 9001: 2015; ISO 14001: 2015, Awareness SA 8000, IHT Health & Safety Aspect and Best Management Practice. Has participated in several audit activities since 2016 in the field of Best Management Practice, Health & Safety Aspect and Worker Welfare. During the audit, he verified worker welfare and social aspects.</p> <p>4. Erika Lucitawati (Auditor). Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, Awareness SA8000, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified environmental, GHG, and conservation aspects.</p> <p>5. Indra Abadi (Auditor Trainee). Indonesian citizens. Bachelor of Forestry from Bogor Agricultural Institute with Forest Management. Have groundcheck freelance experience at Geolancer. Participate in ISO 9001:2015 and 14001 Auditor training in 2022, Lead Auditor Training course 9001: 2015 in 2022. Curriculum vitae (CV) of the members and assessment team is available at the PT office. Mutuagung Lestari. In this audit activity, verification of aspects of Best Management Practices is carried out under supervised by Lead Auditor.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors: 3 Auditors and 1 Auditor trainee</p> <p>Number of days for ASA-4 at site: 5 days</p> <p>Number of working days for ASA-4 at site: 15 Working days</p>
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kayung Agro Lestari to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>

	<p>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.</p> <p>Improvement of findings from ASA-2 and 3 were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4</p> <p>The opening meeting was held on 11 September 2023. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Support Team from Medan and other staff. Closing meeting was held on 15 September 2023 attended by the same participants as the opening meeting. The management of PT Kayung Agro Lestari accept all the onsite ASA-4 audit results.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
ASA-3	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>KAL POM</p> <ul style="list-style-type: none"> • Workshops. Observations on OHS and Environmental management • Material Warehouse. Observations on OHS and Environmental management • Oil Warehouse. Observations on OHS and Environmental management • Chemical Warehouse. Observations on OHS and Environmental management • WTP. Observation of water management in PKS for both processing and domestic activities and flow meter conditions. • Empty Bunch Areas. Observations on OHS and Environmental management • Hazardous Waste warehouse. Observations on OHS and Environmental management • WWTP. Observations regarding the condition of the WWTP, there were no pipe leaks, and the digital flowmeter was functioning properly. • St. Sterilizer. Field observations related to BMP, OHS and Environmental aspects. • St. Boiler. Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment. • St. Engine Room. Field observations and interviews related to aspects of BMP, OHS, Manpower and the Environment. • Whorkshop Field observations related to BMP, OHS and Environmental aspects. • Security Observations and interview regrading work procedure, aspect of employment and OHS Aspect. • Sortation and Grading. Observations and interviews regarding work procedures, OHS aspects, and aspects of employment • Weighbridge Observation and interview related SCCS implementation and employment. • Hydrant No 02 Simulation. Observations related to readiness, preparedness and emergency response systems. <p>SGT-1</p> <ul style="list-style-type: none"> • Harvesting Division 1 Block B03. Observations and interviews related to aspects of BMP, OHS, and employment. • Chemical Spray Division 3 Block B33/B34. Observations and interviews related to aspects of BMP, OHS, and employment. • Barn Owl Box Division 2 Block B23. Observations and interviews related to aspects of BMP, OHS, and employment. • Rinse House Division 2. Observations related to BMP, OHS and Environmental aspects. • Fire Tower Division 2 Block B23. Observation of the condition of fire monitoring facilities and infrastructure. • Piezometer dan Subsidence Division 2 Block B23. Observations related to the management of peat areas. • HGU Pole No. KAL 080 and KAL 105. Observations related to the condition of the boundary markers and the suitability of the coordinate points.

- **HCV Malaka River Divisi 3 Blok B30-31.** Observations related to conservation area management.
- **Fire Tower Division 2 Block A9-10.** Observation of the condition of fire monitoring facilities and infrastructure.

GST-1

- **Harvesting Division 12 Block H36.** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Chemical Spray Division 12 Block G40 .** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Barn Owl Box Division 12 Block G41.** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Application composting Division 12 Block G37** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Fire Tower Division 12 Block G 43.** Observation of the condition of fire monitoring facilities and infrastructure.
- **Piezometer dan Subsidence Division 12 Block E28.** Observations related to the management of peat areas.
- **HGU Pole No. KAL 001, KAL 140, KAL 141 and KAL 142.** Observations related to the condition of the boundary markers and the suitability of the coordinate points.
- **HCV Area Kepayang River Block G44.** Observations related Observations related to conservation area management.
- **Clean Water/Drinking Water Depot.** Observation of clean water facilities and interviews with officers regarding the mechanism for distributing clean water/drinking water to employees
- **Emergency Response Infrastructure Warehouse.** Observations the condition and preparedness of land fire emergency response equipment
- **Online Hotspot/Fire Spot Monitoring Office.** Observations and interviews with officers regarding online monitoring of hotspots
- **Fuel and Oil Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Fertilizer Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Pesticide mixing area.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Rinse House and PPE storage.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Landfill Area Block G22.** Observation of domestic waste management.

SGT-2

- **Harvesting Division 5 Block B49/50.** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Chemical Spray Division 4 Block C38 .** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Barn Owl Box Division 6 Block B54.** Observations and interviews related to aspects of BMP, OHS, and employment..
- **Piezometer dan Subsidence Division 6 Block B 55.** Observations related to the management of peat areas.
- **Fertilizer Division 4 Block C40** Observations and interviews related to aspects of BMP, OHS, and employment.
- **HGU Pole No. KAL 036, KAL 037, KAL 038 and KAL 039.** Observations related to the condition of the boundary markers and the suitability of the coordinate points.
- **HCV Area Satong Kiri River Block A34.** Observations related Observations related to conservation area management.

GST-2

- **Harvesting Division 13 Block F45.** Observations and interviews related to aspects of BMP, OHS, and employment.

- **Chemical Spray Division 13 Block E46** . Observations and interviews related to aspects of BMP, OHS, and employment.
- **Fertilizer Division 13 Block E45** Observations and interviews related to aspects of BMP, OHS, and employment.
- **Barn Owl Box Division 13 Block E47**. Observations and interviews related to aspects of BMP, OHS, and employment.
- **Piezometer dan Subsidence Division 13 Block F 47**. Observations related to the management of peat areas.
- **Land application Division 13 Block F 44** Observations related to the management of land application areas.
- **HCV 2330 (Peat swamp) Division 15**. Observations regarding management of water body areas and HCV attributes.
- **HGU Pole No. KAL 13, Block E64 Division 15**. Observation of the boundary conditions and the position of the company's legal boundaries.
- **HGU Pole No. KAL 14, , Block D65 Division 15**. Observation of the boundary conditions and the position of the company's legal boundaries.
- **HGU Pole No. KAL 15 at KCV 2330**. Observation of the boundary conditions and the position of the company's legal boundaries.
- **Harvesting, Block F15 Division 15**. Field observations and interviews related to technical work, OHS aspects, employment, social, and environment.
- **Fire watch tower**. Observation of tower conditions, and OHS aspects
- **Housing complex for all employees**. Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, and electricity facilities.
- **Clinic**. Observations and interviews with officers regarding the condition of health facilities, OHS, and medical waste management.
- **Daycare**. Observations and interviews with workers related to labor and OHS aspects.
- **Employee cooperative (grocery store)**. Observation of types of basic necessities, interviews with officers regarding employment and shopping mechanisms by employees

Mitra Estate

MLMS

- **HGU Pole No. PL KAL 037, PL KAL 38, and PL KAL 39**. Observations related to the condition of the boundary markers and the suitability of the coordinate points.
- **HCV Area Kepadang River Block H16**. Observations related Observations related to conservation area management.

MLAB

- **HGU Pole No. PL KAL 001 and PL KAL 008**. Observations related to the condition of the boundary markers and the suitability of the coordinate points.
- **HCV Area Satong Kiri River Block A34**. Observations related Observations related to conservation area management.

LMS:

- **Harvesting, Block I26 Division 9**. Field observations and interviews related to technical work, OHS aspects, employment, social, and environment.
- **Manuring, Block I25 Division 9**. Field observations and interviews related to technical work, OHS aspects, employment, social, and environment.
- **Circle and Path Spraying, Block H19 Division 9**. Field observations and interviews related to technical work, OHS aspects, employment, social, and environment.

BSL:

- **Harvesting, Block K6**. Field observations and interviews related to technical work, OHS aspects, employment, social, and environment.
- **HGU Pole No. KAL 026 Block K05**. Observations related to the condition of the boundary markers and the suitability of the coordinate points.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process Consultation of stakeholders for PT Kayung Agro Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on MUTU website on 28 August 2023 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch 05 September 2023 • Public consultation meeting with government institution of Ketapang Regency (Land Agency, Plantation Agency, Environmental Agency & Manpower Agency) 11 September 2023 • Public consultation meeting with surrounding community (Laman Satong Village, Kuala Tolak Village & Kuala Satong Village) on 13 & 15 September 2023 • Public consultation meeting with internal stakeholders and contractor 13 September 2023 <p>Numbers of input from stakeholders were clarified by PT Kayung Agro Lestari</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-4) will be conducted eight (8) months to twelve (12) months after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of KAL POM – PT Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri operation consisting of one (1) mill, four (4) oil palm estates and Mitra Estate (2,532 smallholders).

During the assessment, there were two (2) non-conformities were assigned against Major Compliance Indicators, one (1) non-conformity were assigned against Minor Compliance Indicators; and one (1) opportunity for improvement were identified.

MUTUAGUNG LESTARI found that KAL POM – PT Kayung Agro Lestari subsidiary of PT Austindo Nusantara Jaya Agri complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed on 12 November 2020.**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY	
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>Unit of Certification has a SOP for communicating and providing information that is approved and signed by the External Affairs Director, with document no. SOP-Leg-02 revision 01 and has been in effect since April 1, 2013. Based on this SOP, it has been explained that communication and information sharing is divided into 2 as follows:</p> <ul style="list-style-type: none"> • Internal communication and information sharing • External communication and information sharing <p>The SOP explains the types of information that may be accessed/provided in general and information that is confidential and requires approval from company management. The SOP also explains the person responsible for providing information both internally and externally, namely the Human Resources Officer or External Affairs Officer. The documents that can be accessed by the public are documents with general categories and with approval from management such as AMDAL, Employee data, accidents, Social Security, Land Application permits, Policies, HCV Documents, HGU Documents, Procedures, CSR, HIRAC, etc.</p> <p>Based on interviews with stakeholder representatives (surrounding villages and related agencies such as the National Land Agency, Environmental Agency, Manpower and Plantation Agency of Ketapang District), it is known that stakeholders already know the type of information that can be accessed by the public at PT Kayung Agro Lestari.</p>
1.1.2	<p>Unit of certification has also reported several mandatory reports on environmental aspects, for example:</p> <p>Environmental Aspects</p> <ul style="list-style-type: none"> • Report of Environmental Management and Monitoring Plan Second Semester 2022 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 24 January 2023. • Report of Environmental Management and Monitoring Plan First Semester 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 27 July 2023. • Report of POME Management for period of May 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 21 June 2023.

- Report of POME Management for period of June 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 27 July 2023.
- Report of POME Management for period of July 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 05 September 2023.
- Report of Hazardous and Toxic Waste First Quarter 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency, Environmental Agency of Kalimantan Barat Province, and Ministry of Environment and Forestry on 18 April 2023.
- Report of Hazardous and Toxic Waste Second Quarter 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency, Environmental Agency of Kalimantan Barat Province, and Ministry of Environment and Forestry on 27 July 2023.

Compliance with manpower Regulation:

- Mandatory Reporting of Workers reported online on December 08 2022 with reporting number 78813.20221208.0001
- Registration of contract workers (PKWT) on February 06, 2023 at the Manpower Agency Ketapang Regency.

BMP Aspect

- Reporting on system preparedness, infrastructure for controlling forest, land and plantation fires for the 1st semester of 2023 on July 10 2023 to the District Agriculture, Livestock and Plantation Service. Ketapang, Regional Secretariat of Ketapang Regency etc
- Progress report on the implementation of PT Kayung Agro Lestari Quarter II plantation permit activities for the period April – June 2023 on July 24 2023 to the District Agriculture, Animal Husbandry and Plantation Service. Ketapang, Regional Secretariat of Ketapang Regency etc

OHS Aspect

The company carried out P2K3 reporting for the period January – June 2023 Quarter II which was reported to the Manpower and Transmigration Service on July 27 2023.

Legal Aspect

The report has been submitted in the appropriate language, namely Bahasa.

1.1.3

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

- Request for information according to letter number 02/PANPEM/Set/V/2023 dated 04 May 2023 which was responded to on 04 July 2023.
- Request for information dated 02 July 2023 from Dewan Adat Dayak of Ketapang Regency which was responded to on 10 July 2023.

1.1.4

The company shows the SOP document for communication and providing information with No. SOP-Leg-02 has been in effect since July 1 2015. Based on this SOP, it has been explained that communication and providing information is divided into 2, namely internal and external communication and providing information. Communication and providing company information with external parties is carried out by providing company policies clearly displayed in public areas, and written information through brochures and posters. The SOP also explains the following:

- If there is a proposal / request for information on company participation obtained from external parties, the external relations officer within 3 days of receiving the proposal must be followed up by submitting the information to the general manager and external relations manager in charge of each region.
- Within no later than 3 months after submitting information from external parties to management and have not received a response, external relations will directly state that the company's proposal/application for participation is rejected by the company.

- External relations officer is responsible for communicating to external parties regarding the acceptance and/or rejection of the company's participation both verbally and in writing, as well as updating the status in the communication logbook and providing external information.

Based on the results of interviews with contractor, gender committee and manpower agency, it is known that the company has conducted socialization related to SOPs for communication and providing information.

1.1.5

Unit of Certification has shown the PT Kayung Agro Lestari Stakeholder Register document updated in September 2023. Based on the document, there are 145 stakeholders related to PT Kayung Agro Lestari which include government stakeholders (province, district, sub-district and village), the authorities (TNI/POLRI), the customary council, partner cooperatives, village organizations, corporations, mass media and NGOs, internal stakeholders, contractors including Hazardous waste contractors and FFB suppliers. The stakeholder register explains the name, agency/position, location, category and contact person number.

Based on the stakeholder list document, it is known that these contacts can be contacted through interviews with representatives of internal and external stakeholders, for example, interviews with the Environmental Agency and manpower agency of Ketapang Regency.

Status: Comply

1.2

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

1.2.1

Unit of Certification has a policy related to the code of ethics and business conduct as stated in the document "ANJ's code of ethics and business conduct" January 1, 2014. The document states that the company upholds the values of integrity, respect for fellow human beings, and the environment as well as continuous improvement. It is also stated that the company builds trust and a good reputation towards and for stakeholders by referring to the principles of transparency, accountability, objectivity and fairness, all of which are the embodiment of the company's code of business conduct.

UoC's code of ethics had been socialized to the workers, smallholder workers and contractors, for example as follows:

- Socialization code of conduct on June 20 2023 in division 14 which was attended by 78 participants
- Socialization code of conduct on August 23 2023 to new employees, which was attended by 14 participants.

The results of interviews with workers, contractors and interviews with village community representatives (Kuala Tolak Village, Kuala Satong Village and Sungai Awan Kanan Village) obtained information that the company had conducted socialization regarding the code of ethics policy.

1.2.2

Unit of Certification has several systems in place to monitor compliance and the implementation of ethical business policies and practices, namely:

- Through the mechanism of the Whistle Blowing System (WBS). In the system it is stated "if you see, know or experience a violation of business ethics, immediately report it to us". This system guarantees that the identity of the giver of information will be kept confidential. Reports of violations of the code of ethics can be made via email and telephone.
- Through internal audits which are conducted regularly every year.

The comprehensive system for monitoring compliance and implementation of ethical business policies and practices was carried out through the internal audit. UoC also showed the mechanism in implementing UoC's policy as stated on the agreement that the parties have to be fulfil the existing regulation such as do not employ any child labor, prohibit any corruptions and frauds, and disallowance of forced labor.

Based on the interviews with workers in mill and estate, they worked in the company wasn't through any agent or labor supplier and there were no any fees during recruitment.

The results of interviews with stakeholders such as workers and contractors, obtained information that the company has provided socialization related to the company's ethical policies.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

Compliance with Environmental Regulation

- Ketapang Regent Decree Number 466/DPMPTSP-D/2020, dated December 14, 2020, regarding Environmental Permits for Plantation Activities and Palm Oil Processing Factory by PT Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency, land area 16,620 Ha with POM processing capacity of 90 tons of FFB/Hour, this permit will simultaneously revoke:
- Decree of the Regent of Ketapang Number 577/DPMPTSP-D/2019 dated November 08, 2019, regarding Environmental Feasibility Permits for Plantation Activities and Palm Oil Processing Mills by PT. Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency.
- Decree of the Regent of Ketapang Number 576/DPMPTSP-D/2019 dated November 08, 2019 concerning Environmental Feasibility of Plantation Activities and Palm Oil Processing Mill by PT. Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency
- Decree of the Regent of Ketapang Number 465/DPTMPTS-D/2020 dated December 14, 2020 concerning Environmental Feasibility of Plantation Activities and Palm Oil Processing Mills by PT. Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency. The area is 16,620 Ha with a capacity of 90 tons of FFB/hour.
- Announcement Number 660.1/866/DPMPTSP-D/2020 dated December 14, 20210 regarding Issuance of Environmental Permit Number 466/DPMPTSP-D/2020, dated December 14, 2020, regarding Environmental Permit for Plantation Activities and Palm Oil Processing Mill by PT Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency.
- Permit for temporary storage of hazardous waste as stated in Letter of Statement of Fulfillment of PT Kayung Agro Lestari's Commitments issued by Investment and One-Stop Integrated Services Agency of Ketapang Regency number 660.1/181/DPMPTSP-D/2020 which was set on the date of 18 June 2020.
- Water use permit as stipulated in Decree of Head of Investment and One-Stop Integrated Services Agency of Kalimantan Barat Province Number 503/07/SDA/DPMPTSP-C.I/2021 concerning Granting of Water Resources Concession Permit to PT Kayung Agro Lestari in Ketapang Regency, Kalimantan Barat Province. The maximum recommended water discharge is 90,000 m³/month.

Based on verification result of OFI on ASA-3, unit of certification has shown Letter No. B/1769/PERKIMLH-E.660/X/2022 on 07 October 2022 from Public Housing, Settlement Areas and Environment Agency of Ketapang Regency regarding land application direction which informs that PT Kayung Agro Lestari's POME utilization permit does not need to be extended and is declared still valid as long as it meets the provisions stated in Ketapang Regent Decree Number: 399/PERKIMLH-C/2017 concerning Permit for Utilization of Wastewater for Application to Land for PT Kayung Agro Lestari Oil Palm Plantation covering an area of 326.09 ha which is located in Matan Hilir Utara District, Regency Ketapang on July 25, 2017.

Compliance with manpower Regulation:

- Mandatory Reporting of Workers reported online on Dcember 08 2022 with reporting number 78813.20221208.0001
- Registration of contract workers (PKWT) on February 06, 2023 at the Manpower Agency Ketapang Regency.

BMP Aspect

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:

- Do not use the burning method in the land clearing process
- The company uses certified seeds
- The company implements integrated pest management, biological control and only uses pesticides that are registered on the pesticide government website.

OHS Aspect

The company has generally complied with K3 regulations, including:

- Have a P2K3 and emergency response organizational structure that has been approved by the West Kalimantan Provincial Manpower Service, has a P2K3 program, organizes Occupational Health and Safety training programs, quarterly P2K3 reports, has related procedures for Health, Security and the environment (OHS) and Emergency Response, etc.
- Providing Personal Protective Equipment (PPE) from the company for all workers and regulating the use of PPE according to the type of work based on the HIRAC that has been determined. Providing PPE from the company for all workers and regulating the use of PPE according to the type of work based on the determined HIRAC.
- Carry out general health checks (Medical Check Up) every year for all workers and special checks according to the level of risk/danger in certain jobs.
- Have permission/competence for several special jobs that require more expertise such as K3 experts, hyperkes, boiler operators, diesel engine operators, welders, wheel loader operators and others in accordance with the requirements stated in statutory regulations.
- Providing insurance and social security facilities for all workers.
- Conduct internal audits of the Occupational Health & Safety Management System

For the Partnership Scope, it has also complied with statutory regulations for each aspect, including:

- Providing insurance and social security facilities for all workers.
- Carry out general health checks (Medical Check Up) every year for all workers and special checks according to the level of risk/danger in certain jobs.
- Providing Personal Protective Equipment (PPE) from the company for all workers and regulating the use of PPE according to the type of work based on the HIRAC that has been determined. Providing PPE from the company for all workers and regulating the use of PPE according to the type of work based on the determined HIRAC.
- Do not use the burning method in the land clearing process
- Uses certified seeds
- Implements integrated pest management, biological control and only uses pesticides that are registered on the pesticide government website.
- Etc.

2.1.2

Unit of Certification already has documents related to the list of laws and regulations of PT Kayung Agro Lestari Year 2023 which will come into effect on March 03, 2023 with the following description:

- Company Aspect
- Aspects of Land and Plantation Permits
- Environmental Aspects
- Environmental Documents and Environmental Permits
- Protection and management of the environment
- Thresholds and Quality Standards
- Hazardous Waste Management
- Domestic waste management
- Use of wood
- Administration of timber forest products
- Use of forest area outside HGU
- Forest and Land Fires
- Employment Aspect
- Aspects of taxation
- Occupational Health and Safety Aspects

The last regulatory compliance internal audit was carried out on 08 – 19 May 2023 which was carried out together with the RSPO/ISPO Internal audit where 15 non-conformities were found.

The unit of certification also conducts work evaluations for contractors in the company's operational area regarding compliance with applicable laws and regulations in Indonesia, as described in indicator 2.2.2.

2.1.3

The company has procedures for monitoring and maintaining HGU boundary markers as stated in *Instruksi Kerja Perawatan Patok BPN*, document number IK-SOP Leg 001 – 001, Revision 1, effective from January 1 2019. Based on these work instructions, maintenance and checking of stakes is carried out every 6 months.

The company can show a map of the location and coordinates where the HGU boundary markers are placed, obtained from BPN. The company also shows documents monitoring HGU poles which will be carried out in 2023. The pole maintenance report has provided complete information regarding pole number, plan and realization of pole maintenance, pole location, pole coordinates, and photo documentation of pole condition. In the monitoring report, it is known that all HGU stakes are well maintained.

Field observations of several samples of HGU boundary markers at SGT-1 Estate (Pole KAL 080 and 105), GST-1 Estate (Pole KAL 001, 140, 141 and 142), SGT-2 Estate (Pole KAL 036, 037, 038 and 039), GST-2 Estate (Pole KAL 13, 14 and 15), MLMS (Pole KAL 037, 038 and 39), MLAB (Pole KAL 001 and 008) and BSL (Pole HGU 026), show that the HGU boundary markers sampled are available in the field and are in well-maintained condition. Verification using GPS shows that the coordinates of the HGU pole location are in accordance with the HGU certificate.

Status: Comply

2.2

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

2.2.1; 2.2.2

The company has an IM from the HR Director and CM of ANJ Group number 015/ANJT/HRCM/IM/IX/2022 dated September 22 2022, concerning Outsourcing Provisions. In point 10, it is stated that the HRO is obliged to supervise outsourcing in collaboration with companies regarding compliance with applicable labor norms, including:

- Company contracts with outsourcing companies
- The outsourcing company's contract with the employee
- Outsourcing company employee pay slips
- Proof of membership in *BPJS Kesehatan* and *BPJS Ketenagakerjaan*

Based on the results of a review of the list of contractors as of September 2023, it is known that there are 11 contractors and 3 FFB suppliers and 1 CPO/PK transporter. Then the results of the verification of several samples of contractors and suppliers obtained information on the fulfillment of relevant legal obligations by contractors/suppliers/transporters as follows:

1. PT Manjau Agro Abadi (Maintenance and Harvest contractor)

- Contract number 004SPKB/03/0423 dated 21 March 2023 between PT KAL and PT MAA regarding the provision of harvest services at PT KAL which is valid until 20 April 2023.
- The list of employees as of September 2023 is 30 people
- The list of BPJS TK participants as of September 2023 is 22 participants
- The list of BPJS Health participants as of September 2023 is 7 participants
- Contract Monitoring Checklist for all employees (30 people), for example the casual daily worker contract dated 02 January 2023 in the name of Noviani (broker quote)
- Proof of payment of workers' wages, for example proof of payment of wages for the period August 2023 in the name of Noviani amounting to IDR 3,219,890
- Contractor evaluation documents as of August 2023 with notes that BPJS Health is still in progress

Based the explanation above, company cannot be shown sufficient evidence that all employees have been included in the *BPJS Ketenagakerjaan* and *BPJS Kesehatan* programs. In additions, company cannot be shown that the contract is still valid between PT KAL and PT MAA.

2. CV Abadi Loc Jaya (Transporter CPO/PK)

- Contract number 1204/PK/SC/2022 dated 26 December 2022 between PT KAL and CV Abadi Loc Jaya regarding Transporter Kernel which is valid until 31 December 2023.
- Contract number 1203/CPO/SC/2022 dated 26 December 2022 between PT KAL and CV Abadi Loc Jaya regarding CPO Transporter which is valid until 31 December 2023.

However, sufficient evidence cannot be shown regarding compliance with other regulations such as: Driver's License, Proof of *BPJS Ketenagakerjaan* *BPJS Kesehatan* participant, Proof of payment of workers' wages, list of employees and CV ALJ contracts with workers.

3. PT Sinar Karya Mandiri (Supplier TBS)

- Contract number 1017/COM/KAL/2022 dated 26 December 2022 between PT KAL and PT Sinar Karya Mandiri regarding FFB suppliers which is valid until 31 December 2024
 - List of 5 drivers/employees
 - BPJS Employment participant number for 5 people, for example in the name of Rupan with *BPJS Ketenagakerjaan* number 17042800148
 - Proof of payment of workers' wages for the period August 2023, for example on behalf Amirullah with wages amounting to IDR 5,280,404
 - Driving license available, for example number 930410201101 on behalf Achmad Sarif which is valid until April 14 2024
- However, sufficient evidence cannot be shown regarding compliance with other regulations, such as: proof of *BPJS Kesehatan* membership and PT SKM contracts with workers.

Based on the explanation above, the company has not been able to show sufficient evidence that all contractors have fulfilled their obligations to comply with relevant regulations, including those related to employment relations, employee lists, OHS aspects and membership of *BPJS Ketenagakerjaan* *BPJS Kesehatan*. **This raised to be Nonconformity 2023.01.**

2.2.3

The company provides contractor, for example contract number 1203/CPO/SC/2022 dated 26 December 2022 between PT KAL and CV Abadi Loc Jaya regarding CPO Transporter which is valid until 31 December 2023. The contract explains the rights and obligations of both parties such as the route and number of CPO tanks, payment of taxes, prohibition of employment of minors under 18 years of age, prohibited from bringing children, no may be involved in human trafficking and forced labor as well as immoral acts, alcohol, drugs, sanctions, OHS and dispute resolution.

2.2.2	Status: Nonconformity 2023.01 with Minor Category
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2.3

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

2.3.1

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

Direct Supplier

- PT Sinar Karya Mandiri
- Scheme Smallholders

Indirect supplier / middle man

- CV Cahaya Sejati
- CV Abadi Log Jaya
- CV Desi Cahaya Mandiri
- *Koperasi Produsen Serba Usaha* Gunung Tunggal

Related to traceability of origin of FFB, unit of certification can present requirements of directly sourced FFB as follows the Information on geo-location of FFB origins and Proof of the ownership status or the right/claim to the land by the grower. For example for PT SKM the mill can present maps of PT SKM including forest status and related the proof of land ownership can be shown the Decree from Ministry of Agraria and Land Spatial/Head of National Land Agency number 29/HGU/KEM-ATR/BPN/2015 regarding Granting of Land to Cultivate on behalf of PT Sinar Karya Mandiri for Land in Ketapang Regency, Province of Kalimantan Barat, Business Identification Number B120111041872 dated 17 October 2018 and Taxpayer Registration Number 01.406.565.0-

703.000. Especially for partners at the ASA-3 stage this time, all partners consisting of 3 cooperatives have entered the scope of certification.

2.3.2

Unit of certification has a list of indirect suppliers (middleman), where during the audit there were 4 indirect suppliers who were still actively sending FFB to unit of certification, namely CV Cahaya Sejati, CV Abadi Log Jaya, CV Desi Cahaya Mandiri and *Koperasi Produsen Serba Usaha* Gunung Tunggal. Unit of certification can show documentation of FFB source traceability data from CV Abadi Log Jaya including the name of the landowner, area, year of planting, location, legality of land ownership, location, type of land and other supporting information. As an example of FFB location data from CV Abadi Log Jaya is showed below:

- CV Abadi Log Jaya initial ASP with code KT0100001 with APL status, the type of SKT legality is located at coordinates X 297783 Y 9839118
- CV Abadi Log Jaya initial MI with code MM10100036 with APL status, the type of SKT legality is located at coordinates X 389913 Y 9887716

Based on document verification, all indirect suppliers has been identified, and the total land identified is reasonable compare to average FFB amount supplied to Mill.

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.

The company shows the long-term plans contained in the projection document for PT Kayung Agro Lestari for 2023-2027 as follows:

Projection	Unit	2023	2024	2025	2026	2027
<i>FFB Production</i>						
<i>Own Estate</i>	Ton	216,625	231,280	256,470	259,940	260,483
<i>Purchase External</i>	FFB Ton	131,780	145,647	156,831	162,991	167,564
<i>Extraction Rate</i>						
<i>OER Own Estate</i>	%	22,5	22,5	22,5	22,5	22,5
<i>OER External</i>	%	19,7	20,7	20,7	20,7	20,7
<i>KER Own Estate</i>	%	3,2	3,5	3,5	3,5	3,5
<i>KER External</i>	%	3,4	3,2	3,2	3,2	3,2
<i>CPO Production</i>	Ton	75,997	82,156	90,123	92,191	93,259
<i>Kernel Production</i>	Ton	11,795	12,750	13,989	14,308	14,473

Thus, it can be concluded that the company has a documented time management plan.

3.1.2

Based on the results of the study of area statement documents, it was informed that the oldest planting year was 2010 and up to the company's ASA-4 assessment activities there had been no plants that had entered replanting age for the next 5 years.

3.1.3

The company shows recordings of management review activities, which were carried out on May 20, 2023, which were attended by 32 participants. The things evaluated include: internal audit findings, communication results from external parties, performance of the company's management system, follow-up to previous management reviews, changes in both operational and system

conditions and recommendations for improvement, and needs regarding matters directly related to sustainability in their respective work environments.

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

Environmental Aspects

- Report of Environmental Management and Monitoring Plan Second Semester 2022 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 24 January 2023.
- Report of Environmental Management and Monitoring Plan First Semester 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 27 July 2023.
- Report of POME Management for period of May 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 21 June 2023.
- Report of POME Management for period of June 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 27 July 2023.
- Report of POME Management for period of July 2023 which was received at Public Housing for Settlement and Environment Agency of Ketapang Regency on 05 September 2023.
- Report of Hazardous and Toxic Waste First Quarter 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency, Environmental Agency of Kalimantan Barat Province, and Ministry of Environment and Forestry on 18 April 2023.
- Report of Hazardous and Toxic Waste Second Quarter 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency, Environmental Agency of Kalimantan Barat Province, and Ministry of Environment and Forestry on 27 July 2023.

Compliance with manpower Regulation:

- Mandatory Reporting of Workers reported online on December 08 2022 with reporting number 78813.20221208.0001
- Registration of contract workers (PKWT) on February 06, 2023 at the Manpower Agency Ketapang Regency.

BMP Aspect

- Reporting on system preparedness, infrastructure for controlling forest, land and plantation fires for the 1st semester of 2023 on July 10 2023 to the District Agriculture, Livestock and Plantation Service. Ketapang, Regional Secretariat of Ketapang Regency etc
- Progress report on the implementation of PT Kayung Agro Lestari Quarter II plantation permit activities for the period April – June 2023 on July 24 2023 to the District Agriculture, Animal Husbandry and Plantation Service. Ketapang, Regional Secretariat of Ketapang Regency etc

OHS Aspect

The company carried out P2K3 reporting for the period January – June 2023 Quarter II which was reported to the Manpower and Transmigration Service on July 27 2023.

In additions, company also conducted internal audit RSPO period of 2023 which was carried out on 08 - 19 May 2023 with the results of 14 non-conformities in categories 4 critical and 10 non-critical as well as several observation findings.

3.2.2

Based on document verification, for The RSPO metric template known annual data 12-month periods use (January to December 2022) for schedule reporting annual data peat area, pesticide usage, average LTIFR (Lost Time Injury Frequency Rate) and fresh water usage.

Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The data presented can be ascertained in accordance with the existing raw data. The summary in the report, for example, is as follows:

Name of RSPO Member	:	PT Austindo Nusantara Jaya Agri
RSPO Membership Number	:	1-0032-07-000-00
Name of Certified Unit	:	PT Kayung Agro Lestari
Name of Certification Body	:	Mutuagung Lestari
RSPO PalmTrace ID Number	:	RSPO_PO1000006366
Number of Mills	:	1
Number of Estates	:	5
Production Area (ha) - Estate	:	11386
Certified Area (ha) - Estate	:	13905
High Conservation Value (HCV) Area (ha)	:	1123
Peatlands - Planted (ha)	:	5886
Freshwater Usage per PO produced tonne	:	397.573 M ³

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Unit of Certification has procedures for all activities in Mill and Estate, such as:

- Procedure No. SOP-AGR-03 issue 01 dated August 1, 2013 regarding Land Clearing with Zero Burning.
- Procedure No. SOP-AGR-05 edition 01 dated August 1, 2013 regarding soil and water conservation.
- Procedure No. SOP-AGR-07 dated 01 August 2013 regarding oil palm nurseries
- Procedure No. SOP-AGR-09 (Rev. 04) dated 01 April 2016 regarding planting on mineral lands.
- Procedure No. SOP-AGR-04 dated 01 August 2013 regarding planting on peatlands.
- Procedure No. SOP-AGR-06 dated 01 August 2013 regarding marginal land management.
- procedure no. SOP-AGR-08 dated August 1, 2013 regarding planting nuts.
- Procedure No. SOP-AGR-11 dated August 1, 2013 regarding fertilizers and fertilization.
- Procedure No. SOP-AGR-12 dated August 1, 2013 regarding Immature and LCC fertilization.
- Procedure No. SOP-AGR-13 dated August 1, 2013 regarding principal payments.
- Procedure No. SOP-AGR-14 dated August 1, 2013 regarding the census and identification of principals.
- Procedure No. SOP-AGR-17 dated 01 August 2013 regarding weed control.
- Procedure No. SOP-AGR-20 dated 01 April 2016 regarding integrated pest control.
- Procedure No. SOP-AGR-21 dated August 1, 2013 regarding controlling mice with owls.
- Procedure No. SOP-AGR-24 dated 01 August 2013 regarding controlling rats with Rat Bait.
- Procedure No. SOP-AGR-26 dated August 1, 2013 regarding soil analysis.
- Procedure No. SOP-AGR-27 dated August 1, 2013 regarding termite control.
- Work Instruction No. IK-SOP-AGR-011-01 dated March 1, 2016 regarding compost.
- Work Instruction No. IK-SOP-AGR-011-07 dated 01 March 2016 regarding the application of compost.
- SOP for Pesticides and their Management No. SOP-AGR-18 (1st Edition Revision 0) effective August 1, 2013.
- Document No. ST 01/ ENG-STR June 2011 regarding FFB Reception Station.
- Document No. ST 02/ ENG-STR June 2011 regarding Sterilizer Station.
- Document No. ST 03/ ENG-STR June 2011 regarding Threshing Station.
- Document No. ST 04/ ENG-STR June 2011 regarding Pressing Stations.
- Document No. ST 05/ ENG-STR June 2011 regarding Depericarper Station.
- Document No. ST 06/ ENG-STR June 2011 regarding Kernel Station.
- Document No. ST 07/ ENG-STR June 2011 regarding Clarification Station Part 1.
- Document No. ST 08/ ENG-STR June 2011 regarding Boiler Station.
- Document No. ST 09/ ENG-STR June 2011 regarding Power Stations.
- Document No. ST 10/ ENG-STR June 2011 regarding Water Treatment.
- Document No. ST 11/ ENG-STR June 2011 regarding Boiler Water Management.
- Document No. ST 12/ ENG-STR June 2011 regarding Waste Treatment.

- Document No. ST 13/ ENG-STR June 2011 regarding Grading.
- Document No. ST 14/ ENG-STR June 2011 regarding Palm Oil Shipments.
- Document No. ST 15/ ENG-STR June 2011 regarding Factory Inventory System.
- Document No. ST 16/ ENG-STR June 2011 regarding CPO Stock Sounding Procedure.
- Document No. ST 17/ ENG-STR June 2011 regarding Palm Kernel Stock Procedure.
- Document No. ST 18/ ENG-STR June 2011 regarding Factory Security System.
- Document No. ST 19/ ENG-STR June 2011 concerning Washing of Oil Storage Tanks.

The results of interviews with Mill workers, for example, St. Sterilizer as well as Estate workers for example harvesting activities, it is known that workers already have an understanding and can briefly explain work procedures in their respective work areas.

3.3.2

The certification unit has a procedure for management review that ensures the consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. One of them is contained in the document Standard Operating Procedure Internal Audit System Management No. SOP-SCD-03 dated 27 November 2017.

3.3.3

The company shows recordings of management review activities, which were carried out on May 20, 2023, which were attended by 32 participants. The things evaluated include: internal audit findings, communication results from external parties, performance of the company's management system, follow-up to previous management reviews, changes in both operational and system conditions and recommendations for improvement, and needs regarding matters directly related to sustainability in their respective work environments.

The company also showed the RSPO PT Kayung Agro Lestari internal audit report for the 2023 period which was carried out on 08 – 19 May 2023 with the results of 14 non-conformities in categories 4 critical and 10 non-critical as well as several observations. The company has also carried out follow-up actions regarding non-conformities, for example following up on the results of health checks, periodic health checks were carried out on both mill employees on 29-31 May 2023. This was fulfilled on 17 July 2023.

Status: Comply

3.4

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

3.4.1

Unit of certification already has a social and environmental impact assessment document with the following description:

Social Impact Assessment

SIA final report document in the area of PT Kayung Agro Lestari Ketapang Regency – West Kalimantan compiled by PT Kayung Agro Lestari with the Faculty of Forestry IPB Bogor in 2013. The following are conclusions and recommendations based on results of the study:

- The strategic issues recorded in this study are
 - There is a conflict in the community of Kuala Tolak Village regarding compensation for Derasah land
 - There is land from the Laman Satong village community which is included in the PT KAL permit area but has been compensated by the mining company
 - There is a global land of the Kuala Satong Village community that has not been compensated by PT KAL (already completed)
 - Reduced availability of ground water in Laman Satong Village
 - There are indications of water pollution of the Siduk River
 - Air pollution (dust) in the dry season
 - Etc
- Social/CSR activities that have been carried out by PT Kayung Agro Lestari are infrastructure development activities, education, religion, health, assistance for national holidays, and other temporal activities.
- Positive impacts felt by the community include the availability of job opportunities, assistance in the religious field, assistance in education, assistance in the social sector, easier accessibility, increased land value and growing villages (community welfare).

- The negative impacts felt by the community are an increase in the volume of floods, cloudy river water especially in the rainy season, reduced ground water and air pollution (dust) in the dry season.
- Based on the existing strategic issues, the identified main stakeholders are classified as direct primary stakeholders, namely stakeholders who are at unit of certification's internal level (plantation management) and local level (village government and land-owning communities).
- Etc

Unit of certification also has recommendations from the social impact assessment, namely:

- Corporate CSR programs, both at the planning and implementation scale, need to first study and consider unit of certification's financial capabilities.
- CSR programs that have been prepared need to be communicated and synergized with plans for developing social programs for local government levels at both the district and provincial levels so that these programs can support each other.
- Periodic socialization, counseling and communication must be carried out to minimize negative perceptions of unit of certification.

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

Environmental Aspect

Unit of certification has obtained the following environmental permits:

- Ketapang Regent Decree Number 466/DPMPTSP-D/2020, dated December 14, 2020, regarding Environmental Permits for Plantation Activities and Palm Oil Processing Factory by PT Kayung Agro Lestari in Matan Hilir Utara District, Ketapang Regency, land area 16,620 Ha with POM processing capacity of 90 tons of FFB/Hour, this permit will simultaneously revoke:
- Ketapang Regent Decree Number 466/DPMPTSP-D/2020 concerning Environmental Permits for Palm Oil Plantation and Processing Mill Activities by PT Kayung Agro Lestari in Hilir Utara District, Ketapang Regency with a land area of 16,620 Ha and Mill Capacity of 90 Tons FFB/Hour which was set on 14 December 2020.
- Document Addendum *Andal and RKL – RPL* type C (Construction of Embankments and Reservoirs, Construction of Pump Houses and Facilities, Construction of Access Roads, Maintenance of Canals and Construction of Stop bunds) for Plantation Activities and Oil Palm Processing Factory PT Kayung Agro Lestari) with an area of Plantation Business Permit: 16,620 Ha with Palm Oil Processing Factory; 90 Ton FFB/Hour.

The impacts of activities managed for the operation phase consist of employment and business opportunities, increased community income, decreased surface water quality, potential for land fires, disease patterns, decreased air quality, increased noise, decreased air quality and emissions, decreased surface quality, changes in public attitudes and perceptions, occupational health and safety, potential for inundation and flooding.

Based on document of Report of Environmental Management and Monitoring Plan First Semester 2023, there is a matrix consisting of several components that must be managed and monitored. Based on the results of verification and comparison with the Report of Environmental Management and Monitoring Plan First Semester 2023, unit of certification has managed and monitored all components requested in the matrix. The results of the review of document of Report of Environmental Management and Monitoring Plan First Semester 2023 also show that unit of certification has prepared a report document in accordance with Ministry of Environment Decree No.45 of 2005 concerning guidelines for writing environmental management and monitoring report. The forms of evaluation carried out by unit of certification include Evaluation of Trends, Critical Levels and Compliance which are discussed for each aspect that is managed. The scope of the study in the document is also in accordance with the scope of all operational activities, namely oil palm plantations covering an area of 16,620 hectares and milling capacity of 90 tons of FFB/hour.

Unit of certification has also reported to the relevant agencies, the results of interviews with the Ketapang Regency Environmental Service also stated that unit of certification routinely reports every 6 months. Several proofs of receipt of report delivery which are accompanied by the signature and name of the recipient as well as a wet stamp with the following details:

- Report of Environmental Management and Monitoring Plan Semester II 2022 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 24 January 2023.
- Report of Environmental Management and Monitoring Plan Semester I 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 27 July 2023.

Based on this explanation, it can be concluded that PT Kayung Agro Lestari has met the indicator 3.4.1

3.4.2

EIA

Unit of certification already has an environmental management and monitoring plan document from the matrix of the impact of activities that must be managed such as employment and business opportunities, increasing community income, decreasing surface water quality, potential for land fires, disease patterns, decreasing air quality, increasing noise, decreasing air quality. and emissions, decreased surface quality, changes in public attitudes and perceptions, occupational health and safety, potential for inundation and flooding.

Unit of certification has also reported to the relevant agencies, the results of interviews with the Ketapang Regency Environmental Service also stated that unit of certification routinely reports every 6 months. Several proofs of receipt of report delivery which are accompanied by the signature and name of the recipient as well as a wet stamp with the following details:

- Report of Environmental Management and Monitoring Plan Semester II 2022 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 24 January 2023.
- Report of Environmental Management and Monitoring Plan Semester I 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 27 July 2023.

SIA

Unit of certification already has a social management and monitoring document for the period of 2023 with a summary as follows:

- Stakeholders meeting to be held in July 2023
- Improving the quality of health for the community to be implemented in October 2023
- Community economic empowerment carried out in the period May-June 2023
- Environmental management program with socialization of area management designated for PT KAL conservation area in August 2023
- Etc.

Unit of certification also has documentation of activities that have been carried out, including Desa Sehat (Health Services) with blood donation activities on 23 June 2023 which took place at Laman Satong Village Health Center. This activity involved staff from PT Kayung Agro Lestari, Satong Health Center, village government of Laman Satong and was attended by approximately 200 participants.

Based on this explanation, it can be concluded that PT Kayung Agro Lestari has met the indicator 3.4.2

3.4.3

EIA

Unit of certification already has an environmental management and monitoring plan document from the matrix of the impact of activities that must be managed such as employment and business opportunities, increasing community income, decreasing surface water quality, potential for land fires, disease patterns, decreasing air quality, increasing noise, decreasing air quality. and emissions, decreased surface quality, changes in public attitudes and perceptions, occupational health and safety (K3), potential for inundation and flooding still comply with regulation and monitoring plan.

Unit of certification has also reported to the relevant agencies, the results of interviews with the Ketapang Regency Environmental Service also stated that unit of certification routinely reports every 6 months. Several proofs of receipt of report delivery which are accompanied by the signature and name of the recipient as well as a wet stamp with the following details:

- Report of Environmental Management and Monitoring Plan Semester II 2022 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 24 January 2023.
- Report of Environmental Management and Monitoring Plan Semester I 2023 to Public Housing for Settlement and Environment Agency of Ketapang Regency as well as Agriculture, Animal Husbandry and Plantation Agency of Ketapang Regency on 27 July 2023.

Based on document review result of Report of Management and Monitoring Implementation Semester I of 2023, environmental monitoring has been conducted based on environmental management and monitoring plan which had been made. Environmental parameters such as ambient air, emission air, and water consumption, have met quality standards set out in the applicable regulations.

SIA

Unit of certification already has a social management and monitoring document for the period of 2023 with a summary as follows:

- Stakeholders meeting to be held in July 2023
- Improving the quality of health for the community to be implemented in October 2023
- Community economic empowerment carried out in the period May-June 2023
- Environmental management program with socialization of area management designated for PT KAL conservation area in August 2023
- Etc.

Unit of certification also has documentation of activities that have been carried out, including Desa Sehat (Health Services) with blood donation activities on 23 June 2023 which took place at Laman Satong Village Health Center. This activity involved staff from PT Kayung Agro Lestari, Satong Health Center, village government of Laman Satong and was attended by approximately 200 participants.

Based on interview with Laman Satong Village, Kuala Tolak Village & Kuala Satong Village known that SIA, as well as management and monitoring plan has been conducted in participatory manner with all affected village with FGD method. This has been in accordance with result of last SIA review documents showed by the company which has been held in 03-10 August 2023. The participant for SIA adequate compares their operational activities because this activity has been attended by representatives from affected parties such as village representatives as well as internal company employees, namely gender committee, labor union, residents in employee housing area, and villages around the plantations and mill.

Based on this explanation, it can be concluded that PT Kayung Agro Lestari has met the indicator 3.4.3

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

Unit of Certification already has a human resource management system in accordance with regulation, which is contained in the following documents, among others:

- Recruitment Procedure No. SOP-HRCM-002 dated November 1, 2019 revision 01.
- PT KAL Employment Policy No.2/GMO/KAL/IM/II/2022 dated 16 February 2022. The policy explains that the company does not withhold/ keep employee identity documents.
- Company regulations of 2022-2024 which has ratified based on letter No. 072/TKT-B.560/22. The procedure describes the human resource management system, such as:
 - Recruitment and appointment of workers
 - Promotion
 - Demotion
 - Mutation

- Working/retirement age limit
- Work termination
- And others

3.5.2

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

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of medical check-up, and work agreement letter. For example, Contract number 037/ANJA-KAL/HRO/SPK/II/2023 dated 07 March 2023 on behalf of Nindi Seprila as Division staff with probations period of 3 months.
- HR Officer letter number 036/HRO/SP-KAL/V/2023 dated 30 May 2023 concerning the appointment of Nindi Seprila as a permanent employee starting from 07 March 2023.

Based on this explanation, the company has been able to show evidence of the implementation of the labor procedures.

Status: Comply

3.6

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

3.6.1

The company shows Hazard Identification, Risk Assessment and Control documents for all Mill and Estate operational activities which have been reviewed by EHS most recently on April 5 2023, these documents explain, among other things: Name of Work, Type of Activity (Routine, Non-Routine and Emergency), Hazard Identification, Hazard Category, Risk, Initial Risk Analysis, Evaluation, Risk Control, Risk for the Company, Risk Level, Opportunity, Opportunity Level, Final Risk Assessment. The company has also socialized Hira to employees, for example:

- Training related to harvest activities under the sutet network, Hira, and K3L policies on April 1 2023 with a total of 18 participants
- Training on Government Regulations, Company Policies, and Identification of Hazard and Risk Assessment (IBPR) on January 27 2023 at the PKS office with a total of 55 participants
- Training on PPE, Hira, and K3L policies for contract employees on May 03 2023 at Block F54 Division 14 with a total of 16 participants

Based on the results of field visits and interviews with workers, for example at Mill St. Boilers and activities in the estate know that workers have understood the sources of danger and risk in their work area and have used PPE in accordance with those specified in the Hazard Identification, Risk Analysis and Risk Control documents.

Thus, it can be concluded that the company has demonstrated that all operational activities have been risk assessed to identify K3 problems and mitigation plans and procedures have been documented and implemented.

3.6.2

The company demonstrated a company OHS program that includes:

- Socialization of SOPs related to OHS
- Equipment Monitoring and Certification
- Environmental monitoring and management plan
- OHS Management System
- Fire Emergency Preparedness
- Work Site Inspection
- Promotive and preventive Health (MCU and Health education)
- Reporting
- B3, LB3 and Domestic Management
- Work Accident and Prevention Program

- Awareness Promotion (making OHS warnings, etc).

Medical examination

Based on the results of interviews with Company Doctors and employees, it is known that in 2023 Special MCU and General MCU will be carried out. The MCU for workers with certain risks in Mill and Estate has been fully implemented, however the General MCU for all workers has not been fully realized and will still be running in September 2023.

The company shows records of the implementation of Special MCU for Spray, Maintenance, Warehouse/Logistics, Mill, Polyclinic, Mechanic, and Fogging/Damkar team workers which was carried out on May 29 - 31 2023 for 212 workers with examinations including: Complete urine, routine hematology, liver function, kidney function, audiometry, Thorax and physical examination. However, the Company has not been able to show follow-up to the results of the Special inspection carried out on May 29 - 31 2023. For example, follow-up to spray workers who experience health problems refers to indicator 7.2.10.

P2K3

The company also shows recordings of periodic meetings of the P2K3 Structure which are held every month, for example the minutes of the P2K3 meeting for the August 2023 period which was held on September 6 2023. The results of the discussion are briefly as follows:

- It was still found that PT JHB and PTGWK contractor employees did not use ADP when carrying out work on the Block C employee housing construction project
- The condition of the panel box and electrical cable installation is not well maintained
- Nothing available in the clinical lab

The company carried out P2K3 reporting for the period January – June 2023 Quarter II which was reported to the Manpower and Transmigration Service on July 27 2023.

Status: Comply

3.7

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

3.7.1; 3.7.2

The company showed the Training Program for each unit in 2023 including smallholders which covering all operational and RSPO aspects, such as agronomic best practices, chemical/pesticide handling, OHS, and the environment management. The training program also covers parties who need training such as staff, workers, smallholders, and contractors. The training programs such as: harvest management, fertilization, spraying management, welder training, HIRADC training, Industrial Relations training, SIA training, Electrical Technician training, IPM Training, Etc

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

- Socialization of the Rights & Obligations of women in companies, dealing with cases of harassment in the workplace on March 17 2023, which was attended by 36 participants
- Socialization of the breastfeeding mother program on February 7 2023, which was attended by 411 participants
- Record of socialization of Harvest PPE, EHS SOP and OHS Policy to Division 8 Mitra contract employees on January 27 2023 which was attended by 12 participants.
- Recording of K3 and Environmental Training (OHS and Environmental Policy) and Handling of Hazardous and Toxic Waste on 22 September 2022 for Clinic and Mill workers attended by 18 participants.
- Record of Socialization of Harvest PPE and OHS related to harvest on April 1 2023, attended by 15 Division 1 harvest workers.
- Record of Socialization of OHS, Environmental, PPE and HIRAC Policy for harvest work on April 5 2023 in division 13 which was attended by 60 participants.
- Etc.

3.7.3

UoC showed the record of socialization related to supply chain to relevant workers which was conducted on 6 September 2023 attended by sustainability staffs and related workers, weighbridge officer, laboratory officer, clerk, and operators. The minutes

explained the procedures for managing certified and non-certified products including the responsibilities for each of the personnel who handle products.

Based on the interviews with security and the weighbridge operator in POM, it's known that workers have already understood their duties and responsibilities in the implementing of SCCS in accordance with the procedure, the certified products, and the FFB source.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1

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

3.8.2

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

3.8.3

Estimated certified product recorded in the last assessment report. Actual certified produced has been verified during this assessment and not exceed the estimate. The estimates of certified production for the next license period describe at ASA-2.1 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected Certified Volume (11 November 2022 - 11 January 2024) (MT)	Last Year Actual Certified Volume (September 2022 - August 2023) (MT)
FFB Estate Processed	252,177.84	186,454.83
FFB Scheme or associate Smallholders Processed	44,510.00	44,748.19
CPO Production	53,059.88	47,426.72
Palm Kernel (PK) Production	8,356.14	8,259.28

**Actual production 12 months before audit (September 2022 - August 2023)*

3.8.4

The Mill has registered as RSPO member under PT. Austindo Nusantara Jaya Agri (No. 1-0032-07-000-00) and also has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: PT Kayung Agro Lestari
- License ID: CB140047
- Core Product: Palm Oil
- Member ID: RSPO_PO1000006366
- Type of Business: Oil Mill

3.8.5

The Mill has had procedures related to the supply chain, such as SOP of RSPO Supply Chain (No. SOP-SCD-01 dated 1 July 2021). These procedures have been referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on the interviews with two weighbridge officers and one security, the three personnel have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.

3.8.6

The procedure for internal audit for SCCS mentioned in the procedure of Internal Audit (No. SOP-SCD-03 revision 04, dated 1 October 2018). Based on that procedure internal audit is carried out minimum one times a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 8 – 19 May 2023. Based on result of internal audit, there is no non conformity SSCS indicators and complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 20 May 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, process Performa and product compliance, follow up of previous management review, and recommendation for improvement.

3.8.7

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit which is September 2022 – August 2023:

Month	FFB (ton)		Total
	Certified	Non-Certified	
Sep-22	18,071.93	4,564.76	22,636.69
Oct-22	16,330.34	7,024.30	23,354.65
Nov-22	17,359.00	8,484.49	25,843.49
Dec-22	15,567.68	9,161.29	24,728.97
Jan-23	18,238.19	9,042.60	27,280.79
Feb-23	12,192.37	5,017.06	17,209.42
Mar-23	18,151.30	2,056.56	20,207.86
Apr-23	16,496.42	3,244.70	19,741.12
May-23	26,752.62	9,209.08	35,961.70
Jun-23	24,660.67	6,835.87	31,496.54
Jul-23	26,088.30	7,598.19	33,686.49
Aug-23	21,866.49	5,862.78	27,729.27
Total	231,775.31	78,101.67	309,876.98

Estimated certified product recorded in the last assessment report (ASA-1.3). Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected Certified Volume (11 November 2022 - 11 January 2024) (MT)	Last Year Actual Certified Volume (September 2022 - August 2023) (MT)
FFB Estate Processed	252,177.84	186,454.83
FFB Scheme or associate Smallholders Processed	44,510.00	44,748.19
CPO Production	53,059.88	47,426.72
Palm Kernel (PK) Production	8,356.14	8,259.28

According to the data during the license period, there still has not been any overproduction yet.

Mechanism to handle non-conforming palm oil products is contained in SOP of RSPO Supply Chain No. SOP-SCD-01 dated 1 July 2021. This procedure is generally applied to all complaint's aspects, including complaints and non-conforming products from customers/buyers. During the audit, there is no written complaint from stakeholders related to nonconforming products.

3.8.8

The mill has product information provided in such as document of weighbridge ticket, delivery order and other invoices, as example at invoices of PK certified delivery on 10 March 2023. The information provided on invoices are:

- The name and address of the buyer (PT Sumber Indahperkasa – Lampung Selatan);
- The name and address of the seller (PT Kayung Agro Lestari – Kayung Agro Lestari POM in Ketapang District)
- The loading or shipment / delivery date (10 March 2023);
- A description of the product supply chain model (Mass Balance)
- The date on which the documents were issued (10 March 2023);
- The quantity of the products delivered (700.35 ton);
- Any related transport documentation (transport by CV Abadi Loc Jaya);
- A unique identification number (1388000188);
- RSPO certificate number (Mutu-RSPO/137);
- etc.

3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of CPO and PK are outsourced to third parties. The company has a list of contractors for transporting oil palm products from the mill which informs the name of the contractor, location, category, contact and information. Perusahaan menunjukkan kontrak pengangkutan CPO dan PK, yang secara ringkas sebagai berikut:

- CV Abadi Loc Jaya, transport CPO agreement valid thru 31 December 2023.
- CV Abadi Loc Jaya, transport PK agreement valid thru 31 December 2023.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there is a letter of commitment from each contractor stating that they are committed to supporting the implementation of the RSPO SCCS system including the willingness to provide proper access to accredited CBs in order to be able to access their operations and systems along with any information in their possession, if the audit is notified in advance.

Based on an interview with contractor (CV Abadi Loc Jaya) regarding the clausal in the contract that allow CB to access the contractor, they acknowledge and understand about the provisions.

3.8.10 & 3.8.11

The Mill has the record of details of the contractor, covers the contractor company profile, address and phone number, contract agreement and period. There was no new contractor from the previous assessment. The contractors of CPO and PK transporter is CV Abadi Loc Jaya.

3.8.12

The company has had up-to-date records and report that are kept in mill office, complete, accurate and up-to date. All the records can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. Based on document verification on procedure of document control and monitoring (No. SOP-SCD-01 dated 1 July 2021), retention time for all records and report, including regarding to supply chain are kept for 2 years.

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12-months before audit (September 2022 – August 2023):

CSPO

Month	CPO (ton)		Total
	Certified	Non-Certified	
September 2022 – August 2023	47,426.72	15,607.45	63,034.17

Month	CSPO Despatch (ton)			Total
	RSPO	Book & Claim	Non-Certified	
September 2022 – August 2023	40,000.00	5,000.00	-	45,000.00

CSPK

Month	PK (ton)		Total
	Certified	Non-Certified	
September 2022 – August 2023	8,259.28	2,360.56	10,619.84

Month	CSPK Despatch (ton)			Total
	RSPO	Book & Claim	Non-Certified	
September 2022 – August 2023	7,000.00	-	-	7,000.00

3.8.13 & 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for September 2022 until August 2023 i.e OER 20.35 % and KER 3.43 %. Periodically update of extraction is actual extraction.

3.8.15

SCSS module used in KAL POM is Mass Balance (MB), because the mill receives FFB from the estate RSPO certified and from third party that non-certified RSPO.

3.8.16

RSPO IT Platform member registration number for Kayung Agro Lestari Palm Oil Mill is RSPO_PO1000006366. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three (3) months after dispatch. For example:

- Certified CPO sold to PT SMART Tbk. (PT Sinar Mas Agro Resources and Technology Tbk.) Marunda Refinery dated 15 March 2023 for 3,000 MT and transaction creates in IT Palm Trace (TR-14a98587-7c3c) dated 17 March 2023.
- Certified PK sold to PT Sumber Indahperkasa dated 10 March 2023 for 700.35 MT and transaction creates in IT Palm Trace (TR-98fd5e1b-83e3) dated 13 March 2023.

Unit of certification sold all CSPK as RSPO product. For the CSPO that sold as conventional, the company has been sold as credits in the palm trace, as example stock transaction sold as credits dated 18 January 2023 for 5000 MT (transaction ID: ST-TR-1e557983-f8fb).

3.8.17

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.

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 of Respect for Human Rights which has been in effect since August 4, 2016 and has been approved by the President Director. In the policy, it is stated that the unit of certification is committed to respecting and protecting human rights within the area of the unit of certification. In the human rights policy, it is also explained that the unit of certification does not tolerate retaliation against someone who discloses violations or allegations with good intentions.

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

4.1.2

Based on the interviews with representatives of workers, there are no complaints about violence within the company's operational scope. In addition, from the results of the review of the complaint document, no employee or external complaints were found regarding the violence perpetrated by the company.

Based on field visit also known that the company also does not use security forces for extra-judicial acts of interference (nuisance) and intimidation.

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

Unit of Certification already has a mechanism for submitting complaints to both internal and external parties as outlined in several SOPs as follows:

- SOP for communication and providing information with document number SOP-Leg-02 with a date of 1 September 2015. Based on the SOP, it has been explained that communication and information sharing are divided into 2:
 - Internal communication and information sharing
 - External communication and information sharing
 The SOP also regulates the guarantee of the confidentiality of the reporter and disclosure of disgrace (whistleblower).
- Internal Memo No. 034/GMO/KAL/IM/IX/2016 dated September 8, 2016. Based on this mechanism, it is explained that complaints can be submitted to the direct supervisor or higher-level supervisor or to the HRD division. Settlement of employee complaints can be done no later than 3 working days after the employee submits his complaint to his immediate supervisor or HRD.
- External Stakeholder Complaint Management SOP No. SOP-CID-03 dated November 1, 2020. In the SOP it is explained that the response process to complaints is carried out a maximum of 14 working days from the time the complaint is received and recorded in the Complaint Form.

The results of interviews with management, obtained information that if there are complaints which resolution has not been found together, then the complainant can bring the compliance to the RSPO Complaints System. In terms of ensuring the system is understood by affected parties, including those who cannot read and write, the company conveys information verbally (in person) or through its representatives (who can read and write).

Based on the interviews with the surrounding communities and workers (harvesters and mill operators), the workers had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators.

4.2.3

The Company has SOP for External Stakeholder Complaints Management No. SOP-CID-03 dated November 1, 2020. In the SOP it is explained that the response process to complaints is carried out a maximum of 14 working days from the time the complaint is received and recorded in the Complaint Form. The document also explains that the company will inform the complainant of the response through a meeting represented by CID/Government Relations.

Based on verification of logbook of complaints, known that there are only internal complaints that submitted to the company and no complaints from external parties. Based on interview with internal stakeholder such as workers, known that all complaints have been responded by company. Based on interview with external stakeholder such as village representatives, government agency, previous landowner also known that there are no complaints to the company.

4.2.4

The Company has SOP for External Stakeholder Complaints Management No. SOP-CID-03 dated November 1, 2020. In the SOP it is explained that the response process to complaints is carried out a maximum of 14 working days from the time the complaint is received and recorded in the Complaint Form. The document also explains that the company will inform the complainant of the response through a meeting represented by CID/Government Relations and the complainant can appoint a party who will be the mediator at the meeting.

The results of interviews with workers known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. The results of interviews with contractors and head of village around indicated that the village and contractors had understood the grievance mechanism.

In Indonesia, giving freedom to reporting parties to obtain legal and technical assistance from independent parties is permissible and there are no regulations/procedures in the unit of certification that prohibit it. Based on the results of interviews with representatives of surrounding villages, it is known that when residents have land disputes or claims with the certification unit, the community is given the freedom to ask for legal assistance and technical advice from independent parties such as lawyers and other parties to deal with this problem.

Status: Comply

4.3

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

4.3.1

Unit of certification has carried out community development around the plantation as shown in the CSR Report 2022. The following are examples of development around the plantation that unit of certification has implemented:

- Community health service in Laman Satong Village
- Procurement of basic necessities for the flood disaster in Sungai Kelik Village
- Support for medical equipment at community health centers in Laman Satong, Kuala Satong and Kuala Tolak Villages
- Support for internet network devices at Laman Satong Village Elementary and Middle School
- Food safety education for *Kelompok Budidaya Madu Kelulut* in Kuala Tolak Village
- Support for the procurement of KTPA infrastructure in villages of Kuala Laman Satong, Kuala Satong and Kuala Tolak
- Support for Traditional Gadgets in Matan Hilir Utara District

Based on the results of interviews with Laman Satong Village, Kuala Satong Village and Kuala Tolak Village, it is known that the CSR assistance provided by unit of certification is considered quite good by the village community. Consultations and interviews are often carried out in determining CSR so that it does not overlap with the Village program. In addition, there are many people in the village of Laman Satong who work for unit of certification.

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

All of the company's operational areas have entered the scope of certification. The total scope area of certification is **13,905.06 Ha**, with the details of legal document as follow:

HGU PT Kayung Agro Lestari

- The company has had land title (HGU) as follows:
 - Certificate No. 101 dated 30 April 2014, area of 9,070.40 Ha, valid until 29 April 2049.
 - Certificate No. 102 dated 30 April 2014, area of 1,849.96 Ha, valid until 29 April 2049.
- The company has had Buildings Use Title (HGB) for mill, offices, housing and other facilities, based on National Land Agency (BPN) decree No.: 1/HGB/KEM-ATR/BPN/2016 on the provision of building rights on behalf of PT Kayung Agro Lestari in Laman Satong Village, Sub-district Matan Hilir Utara, Ketapang Regency, West Kalimantan, covering an area of 160.63 ha,

valid for 30 years, issued on January 19, 2016. Certificate of HGB No. 01, NIB. 14.07.03.03.00183, issued February 5, 2016 valid until January 19, 2046.

Plantation Business Permit

In accordance with the Decree of the Regent of Ketapang Number: 338/DISBUN-D/2015 concerning the Plantation Business Permit of PT Kayung Agro Lestari for a net area of 16,620 Ha with a processing unit capacity of 85 tons of FFB/hour

Total of land titled area: 11,080.99 Ha

Scheme Smallholders (Laman Mayang Sentosa – fully managed under Mitra Estate) – 2,079.25 Ha:

The legality of the Koperasi Laman Mayang Sentosa has obtained land use title covering 1,567.97 Ha, consisting of 2 certificate as follows:

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

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

- Land Register Certificate area No 593.3/90/LS/PEM/2015 dated 28 May 2015 issued by village head Laman Satong and known by Subdistrict head Matan Hilir Utara, for area covering 2 Ha
- Land Register Certificate area No 593.3/90/LS/PEM/2015 dated 28 May 2015 issued by village head Laman Satong and known by Subdistrict head Matan Hilir Utara, for area covering 2 Ha
- An area of 87.28 Ha land legality documents are land register certificates (SKT) from the Village head. For those areas total, there is 44 land register certificates

Scheme Smallholders (Bina Satong Lestari Cooperative- fully managed under Mitra Estate) – 446.83 Ha:

The legality of the Koperasi Bina Satong Lestari has obtained land use title covering 446.83 Ha, consisting of 3 certificate as follows:

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

Scheme Smallholders (Lestari Abadi Bersama Cooperative – full manage under Mitra Estate) – 297.99 Ha.

The legality of the land owned is the Statement of Physical Control of the Land Sector a.n Aspar H. Ali as the general chairman of the Lestari Abadi Bersama cooperative dated April 1, 2021. Which is known to the village of Kuala Tolak.

4.4.2, 4.4.3, 4.4.4, 4.4.5 and 4.4.6

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

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

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

Based on public consultation with village representatives (Laman Satong Village, Kuala Tolak Village and Kuala Satong Village) and Plantation Agency known that there was no customary right in or near the concession area of PT KAL. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. From the results of interviews with representatives of Plantation Agency of Ketapang Regency, it is known that there is no expansion area of PT KAL.

Status: Comply

4.5

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

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

There is no new planting activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprises of participants' list and photographs.

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

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

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

Status: Comply

4.7

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

4.7.1, 4.7.2, 4.7.3

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

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

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

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

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

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

Status: Comply

4.8

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

4.8.1, 4.8.2, 4.8.3, 4.8.4

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

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

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

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

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1; 5.1.2; 5.1.3

Plasma Smallholder FFB

Unit of certification has minutes of the meeting to determine the "K" index and the Price of FFB for Oil Palm Production by West Kalimantan Planters for the first period of August 2022, which are determined based on the FFB Pricing Team for Palm Oil Production by West Kalimantan Planters for the Second Period of August 2023 on 15 August 2023. The FFB pricing team is carried out by the Regional Government of Kalimantan Barat Province.

FFB Third Party

Unit of certification already has a mechanism for submitting FFB prices as stated in the Internal Memo dated March 25, 2021 which explains, among other things, that in order to implement the principles of transparency and accountability in terms of purchasing FFB from suppliers/third parties at Mill PT Kayung Agro Lestari, FFB price information is submitted via email. Short Message Service (SMS) and Price boards on the tumble at Mill.

Unit of certification and third parties have regulated the purchase price of FFB, for example as stated in the Sale and Purchase Agreement of Fresh Fruit Bunches No. 1204/COM/KAL/2021 between PT Kayung Agro Lestari and CV Abadi Loc Jaya which explains, among other things, that the parties agree that the second party's FFB purchase price will refer to the FFB purchase price set or informed based on written notification via email, Short Message Service (SMS) and a price board on the tumble in the POM. Notification of the determination or change in the FFB price will be delivered by the first party to the second party no later than 1 day before the delivery of FFB by the second party during the term of the agreement.

Unit of certification can also show FFB payment information through electronic messages sent to suppliers, for example:

- FFB supplier on behalf of PT Sinar Karya Mandiri on 22 August 2023 with period of 1-15 August 2023 via bank transfer with bank ref no BVRTGS232341137101.
- FFB supplier on behalf of PT Sinar Karya Mandiri on 07 August 2023 with period of 01-31 July August 2023 via bank transfer with bank ref no BVRTGS232160950273.
- FFB supplier on behalf of CV Abadi Loc Jaya on 16 August 2023 with period of 1-15 July 2023 via bank transfer with bank ref no BVRTGS232261414432.
- FFB supplier on behalf of CV Abadi Loc Jaya on 10 July 2023 with period of June 2023 via bank transfer with bank ref no BVRTGS231880841533.

Premium Price Pricing

Unit of certification has determined the premium price value as stated in the Internal Memo dated February 3, 2022, for example, in the achievement of the Koperasi Laman Mayan Sentosa which obtained an RSPO certificate and as a form of PT Kayung Agro Lestari's commitment to provide welfare to members of the Koperasi Laman Mayan Sentosa, a premium price was given. which is obtained each from the sale of Crude Palm Oil (CPO) and/or Palm Kernel PK products that are RSPO certified in the period December 2021 to December 2022 and the calculation method is carried out based on the determination of OER and KER which is determined from the sales proceeds.

Unit of certification can also show proof of payment on 27 March 2023 for Koperasi Laman Mayan Sentosa.

5.1.4

Unit of certification already has a cooperation agreement document, for example, between PT Kayung Agro Lestari and the Bina Satong Lestari Plantation Cooperative with the number 010/KAL/SM/mp/VII/2014 and Number 01/BSL/PK/VIII/2014. The cooperation agreement relates to the cooperation agreement for the development and management of oil palm plantations with a partnership pattern. The summary of the cooperation agreement includes:

The scope of cooperation includes land acquisition, land clearing, nurseries, legume planting, oil palm planting, plant maintenance, etc.

Supporting documents consisting of the third party's deed of establishment and its ratification as well as all amendments to the articles of association and their approval or reporting

The term of the agreement is 30 (thirty) years from the date of signing the agreement of the parties

The price of the product refers to and is guided by the provisions in force in the Province of West Kalimantan

Rights and obligations of the first and second parties.

Based on this explanation, it can be seen that the cooperation agreement is in accordance with the provisions and laws, has a period of time, has been approved by both parties and is known by the Regent of Ketapang.

5.1.5

Unit of certification already has a cooperation agreement document, for example, between PT Kayung Agro Lestari and the Bina Satong Lestari Plantation Cooperative with the number 010/KAL/SM/mp/VII/2014 and Number 01/BSL/PK/VIII/2014. The

cooperation agreement relates to the cooperation agreement for the development and management of oil palm plantations with a partnership pattern. The summary of the cooperation agreement includes:

- The scope of cooperation includes land acquisition, land clearing, nurseries, legume planting, oil palm planting, plant maintenance, etc
- Supporting documents consisting of the third party's deed of establishment and its ratification as well as all amendments to the articles of association and their approval or reporting
- The term of the agreement is 30 (thirty) years from the date of signing the agreement of the parties
- The price of the product refers to and is guided by the provisions in force in the Province of West Kalimantan
- Rights and obligations of the first and second parties
- etc

Based on this explanation, the cooperation agreement is in accordance with the provisions and laws, has a period of time, has been approved by both parties and is known by the Regent of Ketapang.

5.1.6

From the results of the document review, unit of certification has examples of proof of FFB payments, including to third parties, namely:

- FFB supplier on behalf of PT Sinar Karya Mandiri on 22 August 2023 with period of 1-15 August 2023 via bank transfer with bank ref no BVRTGS232341137101.
- FFB supplier on behalf of PT Sinar Karya Mandiri on 07 August 2023 with period of 01-31 July August 2023 via bank transfer with bank ref no BVRTGS232160950273.
- FFB supplier on behalf of CV Abadi Loc Jaya on 16 August 2023 with period of 1-15 July 2023 via bank transfer with bank ref no BVRTGS232261414432.
- FFB supplier on behalf of CV Abadi Loc Jaya on 10 July 2023 with period of June 2023 via bank transfer with bank ref no BVRTGS231880841533.

5.1.7

Unit of certification can show a certificate of inspection/verification of electronic bridge scales from *Dinas Koperasi, UKM, Perdagangan dan Perindustrian Unit Pelayanan Teknis Metrologi Legal Tipe A* of Ketapang Regency for 2 weighbridges, namely:

- Certificate of Test Result Number 134/SKHP/MET-THE/XI/2022 MK Cells Brand; Type MK E-1005; Serial No. MK 2018880787 with a maximum capacity of 50,000 kg which was tested on 01 November 2022 and with the results ratified based on the Law of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology and recalibrated on 05 November 2023
- Certificate of Testing Result Number 133/SKHP/MET-THE/XI/2022 MK Cells Brand; Type MK E-1005; Serial No. MK 2018880780 with a maximum capacity of 50,000 kg which was tested on 01 November 2022 and with the results ratified based on the Law of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology and recalibrated on 05 November 2023

5.1.8

Unit of certification has supported smallholders with RSPO certification, among others, unit of certification carried out a socialization of sustainable palm oil which was held on 04 August 2023 and on 23 February 2023. The socialization is described as follows:

- Whereas outside FFB suppliers expressed their appreciation to the management of PT Kayung Agro Lestari for their socialization of sustainable palm oil and oil palm cultivation techniques to independent smallholders, for example in Kuala Tolak Village and Mata-mata Village.
- The application of good plantation techniques, among others, by using superior seeds for oil palm cultivation, oil palm nursery stages, fertilization and the effects and symptoms of nutrient deficiency in oil palm, methods of controlling water in tidal land and integrated pest control.
- Unit of certification explained about the management of the HCV area, the conservation of orangutans and the call to protect the environment so that the species of animals and plants can remain sustainable.
- Unit of certification provides an explanation regarding the legality of the land, the type of forest area status and areas that are not allowed to be planted with oil palm.

5.1.9

Unit of certification has a complaint mechanism contained in the SOP document for managing external stakeholder complaints which has been in effect since November 1, 2020, explaining, among others:

- The guard post serves every complainant and records the registration number of the complaint and the contact number that can be contacted by the complainant, both verbally and in writing
- The discussion of complaints is carried out through an assessment of the complaints reported and recorded in the database as well as providing recommendations for follow-up
- In the event of communication to other parties during the assessment process, it must be done by maintaining the confidentiality of the identity of the complainant
- Unit of certification also regulates complaints through demonstrations (bringing in mass and making threats, this is done by fostering relations with stakeholders long before there is a project and continuing to do it with or without a project in accordance with the results of the analysis and stakeholder management plan. ANJ security personnel to monitor security incidents and secure existing assets,

Based on the results of interviews with farmers, that they have understood the procedure for submitting complaints to unit of certification PT Kayung Agro Lestari.

Status: Comply

5.2

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

5.2.1; 5.2.2; 5.2.3

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

The support that has been given by unit of certification is that unit of certification has carried out socialization and development activities for Sustainable Palm Oil Cultivation on 04 August 2023 in Kuala Tolak Village and on 23 February 2023 in Desa Mata-mata. In this activity, unit of certification socialized aspects of land legality for cultivation and socialization of increasing the productivity of oil palm cultivation including the use and handling of pesticides. This activity was attended by indirect supplier of FFB from each village as well as its village government.

The results of interviews with representatives of plasma farmers, namely Bina Satong Lestari Cooperative, revealed that unit of certification has provided support for plasma farmers such as pesticide training, RSPO, sustainable palm oil management, and organizational training.

5.2.4

The company showed evidence that it had conducted pesticide handling training for farmers in the 2022 period on August 9 2022 in Block H20 with 11 participants.

5.2.5

Unit of certification has reviewed and publicly reported on the progress of the farmer support program on a regular basis through the Progress Report on the Implementation of Plantation Business Permits for the April–June 2023 period of PT Kayung Agro Lestari regarding the plans and realizations that have been reported Quarterly to the Department of Animal Husbandry, Agriculture, Plantation, Ketapang Regency on 24 July 2023.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS
6.1

Any form of discrimination is prohibited.

6.1.1; 6.1.2

Unit of Certification has a policy of respecting Human Rights which was established by the director on August 04, 2016. These policies include stating that company opens equal opportunities to prospective workers, does not discriminate against both workers

and prospective workers, respects the uniqueness and wealth of talents and views of employees. In addition, the company also has an Employment Policy which is contained in the Internal Memo No.2/GMO/KAL/IM/II/2022 dated February 16, 2022. In the Policy, it is explained that the company provides equal opportunities to all people regardless of their background to work at PT KAL in accordance with the qualifications of the position and the number of workers required by the company and all recruitment costs are covered by the company (PT KAL).

Unit of Certification showed several socializations about sustainability policies related to the principles of RSPO. The sustainability policies that socialized include anti-discrimination policies. Examples of socialization of policies as follows:

- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on June 20 2023 in Division 14 which was attended by 84 participants
- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on 03 June 2023 in Division 08 which was attended by 71 participants

Based on the interviews with the gender committee, female workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example, there were also female workers in field, such as pesticide application activities.

6.1.3

The company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, CV, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts, and others. The company shows employee track record documents stored in each unit (Mill and Estate).

The company has shown a record of the implementation of employment procedures, for example:

Recruitment

Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, Contract number 037/ANJA-KAL/HRO/SPK/II/2023 dated 07 March 2023 on behalf of Nindi Septrila as Division staff with probations period of 3 months. HR Officer letter number 036/HRO/SP-KAL/V/2023 dated 30 May 2023 concerning the appointment of Nindi Septrila as a permanent employee starting from 07 March 2023.

Termination due to retirement

Termination document such as the management decree of employment's termination on behalf of ASN (initial). The company also showed other supporting documents such as the letter of mutual agreement between HR Officer dated 09 May 2023 regarding the calculation of retirement severance pay and has been approved by both parties.

Promotion

Promotion documents such as management decree for worker's promotion. For example, GM letter number 104/HRO/SM-KAL/II/2023 dated 29 February 2023 concerning promotion on behalf of RSD who was promoted from harvest foreman to chief foreman.

6.1.4

Based on interview with women workers as well as gender committees revealed that pregnancy tests were only conducted for chemical material applicators to avoid the employees being exposed with chemical. Further explained that so far there had never been a pregnancy test which was a discriminatory measure.

6.1.5

The company already has a gender committee to deal with women's or gender issues which is members consisting of male and female workers. The gender committee structure consists of head of gender committee and representatives of division. The work program of the gender committee consists of Conducting outreach/socialization related to the gender committee, Socialization related to right and obligation of female worker, *Posyandu*, and others.

The results of interviews with female workers known that the workers already know the gender committee and the functions of the organization. Workers are also aware of gender committee if there are complaints or complaints related to women's problems or

issues. The results of interviews with representatives of committee gender and women workers, it was found that there were no complaints related to sexual harassment, violation in the last one year.

6.1.6

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

The results of interviews and the verification of workers' wages e.g harvester with worker initial TFK and initial SYT (worker with same work and same grade), it is known that the company has given the same wages for the same scope of work and in the same grade.

Status: Comply

6.2

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

6.2.1

The implementation of the minimum wage at PT KAL based on the Decree of the Governor of West Kalimantan Number 1380/NAKERTRANS/2022 concerning the Minimum Wage of Ketapang Regency in 2023 is IDR. 3,085.615,- which has been enforced since January 1, 2023.

Company shows Internal Memo No. 001/ANJT/HRCM/IM/II/2023 dated January 03, 2023 regarding the implementation of minimum wages for non-staff employees. As for PT KAL the minimum wage in 2023 is IDR. 23,085.615. Based on the results of interviews, workers can explain the basic wages and allowances and deductions received every month.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the Company Regulations and in accordance with routine socialization provided by the company.

6.2.2

The company shows example of work agreement for worker such as Contract number 001/PKWT/KAL/II/2023 dated 02 February 2023 on behalf of RS, which explains the terms of work, working time and wages, permits, social security, leave rights, facilities and PPE, worker obligations, training and development, discipline and sanctions, industrial relations, contract termination, etc. The contents of the work contract are in accordance with applicable regulations. The contract has been prepared in languages understood by the workers, explained to workers by management officials, and signed by both the authorized signatory of the company and employee. Based on the explanation, the certification unit can show good documentation related to regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice which has been informed in the company regulations.

The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit.

6.2.3

The company has shown evidence of compliance with labor provisions, through:

- Payroll documentation that gives information on compensation for work performance. The results of the simulation of wages and overtime in July 2023 for example with worker RD (harvester) and TS (operator boiler), known that the company has paid overtime wages according to the workers' overtime hours and has complied with the applicable regulations.
- Payslip document has informed deductions, working days, holiday, and others.

Based on document verification and interview with workers (harvesting workers, manuring workers, mill workers, etc.) known that there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation.

Interview with labor union and workers, said that wages paid, and overtime are in accordance with applicable regulations. Workers also has given leave in accordance with applicable regulation. Based on that interview also known that deduction for workers such as BPJS deduction, tax and etc has been described in the company regulations.

6.2.4

The results of field observations in housing areas and interviews with workers and labor union known that the company has provided housing facilities, infrastructure and facilities that are decent/in good condition to workers such as houses, clean water facilities, religious facilities, sports, clinic and others. The condition of the house is permanent and has good sanitation. From the interview, also known that in each housing location there are child care areas, trash bins, employee cooperative (basic food providers), etc

6.2.5

The company has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area. In addition, there are also workers who open small business stalls to sell daily necessities in each housing. Based on interviews with workers (harvesters, sprayers, upkeep and mill operators), housing residents, worker union and woman working group, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the certification unit with less difficult access.

6.2.6

The determination of wages at PT KAL based on the Decree of the Governor of West Kalimantan Number 1380/NAKERTRANS/2022 concerning the Minimum Wage of Ketapang Regency in 2023 is IDR. 3,085.615,- which has been enforced since January 1, 2023.

In relation to DLW (Decent Living Wage), the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as Housing, electricity for home, water, etc. As for DLW calculation is based on actual and rational price at certification unit location.

6.2.7

Based on interviews with contractor representatives revealed that there were FFB harvest activities carried out by the contractor. Furthermore, according to the results of document review and interviews with company representatives, information was obtained that there were 122 harvest workers who were contractor employees at PT KAL.

Companies can show justification for using contractor harvest labor as follows:

1. The mature area as of September 2023 is 11,343.82 Ha with a labor requirement of 15 Ha/person with a total requirement of $(11,343, 82/15) + 10\% (11,343, 82/15) = 832$ people
2. There are 858 harvest workers (permanent) available as of September 2023
3. The percentage of presence of harvest workers (permanent) until August 2023 is 82% of the target of 95%
4. The percentage of achievement of the harvest base until August 2023 is 68% of the target of 95%
5. Average harvester output until August 2023 is 704 kg/HK from the target of 1,110 kg/person
6. From the percentage of harvester attendance which averaged 82% of 858 workers, the average number of employees present per day was 703 people, so there was a shortage of 129 people out of the total requirement of 832 people.

In Additions, company representatives explained that currently there has been no recruitment of permanent employees for harvesters because the number of harvest needs is still considered appropriate and the employee housing conditions are full. **This will be further verified at the next assessment (OFI)**

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

Unit of Certification has a policy of freedom of association for employees as stated in the GM Internal Memo addressed to all employees no. 094/GM/KAL/IM dated November 11, 2014 which explains that the Company guarantees freedom of association for workers/employees within PT KAL on the condition that the union/organization does not conflict with the prevailing laws and regulations in Indonesia and PT KAL's Company Regulations.

The results of an interview with one of the ex-structural of the Workers' Union (Patriot Pancasila Labor Union/SBPP) revealed that SBPP is currently on inactive because its chairman resigned on November 28 2022. Currently there are no labor unions in company and then former SBPP members are preparing to electing the new structural so that SBPP will be active soon. In Additions, the results of interviews with employees revealed that the company gives workers the freedom to form labor unions.

Status: Comply

6.4
Children are not employed or exploited.
6.4.1; 6.4.2; 6.4.3; 6.4.4

The Company has an Employment Policy which is contained in Internal Memo No.2/GMO/KAL/IM/II/2022 dated February 16, 2022. In the Policy, it is explained that the company accepts workers with a minimum age limit of 18 years and does not employ children.

Unit of Certification showed several socializations about sustainability policies related to the principles of RSPO. The sustainability policies that socialized include Employment Policy. Examples of socialization of policies as follows:

- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on June 20 2023 in Division 14 which was attended by 84 participants
- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on 03 June 2023 in Division 08 which was attended by 71 participants

Based on field visits and interviews with workers in the fields, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 20 years when entering work.

Based on the results of the review of the agreement document with the contractor for examples is PT Sinar Karya Mandiri, it is known that in the agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers. The unit of certification demonstrates communication about its 'no child labor' policy and the negative effects of child labor and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.

The results of the verification of the labor list document, interviews with internal and external stakeholders, and field observations revealed that there was no indication of any workers under the age of 18.

Status: Comply

6.5
There is no harassment or abuse in the workplace, and reproductive rights are protected.
6.5.1; 6.5.2

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

- Provide protection to all employees and staff who are victims of sexual harassment
- Forming a committee for handling sexual harassment issues made in a self-determination letter and a procedure in the settlement process is set out as described in this attachment.

- Give attention and facilitate to convey directly to the committee on sexual problems if there are employees who experience this.
- Counseling women affected by violence.

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

Unit of Certification has provided socialization related to company policies including sexual harassment policies and protection of reproductive rights, such as:

- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on June 20 2023 in Division 14 which was attended by 84 participants
- Socialization of Company Regulations, Company Policies, Human Rights, *Bipartite LKS*, Company Policies and Gender Committee on 03 June 2023 in Division 08 which was attended by 71 participants

Based on document verification, the company has given menstrual leave and maternity leave of female workers. For example, maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after).

Based on the interviews with the gender committee and day care officer, company had given time for breastfeeding woman and provided certain place for breastfeeding. This is one evidence that the company supports the protection of reproductive rights, especially for women.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the company has provided a certain place for breastfeeding at day care with special time to breastfeed. There was no prohibition from supervisors in field related to this matter.

The company has specifically provided need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities. Unit of Certification also showed the result of new mother's needs identification by Gender Committee. From the results of the assessment, several things were known as follows:

- Provision of a lactation room.
- Provide breaks for breastfeeding.
- *Posyandu* for children and mothers.
- Breastfeeding counselling.
- Work placement near landfill.
- Job transfer for pregnant and lactating women.
- Extra fooding for new mothers giving birth.

6.5.4

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

- Internal communication and information sharing
- External communication and information sharing

The SOP also regulates the guarantee of the confidentiality of the reporter and disclosure of disgrace (whistleblower).

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. As for complaints related to women's issues can be submitted through the gender committee.

Status: Comply

6.6
No forms of forced or trafficked labour are used.
6.6.1

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

Based on result of interview with manpower agency, gender committee, LKS Bipartite and workers at estates and mill, there is no issue of discrimination and forced labor in Unit of Certification. There were no significant obstacles related to employment or violations of the company regulations. The company provided output targets that can be obtained in 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on the payment list, the harvesters have earned above the minimum wage.

There was no pressure/forced in doing overtime work, workers who had overtime at Unit of Certification can refuse if ordered to do overtime activities because overtime is not the worker's obligation. Based on interviews with workers, labor union and gender committee, all work in the company was done voluntarily. There are no practices of retention of identity documents, payment of recruitment fee, contract substitution; lack of freedom to resign, debt bondage, and withholding of wages in the company.

6.6.2

Based on document verification, there are no migrant workers in this company. In addition, based on interview with *LKS Bipartite* board sighted that so far, there has never been a penalty for termination of employment, bonded labor practices, withholding wages, and forced overtime.

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 a K3 organization in accordance with Ketapang Regent's Decree Number 560/03/NAKER/2022 concerning Ratification of the Organizational Structure and P2K3 Work Procedures of PT Kayung Agro Lestari dated January 10 2022 with a P2K3 secretary named Hamdan Saragih who has SKP No. 5/1993/AS.02.04/III/2021 dated 31 March 2021 which is valid for 3 years.

The company also shows recordings of periodic meetings of the P2K3 Structure which are held every month, for example the minutes of the P2K3 meeting for the August 2023 period which was held on September 6 2023. The results of the discussion are briefly as follows:

- It is still found that PT JHB and PTGWK contractor employees do not use ADP when carrying out work on the Block C employee housing construction project
- The condition of the panel box and electrical cable installation is not maintained
- Nothing available in the clinical lab

The company carried out P2K3 reporting for the period January – June 2023 Quarter II which was reported to the Manpower and Transmigration Service on July 27 2023.

6.7.2

The company shows procedures related to emergency response contained in the Emergency Preparedness and Response Procedure document Number: SOP-EHS-015 Revision 02 effective date August 10 2018 which briefly explains, among others:

- Identify hazards and emergency needs
- Emergency situations in the Mill and Building Area and their handling

The company also shows recordings of First Aid training for employees, for example First Aid Training for Accidents at Work 14 - 5 June 2023 (Batch 1-2) and 19 - 22 June 2023 (batch 3-6) at Rumah Creative PT KAL with a total of 166 participants , the material provided is as follows:

- Introduction to the contents of the First Aid Kit
- Wound management
- Handling fractures
- Handling venomous animal bites
- Eye trauma
- Chemical trauma
- Handling poisoning
- Treatment of burns

Based on an inspection of the first aid box for harvest activities located at the Mill, it is known that the number of first aid box items (Category A) is in accordance with applicable regulations, for example: 1 eyewash. Based on the results of field observations at the Mill and Estate location, emergency response equipment such as fire extinguishers, hydrants, building first aid boxes and first aid bags for field officers carried by foremen are available. Apart from that, during field observations a hydrant simulation was also carried out at the factory location.

Based on the information above, it is known that the company has provided sufficient first aid kits in accordance with regulations where the number of items in the first aid kit (category) corresponds to the number of employees in the field.

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

6.7.3

The company shows proof of handover of Mill and Estate PPE, for example as follows:

- Proof of handover of PPE at GST 02 harvest workers in June 2023 (10 gloves, 10 aprons, 7 helmets and 10 masks) to 22 workers.
- Proof of handover of PPE at SGT 01 fertilizer workers 25 February 2023 (rubber gloves and cloth masks) to 40 workers
- Proof of handover of PPE at Mitra Spraying workers March 28 2023 Rubber gloves to 8 workers
- Proof of handover of PPE at the January 2023 PKS worker process, shoes to 1 worker

Based on the results of field visits, for example operational activities at the Estate (Spraying, Harvesting, Fertilizing) and Mill (Processing Process), it is known that workers have used adequate PPE and in accordance with the established hazard identification and risk control documents. Apart from that, the worker also stated that the PPE was provided by the company and would be replaced if it was damaged or did not provide maximum protective function.

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

6.7.4

Based on the results of interviews with workers, it was stated that the company has provided BPJS Health program facilities for workers and their families as well as BPJS Employment and workers already have BPJS cards. Companies can show BPJS payment records, for example:

- Proof of payment for BPJS Estate for the period August 2023 which was paid through Bank Mandiri on August 29 2023, total participants 2,057 participants
- Proof of payment for BPJS Mill for the August 2023 period which was paid via Bank Mandiri on August 29 2023. Total 70 participants
- Proof of BPJS Health payment for the August 2023 period which was paid via Mandiri Bank on August 2 2023. Total 1,782 participants

The company has been able to provide justification regarding the difference in the number of employees in the BPJS Health bill with a total of 1,782 participants and the number of employees for the August 2022 period with a total of 2,125 employees. The justification provided by the company is as follows:

- 253 employees registered as recipients of contribution assistance

- 90 new employees were transferred from Contribution Assistance Recipients (PBI) to BPJS Health which is covered by the company.

Based on the description above, it is known that all employees have received BPJS although there are differences because some workers are included in the PBI program.

6.7.5

The company shows that it records work accidents using Lost Time Accident (LTA) PT Kayung Agro Lestari, briefly as follows:

Priode	Unit	FR	SR	LTA
Jan -	Mill	0	0	0
Dec 2022	Estate	0	0	0
Jan -	Mill	0	0	0
agust 2023	Estate	0	0	0

Status: Comply

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

7.1

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

7.1.1

The unit of certification has committed to implement integrated pest management (IPM) which presented in several document for example as follows:

- Document No. SOP-AGR-20 dated 01 April 2016 about integrated pest management.
- Document No. SOP-AGR-21 dated 01 August 2013 about rat control by barn owl.
- Document No. SOP-AGR-24 dated 01 August 2013 about rat control through chemical baiting.
- Document No. SOP-AGR-27 dated 01 August 2013 about termite control.
- Work Instruction No. IK-SOP AGR-02 dated 01 September 2015 about Oryctes control, etc.

Company management explained that pest and disease control must be based on census results. In recording observations and control of pests, information is obtained for example in the 2023 period as follows:

- Recap of the GST 1st Hammaticus Census in February, it is known that there was an attack of 4.6%
- Recap of the rat pest census for BSL Division 7 Partners in February 2023, it is known that there were attacks of 4.85%
- A recap of the SGT 2 Division 6 rat pest census in February 2023 revealed that there were 4.43% attacks

So it can be concluded that the company applies pesticides based on census results and not preventively.

Based on field observations, the implementation of biological pest control has been implemented, such as the use of beneficial plants and the installation of owl cages as tyto alba places. So it can be concluded that the company has implemented the existing IPM plan.

7.1.2

The results of field observations revealed that there were no species that were classified as invasive species in accordance with the Ministry of Forestry and Environment Regulation No. 94 in 2016. The species used for biological pest control include Turnera subulata, Antigonon and Tyto alba.

7.1.3

There is no use of fire for pest management purposes. Estate management prefer to control pest population by biological method instead of chemicals. This matter verified through field observation which shows that there were no indication of fire activities in estate operational areas.

Status: Comply

7.2
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.
7.2.1

The company has shown a list of pesticides used by the company. This document explains the targets of the pesticides used. For example, the list of pesticides used by companies is as follows:

Merk	WHO	Target	LD50
Garlon 670EC (670 gr/Ltr)	II	Broadleaf weed	>5,000
Ally 20 WG (20%)	III	Broadleaf weeds, Narrowleaf weeds	>2.000 mg/kg
Racumin Wax Block 0,0375 BB (0,0375%)	III	Mouse	>5.000 mg/kg
Basta SL 150 (Ammonium Glufosinate 150 g/l)	II	Broadleaf weed	593 mg/kg
Boral 480 SC (Sulfentazon 480 g/l)	III	Broadleaf weeds, Narrowleaf weeds	>2.000 mg/kg
Dipel WG (1 M cfu/gr)	III	Fire Caterpillar	>2.020 mg/kg
Marshal (5 gr/L)	III	Oryctes	>2.001 mg/kg
Penta Up-Z 480 SL	III	Asystasia gangetica, Borreria alata	>5.000 mg/kg
Ebor Bait 0,05 BB	IV	Mouse	326,7 mg/kg
AMIPHOSATE 480SL	III	Broadleaf weeds, Narrowleaf weeds	>5000mg/kg
Starlon 665 EC	III	Cromolaena odorata, Cliderrhina hirta, Melastoma Malabathicum, Mikania micrantha	>2.000 mg/kg
SELONTRA 0.075 RB	III	Asystasia gangetica, Borreria alata, Mikania micrantha, Ischaemum timorense, Ottochloa nodosa, Paspalum conjugatum	>5,000 mg/kg
Regent 50 SC (50 gr/ Ltr)	II	Subterranean termites	>2.000 mg/kg

All of the pesticides mentioned above are selective types of pesticides to deal with weeds or pests that are targeted. in addition, all of them are not included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, and paraquat

7.2.2

The company shows records of PT KAL pesticides used, for example the use of Racumin Wax Block 0.0375 BB (0.0375%) brand pesticide January – August 2023 as follows:

- Active Ingredients: Coumatetralyl 0.0375 %
- LD50: >5,000 mg/kg
- Application Area: 12.181,58 Ha
- Active Ingredients/ Ha: 86,96 Gr/Ha
- Total Applications: 1.059.271,50 Gr

Based on the results of field observations of the GST-1 pesticide warehouse, information was obtained that the pesticide materials stored in the warehouse were in accordance with the company's list of pesticides, besides that the warehouse also recorded all pesticides used on the warehouse card. Every pesticide stored is also accompanied by a work safety data sheet.

7.2.3

The company has an ANJ sustainability policy which contains the implementation of integrated pest management (IPM) and minimizing the use of chemicals, pesticides and fertilizers and not using paraquat. This policy is effective on October 31 2019.

The company has also integrated biological control into pest control, for example by using beneficial plants intended to control oil palm leaf-eating caterpillar pests and tyto alba to control rat pests.

7.2.4

Based on the results of a review of documents on pesticide use, and the results of interviews with company management, it is known that there is no preventive use of pesticides to prevent pests and diseases. Company management explained that pest and disease control must be based on census results. In recording observations and control of pests, information is obtained for example in the 2023 period as follows:

- Recap of the GST 1st Hammaticus Census in February, it is known that there was an attack of 4.6%
- Recap of the rat pest census for BSL Division 7 Partners in February 2023, it is known that there were attacks of 4.85%
- A recap of the SGT 2 Division 6 rat pest census in February 2023 revealed that there were 4.43% attacks

So it can be concluded that the company applies pesticides based on census results and not preventively.

7.2.5

The results of field observations in pesticide storage warehouses and a review of the list of pesticide use documents showed that there was no use of pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

7.2.6

The company shows training records for personnel handling pesticides, for example:

- Training pesticide use on June 16 2023 in the GST 1 apple field with a total of 10 workers participating.
- Training pesticide handling on March 1 2023 in Division 5 GST 2 with a total of 28 workers participating.
- Training pesticide handling on April 14 2023 in Block B28 Division 3 SGT 1 with a total of 16 workers participating.
- Training pesticide handling on 06 May 2023 in Block C35/36 SGT 2 with a total of 15 workers participating.

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

7.2.7

The results of field observations of chemical storage warehouses show that chemical storage warehouses comply with Government Regulation number 74 of 2001 concerning Management of Hazardous and Toxic Materials. These include hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and dispensing chemicals, MSDS, pesticide storage grouped by type and clean secondary containers available.

7.2.8

Unit of certification can show documents for recording and monitoring used pesticide containers by using a logbook of incoming and outgoing goods at the Agrochemical warehouse. In addition, unit of certification also has a pesticide storage procedure contained in SOP for Management of Hazardous and Toxic Waste which has been in effect since November 15, 2021. This procedure has explained, among other things:

- Identify all hazardous waste produced, once a year or if there is a new use of hazardous outside hazardous list.
- Provide labels on hazardous waste packages with symbols and labels for hazardous waste packaging markings provided by EHS Department.
- Submit hazardous waste to manager of hazardous waste warehouse and when placing hazardous waste on the packaging, officers are required to use the appropriate Personal Protective Equipment (PPE).
- Every hazardous waste submission to hazardous waste is recorded in hazardous waste handover proof form.

- Recording the hazardous waste balance sheet at Hazardous Waste Warehouse checked by EHS Department every month to be included in the hazardous waste Balance Sheet form.
- Hazardous waste officer is required to monitor storage activities at hazardous waste temporary storage place.

Based on field observations at the agrochemical warehouse and hazardous waste storage area at Kayung Agro Lestari POM, it is known that the pesticide storage area is specially provided with adequate ventilation and an isolated location. Used pesticide packages classified as hazardous waste were also found stored in a well-monitored hazardous waste storage warehouse which was then handed over to licensed collectors. Unit of certification shows last hazardous waste was transported on 03 March 2023, which PT Primanru Jaya did as a licensed hazardous waste transporter.

Based on interviews with pesticide application officers at SGT-2, SGT-2, GST-1, GST-2, MBSL, MLAB, and MLMS, it was found that all containers used for pesticide packaging were returned and sent to Hazardous Waste Warehouse and were not used for purposes other than pesticide application activities. All used packaging containers, work tools and work clothes are stored in a special storage area, so that no contaminated items are taken home. The results of observations in the employee housing area showed that there was no reused pesticide packaging.

7.2.9

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

7.2.10

The company shows special health inspection records including spray workers. Based on these recordings, it is known that the last inspection was carried out on 29 – 31 May 2023. The results of the inspection showed that all pesticide applicators had been included in the health examination with the results, namely:

- 20 pesticide applicators GST-1, there are records for 13 workers, including related to autspirometry and liver function
- 18 pesticide applicators GST-2, there are records for 13 workers, including related to autspirometry and liver function
- 32 pesticide applicators Mitra Estate, there are records for 8 workers, including related to autspirometry and liver function
- 16 pesticide applicators SGT-1, there are records for 9 workers, including autspirometry
- 15 pesticide applicators SGT-2, there are records of 3 workers, including those related to liver function

Based on management's explanation, it is known that follow-up has not been carried out because they are waiting for the installation of health examination equipment at the clinic. However, the company has not been able to demonstrate follow-up on the results of the health inspection that has been carried out until the audit assessment is carried out.

Based on the explanation above, the company has not been able to show documented evidence of follow-up to the results of the health examinations carried out. **NCR NO. 2023.02**

7.2.11

The Certification Unit has a policy that prohibits pregnant and breastfeeding personnel from working with chemicals. Based on the results of interviews with fertilization workers and spray workers, it was stated that workers who were pregnant or breastfeeding would be transferred to other jobs that were not exposed to chemicals. As a form of monitoring, the company shows employee Menstrual Leave monitoring documents based on Internal and External Sickness Certificates every month.

Status: **NCR NO. 2023.02**

7.3

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

7.3.1

Unit of certification has identified waste from operational activities contained in the FRM-SOP EHS 003-100 document. The identification is grouped based on the activity that generates waste, name of waste, code of waste, type of solid or liquid, and its management. Determination and classification of waste codes using Government Regulation number 22 of 2021. Unit of certification also has several procedures related to waste management and utilization listed in Non-hazardous Waste Management

SOP number SOP-EHS-17 Revision 01 on 15 November 2021 and Hazardous Waste Management SOP number SOP-EHS—42-KAL Revision 01 on 01 September 2019.

In the realization of waste management, it is divided into several types based on the characteristics of the waste it produces, including:

Hazardous and Toxic Waste

In managing hazardous and toxic waste, unit of certification does not reuse it, but only temporarily stores located at Kayung Agro Lestari POM. Unit of certification also has a hazardous waste storage area that has permits, including Letter of Statement of Fulfillment of PT Kayung Agro Lestari's Commitments issued by Investment and One-Stop Integrated Services Agency of Ketapang Regency number 660.1/181/DPMPSTSP-D/2020 which was set on the date of 18 June 2020. The permit is valid for 1 warehouse owned by unit of certification which located in Kayung Agro Lestari POM (S 01° 27' 3.91" and E 110° 13' 57.35").

The waste stored in temporary storage will then be transported by a licensed party every 6 months. The latest transportation is evidenced through electronic manifest document and the minutes of transportation carried out on 03 March 2023 by PT Primanru Jaya which is a licensed party. Unit of certification can show a cooperation agreement with the carrier, which is based on Agreement Number 343/SPKS-LB3/PJ-PLIB-KAL/VI/2023 which was made on 28 June 2023 and valid until 28 July 2024. Unit of certification can also show the legality documents of the carrier such as a valid transportation permit from Ministry of Environment and Forestry, a special freight transportation permit from the Ministry of Transportation that is still valid, Business Identification Number which is still valid as well as agreement between the transporter and the licensed processing/utilization party.

Unit of certification can also show documents for storing and handling Hazardous Waste in accordance with their SOPs and Government Regulation Number 22 of 2021. These documents include manifest, balance sheet, and logbook. Based on the results of the document review by comparing the manifest, balance sheet and logbook, it can be seen that the data on waste transported on 03 March 2023 is in accordance with data recorded in the balance sheet and logbook for period before transportation is carried out. Similarly, comparison between months after the transportation was carried out (March 2023) starting from empty. Unit of certification records all waste that enters and leaves temporary storage properly so that waste management data can be tracked easily and there are no recording differences.

Results of field visit to hazardous waste temporary storage in Kayung Agro Lestari POM also show that unit of certification has carried out hazardous waste management quite well. All obligations listed in waste storage permit have been fulfilled, such as availability of fire extinguishers, showers, eyewash, coordinates, alarms, first aid kits, oil traps and appropriate labelling. In addition to good lighting and air ventilation, unit of certification also has drainage channels on the outside of storage to anticipate pollution to the surrounding environment. Result of interview with storage managers also show that managers fully understand procedure for hazardous waste management and mitigation actions in the event of potential pollution. Unit of certification has also reported result of hazardous waste management which is carried out quarterly with evidence of PT Kayung Agro Lestari Hazardous Waste Management Report for the second quarter of 2023, which was reported to Public Housing for Settlement and Environment Agency of Ketapang Regency on 27 July 2023.

Non-hazardous and toxic waste

Non-hazardous waste such as domestic waste and used fertilizer sacks is managed in the form of reuse for goods that can still be used. In addition, waste that cannot be reused will be collected, if it still has economic value such as scrap metal and used tires, it will be sold to parties who cooperate with unit of certification. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or emplacement areas is carried out twice a week using dump trucks and immediately disposed of in landfills, and when the landfill is full, stockpiling will be carried out and signboard marking the opening and closing dates will be installed. Unit of certification has a policy regarding the prohibition of burning waste, including in landfill areas.

Result of field observations in landfill and housing complex area showed that there were no traces of combustion. All domestic waste was disposed of in waste collection tanks scattered throughout the building with the classification of organic and inorganic waste types. Result of interview with resident of housing complex also stated that unit of certification routinely carried out socialization related to domestic waste management, either directly through meetings, or indirectly by installing signboards prohibiting burning trash and littering.

POME, Solid and Air Waste

Solid waste from the FFB processing process in the form of shells and fiber is reused by unit of certification as a substitute for fossil fuels (solar) for power generation in boilers, while for empty fruit bunches, it is used to substitute fertilizer applied to plantation land. Some of the solid waste in the form of shells is also sent or sold, while for the empty bunch, some is given to the community as plasma plantation management to be used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1.

Unit of certification also utilizes POME by applying it to land application for fertilizer substitution. The regulation and management of land application are explained in more detail in indicator 7.8.3. As for air waste, unit of certification has not made a common use for air waste, namely the Biogas Plan. So far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

7.3.2

Based on interview result with managers of hazardous waste storage in Kayung Agro Lestari POM, it was found that they had an understanding of the handling of waste disposal, including domestic waste and hazardous waste management in accordance with unit of certification procedures. Result of interview with workers living in housing complex area also stated that waste management carried out by unit of certification was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by unit of certification such as organic and non-organic waste bins that will be replaced if damaged, hazardous waste storage and landfills. The resource persons also understand very well how to separate the types of waste they produce and what types of waste should not be reused. The respondent's understanding of waste management is the result of routine and consistent socialization and training. Field observations in the residential area of housing complex of PT Kayung Agro Lestari also showed that the housing conditions were quite clean and there was not a lot of scattered garbage.

7.3.3

Unit of certification does not carry out open burning to destroy waste. This can be proven from field observation result in housing complex and landfill in PT Kayung Agro Lestari, no traces of burnt waste were found. Result of interview with workers also stated that they had never burned waste because they were aware of the prohibition on burning activities and the sanctions they would receive if they burned them. Organic waste from housing and inorganic waste is disposed of in the bins that have been provided, then transported every once a week and disposed of in landfill and then buried when it is full. Result of field observation in housing complex areas also show many warnings to prohibit waste burning activities as well as the dangers that can arise from burning activities. Interview result with management also explained that the regulations regarding the prohibition of burning have been understood by all workers and strict action would be taken if they violated them.

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

Procedure related to soil fertility management is presented in several procedure, as follows:

- No. SOP-AGR-08 about planting of cover crop (legumes).
- No. SOP-AGR-11 about fertilizer and manuring.
- No. SOP-AGR-12 about manuring in immature area and cover crop.
- No. SOP-AGR-23 about leaf sampling unit.
- No. SOP-AGR-26 about soil analysis.
- No. IK-SOP-AGR-011-01 about compost fertilizer.
- No. IK-SOP-AGR-011-007 about compost application.

The results of field observations show that the company has implemented measures to ensure soil fertility, such as using oil palm fronds as an alternative nutrient source. The EFB application record, for example, the realization of EFB applications in 2023 in all units amounting to 16,814,681 tons with an area of 2,498.23 Ha.

7.4.2

Procedure of Leaf and Soil sampling for manuring recommendation are presented in document No. SOP-AGR-23 and No. SOP-AGR-26. The procedure mentioned that leaf and soil analysis shall be conducted annually and every seven years, respectively.

Procedure of leaf and soil sampling is presented has been implemented. Perusahaan telah menunjukkan rekaman hasil analisa pengambilan sampel tanah dan daun, misalnya:

- Leaf analysis results with laboratory reference number 010/GMO/KAL/R&D/03/2023 with analysis completion date 10 May 2023. The test parameters are N, P, K, Mg, Ca and B.
- Results of sample analysis on 01/07/19 with reference number: 056/RD-EXT/S/JUL/19 with test parameters such as pH, N, organic C. K, Ca, Na, Mg, and cation exchange capacity.

7.4.3

The results of field observations show that the company has implemented measures to ensure soil fertility, such as using oil palm fronds as an alternative nutrient source. The EFB application record, for example, the realization of EFB applications in 2023 in all units amounting to 16,814,681 tons with an area of 2,498.23 Ha.

7.4.4

Based on the results of the review of fertilization planning and realization documents, it is known that the types of fertilizer used include Urea, MOP, Rockphosphate, and Dolomite, Mycogold, NPK, ZA, and Kaptan. For example, the program and realization of fertilization for the 2023 period are as follows:

SGT 1 fertilization Program and realization January – July 2023

Unit	Program (Kg)	Realization (Kg)
Urea	223,012	130,580
Rockphosphate	62,015	53,931
MOP	359,082	191,283
Dolomite	400,311	400,308
Borax	-	-

GST 1 fertilizer program and realization January – July 2023

Unit	Program (Kg)	Realization (Kg)
Urea	261,349.70	164,614.00
Rockphosphate	61,550.50	65,913.00
MOP	527,817.25	250,268.25
Dolomite	480,840.00	143,514.00
Borax	-	-

Mitra Estate fertilization program and realization January – July 2023

Unit	Program (Kg)	Realization (Kg)
Urea	281,562.20	171,186.73
Rockphosphate	141,904.50	138,985.50
MOP	591,622.30	270,651.74
Dolomite	547,620.40	211,634.50
Borax	-	-

Based on the data above, it can be concluded that the realization of fertilization is in line with the established program but the realization is not yet 100% because the financial year is still ongoing.

Status: Comply	
7.5 Practices minimise and control erosion and degradation of soils.	
7.5.1 <p>The company has shown a map of the types of land contained by PT Kayung Agro Lestari PT KAL (GIS/EST/ANJ-HO/PETA-446/PTKAL/13 FEN 2014) with a scale of 1: 40000. Based on this map, it is known that the types of soil found at PT KAL are:</p> <ul style="list-style-type: none"> • Shallow peat (< 3 meters): 4557 ha • Deep peat (> 3 meters): 5,806.56 ha • Sand: 2,670.5 ha • Minerals: 4,964.07 ha <p>Apart from that, the company has also shown a weather class map of PT KAL's land with a scale of 1: 100,000. Based on the map, it is known that PT KAL's slope classes are as follows:</p> <ul style="list-style-type: none"> • 0 – 8 (flat – undulating): 10,834.86 ha • 8.1 – 15 (undulating to hilly): 883.72 ha • 15.1 – 25 (hilly): 236, 25 Ha • 25.1 – 30 (hilly to steep): 149.49 ha • >40 (very steep): 77.28 ha 	
7.5.2, 7.5.3 <p>Based on the results of the study of area statement documents and field observations, it is known that the company is not carrying out new planting activities. The oldest plant is a plant with a planting year of 2010 and the youngest is a plant with a planting year of 2013.</p>	
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 <p>Based on the results of the study of PT Kayung Agro Lestari's Land Survey and Land Suitability Evaluation documents, it is known that the land suitability is S2 (fairly suitable) and S3 (Marginal Suitable) with several limiting factors including texture, effective soil depth and pyrite depth.</p>	
7.6.2 <p>Based on the results of the study of area statement documents and field observations, it is known that the company is not carrying out new planting activities. The oldest plant is a plant with a planting year of 2010 and the youngest is a plant with a planting year of 2013.</p>	
7.6.3 <p>The company has shown a map of the types of land contained by PT Kayung Agro Lestari PT KAL (GIS/EST/ANJ-HO/PETA-446/PTKAL/13 FEN 2014) with a scale of 1: 40000. Based on this map, it is known that the types of soil found at PT KAL are:</p> <ul style="list-style-type: none"> • Shallow peat (< 3 meters): 4557 ha • Deep peat (> 3 meters): 5,806.56 ha • Sand: 2,670.5 ha • Minerals: 4,964.07 ha <p>Apart from that, the company has also shown a weather class map of PT KAL's land with a scale of 1: 100,000. Based on the map, it is known that PT KAL's slope classes are as follows:</p> <ul style="list-style-type: none"> • 0 – 8 (flat – undulating): 10,834.86 ha • 8.1 – 15 (undulating to hilly): 883.72 ha • 15.1 – 25 (hilly): 236, 25 Ha 	

- 25.1 – 30 (hilly to steep): 149.49 ha
- >40 (very steep): 77.28 ha

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

Based on the results of document review and field observations, it is known that the company did not carry out new planting activities after November 15 2018.

7.7.2

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

The Certification Unit has also reported an update to the peat inventory report on 5 August 2020, and received a reply from the RSPO secretariat on 07 August 2020 with the email content "We have successfully downloaded the report, thank you. If clarification is needed, we will contact you.

Based on the peat inventory data submitted, it is known that the peat area is 5,885.61 (planted) and 923.02 (unplanted).

7.7.3, 7.7.4, 7.7.6

The company has monitored land subsidence in peat areas. Examples of monitoring carried out are as follows:

- GST-2
There are 11 subsidence monitoring points installed since April 2017 with a monitoring frequency of 2 times a year. Until measurements in April 2023, the peat subsidence rate was between 12.15 cm – 21.60cm.GST-1
Terdapat 4 titik pemantauan subsiden yang terpasang sejak bulan April 2017 dengan frekuensi pemantauan 2 kali dalam setahun. Sampai dengan pengukuran pada bulan April 2023 laju subsiden tanah gambut diantara 5,4 cm – 6,34cm.
- SGT-1
There are 7 subsidence monitoring points installed since April 2017 with a monitoring frequency of 2 times a year. Until measurements in April 2023, the peat subsidence rate was between 7.2 cm – 8.7 cm.
- SGT-2
There are 14 subsidence monitoring points installed since December 2016 with a monitoring frequency of 2 times a year. Until measurements in April 2023, the peat subsidence rate was between 6.33 cm – 10.28 cm.
- Estate Mitra
There are 5 subsidence monitoring points installed since 2017 with a monitoring frequency of 2 times a year. Until measurements in April 2023, the peat subsidence rate was between 8.11 cm – 11.47 cm.

TMAT monitoring is carried out once a week, based on monitoring results, for example for the August 2023 period:

Block	Divisi on	Agustus 2023			
		I	II	III	IV
A005	1	-64	-65	-72	-65
A008	1	-68	-70	-86	-85
B007	1	-64	-62	-70	-75
A041	5	-40	-33	-38	-41
B043	5	-39	-31	-35	-39
A046	5	-58	-50	-55	-58
B047	5	-42	-34	-37	-41
D039	13	-50	-90	-92	-92

D045	13	-50	-80.2	-81	-81
F042	13	-70	-80.9	-90	-90
F046	13	-70	-90.7	-99	-99
F047	13	-70	-90.4	-96	-96

Stop bund monitoring is carried out once a week, based on monitoring results, for example for the August 2023 period:

Block	Divisi	Agustus 2023			
		I	II	III	IV
A32	3	-50	-55	-60	-55
A32	3	-50	-55	-60	-55
B30	3	-50	-65	-60	-65
B29	3	-65	-50	-45	-60
K05	7	-60	-60	-60	-60
K06	7	-59	-60	-59	-60
K07	7	-59	-59	-59	-60
K08	7	-60	-59.5	-60	-60
K09	7	-60	-60	-60	-60
G36	12	-40	-40	-39	-40
G40	12	-39	-40	-39	-40
G41	12	-39	-40	-38	-39

7.7.5

Based on the results of the study of area statement documents, it is known that the oldest planting year was 2010, so it can be concluded that there were no plants that were 15 years old. Apart from that, based on the results of interviews with management and a review of replanting program documents, it is known that the company does not have a replanting plan for at least the next 5 years so a drainability study is not yet necessary.

7.7.7

Based on a review of the peat inventory document, it is explained that the unplanted peat area consists of 253.58 Ha (Infrastructure, buildings, etc.) with explanations which are 118.04 ha (Unplanted Area) and; 136.54 ha (Enclave Area) as well as a conservation area of 669.44 Ha.

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

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1 & 7.8.2

Unit of certification has SOPs for identification, management and maintenance of water sources and quality as stated in the SOPs for soil and water conservation which took effect on April 1, 2016, explaining, among others:

- Conservation of the soil surface layer must be carried out to reduce erosion and runoff
- Water reservoirs and ditches must be maintained at a certain level, silting and maintenance of low-lying areas must be carried out regularly
- In acid sulfate and peat areas, water discharge is carried out at least 2 times a year to prevent potential toxins contained in the water, this is done at the beginning of the rainy season.
- Water management in trenches is the basic principle of measurement for increased growth and production in acid sulphate areas. As in peat areas, the benefits are reduced peat subsidence or loss.

Unit of certification has documents on water management, water source maintenance and water quality measurement as stated in Report of Environmental Management and Monitoring Plan First Semester 2023, the following are examples of sampling points

for measuring water quality in surface water that have been carried out and are in accordance with the established quality standards:

- Siduk River Water
- Satong River Water
- Satong Kiri River Water
- Kepayang River upstream
- Kepayang River downstream
- Satong Kanan River Water (LM)
- Satong Tengah River Water (LM)

Based on the results of interviews with employees, that employees are not limited to getting clean water and the water that flows to employee housing is in good condition.

7.8.3

Unit of certification already has a waste water utilization permit as stated in the Ketapang Regent Decree Number: 399/PERKIMLH-C/2017 concerning Permit for Utilization of Wastewater for Application to Soil for PT Kayung Agro Lestari Oil Palm Plantation covering an area of 326.09 ha which is located in Matan Hilir Utara District, Regency Ketapang on July 25, 2017 and valid for 5 years. Unit of certification has shown Letter No. B/1769/PERKIMLH-E.660/X/2022 on 07 October 2022 from Public Housing, Settlement Areas and Environment Agency of Ketapang Regency regarding land application direction which informs that PT Kayung Agro Lestari's POME utilization permit does not need to be extended and is declared still valid as long as it meets the provisions stated in Ketapang Regent Decree Number: 399/PERKIMLH-C/2017 concerning Permit for Utilization of Wastewater for Application to Land for PT Kayung Agro Lestari Oil Palm Plantation covering an area of 326.09 ha which is located in Matan Hilir Utara District, Regency Ketapang on July 25, 2017.

Unit of certification has a WWTP pond layout that explains the function of each pond consisting of a Cooling Pond, anaerobic pond 1, anaerobic pond 2, anaerobic pond 3, anaerobic pond 4, anaerobic pond 5, anaerobic pond 6, suction pool, pump house, and pump.

Unit of certification already has a SOP regarding waste management which is contained in the SOP Waste Management Plan document which was effective on April 10, 2018 which explains some of the waste that is reused such as Empty Fruit Bunches, Shells and POME from Mill. In particular, POME from Mill is used in land application activities with reference to applicable regulations and the use of household waste (organic waste) will be carried out by a composting program in each estate. In terms of reuse of waste, the waste generated must be made into an SOP for its use which can be used as a guide for employees in the field.

Unit of certification already has a document on the results of testing the quality of liquid waste which is applied to the land for the period January - August 2022. The test is carried out by KAN (LP-892-IDN) and KAN (LP-024-IDN) accredited laboratories using quality standards that refer to LA Permen LH Number 28 of 2003. Based on the results of the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards.

The summary of tests for 2023 of BOD and pH parameters that have met the standards are outlined in the following table:

Parameters	Unit	January	February	March	April	May	June	July	August
BOD	mg/L	186	225	256	216	220	175	1,220	274
pH	-	8.50	8.25	8.75	8.59	8.50	8.75	8.05	7.70

Information:

- Testing period January – June using LP-024-IDN accreditation laboratory
- Testing for the July – August period using LP-892-IDN accreditation laboratory

Based on the results of interviews with the Environmental Service regarding the management of POME at the WWTP, there were no issues related to environmental pollution, the results of interviews with people from villages around unit of certification also stated that there was no pollution from POME produced by unit of certification.

Based on this explanation, it can be concluded that unit of certification has complied with the quality standards of POME discharged and/or utilized according to the quality standards of POME disposal and/or utilization and has not caused pollution to the environment.

7.8.4

Unit of certification already has a water use permit as stipulated in Decree of Head of Investment and One Stop Integrated Agency of Kalimantan Barat Province Number 503/07/SDA/DPMPTSP-C.I./2021 concerning Granting of Water Resources Concession Permit to PT Kayung Agro Lestari in Ketapang Regency of Kalimantan Barat Province which has been stipulated on 01 June 2021 and valid for 5 years. The maximum recommended water discharge is 90,000 m³/month. Unit of certification also has obligations that are stated in the permit, including:

- Pay the water resources management service fee and pay other financial obligations in accordance with the laws and regulations.
- Protect and secure water resources infrastructure.
- Carry out efforts to control and prevent the occurrence of water pollution.

Unit of certification can also show documents for recording daily water use, as well as the results of the recapitulation of water use for palm oil processing units every month, for example for the period January-July 2023. Based on surface water utilization data, the average use of water for FFB processing is equal to 24,382 m³/month or equivalent to 0.92 m³/ton FFB. However, when calculating the overall water use, the total water use is 170,674 m³. Unit of certification also sets a water usage budget of 90,000 m³/month, this shows that unit of certification is still using water in accordance with the permitted quota and the specified budget.

Unit of certification can also show proof of payment of the water levy to Regional Revenue Service of Ketapang Region for period May-July 2023 with the payment period being made every month. The last example of proof of payment of water levies is based on proof of payment made on 21 August 2023 for the total use of water in July 2023, the water tax paid is not only for the FFB processing process but for all water uses.

Status: Comply

7.9

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

7.9.1

Unit of certification has data on increasing the efficiency of using fossil fuels and optimizing the use of renewable energy. Unit of certification can show records of the use of fiber and shells as renewable energy for the period January-December 2022. The processed FFB data is 381,121,692 Kg with a total utilization of 49,545,819 Kg of shell and 15,691,175 Kg of fiber utilization. From the results of the utilization of the shell, the turbine kWh produced 10,695,168 kWh and the kWh Genset used is 1,054,510 kWh. The efficiency of using renewable energy is 28.06 kWh/Ton FFB.

Based on this information, unit of certification has increased the efficiency of the use of fossil fuels and optimized the use of renewable energy.

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

Unit of certification has carried out an inventory of GHGs contained in Greenhouse Gas Emissions Mitigation Program document for period 2023, based on document analysis, it can be concluded that unit of certification has identified the source of GHG produced by Kayung Agro Lestari POM unit and its suppliers. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by unit of certification covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation and machine maintenance, as well as periodic air quality tests. Unit of certification has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Reduction of fossil fuels in Kayung Agro Lestari POM has been carried out by using fiber and shells for fuel substitution. Unit of certification also uses POME to be applied to land with test results from the monitoring period January-August 2023 which show that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it was found that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January-July 2022 is as follows:

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	6.72	tCO ₂ e/tProduct	Oil palm planted on mineral soil	5500.24	Ha
PK	6.72	tCO ₂ e/tProduct	Oil palm planted area on peat	5885.61	Ha
PKO	0.00	tCO ₂ e/tProduct	Total oil palm planted area	11385.85	Ha
PKE	0.00	tCO ₂ e/tProduct	Conservation area (Forested)	1110.52	Ha
OER	19.98	%	Conservation area (non-Forested)	12.47	Ha
KER	3.30	%	FFB Production per hectare	26.72	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂ e	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	41823.75	0.14	PK from own mill	0.00
Fuel Consumption	851.69	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	2556.71	-0.01	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	40118.72	0.13		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	137538.87.17	45785.62	0.00	183324.49
CO2 Emissions from Fertilizer	4493.95	1073.85	0.00	5567.80
N2O Emissions from Peat	38196.91	4457.55	0.00	42654.46
N2O Emissions from Fertilizer	4430.48	1025.08	0.00	5455.56
Fuel Consumption	872.52	86.74	0.00	959.25
Peat Oxidation	278602.56	32512.64	0.00	311115.20
Sinks				
Crop Sequestration	-84676.21	-21641.71	0.00	-10183.47
Sequestration in Conservation Area	-9014.84	-1168.62	0.00	-34960.81
Total	370444.23	62131.14	3258.60	435833.97

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

Based on the following table, unit of certification has calculated GR through the Palm GHG calculator and reported it publicly.

7.10.2

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

7.10.3

Unit of certification has identified source of pollution and mitigation plan contained in identification and evaluation form document of environmental aspects number FRM-SOP EHS 003-100. Unit of certification has also carried out management and monitoring related to results of identification and mitigation plans as evidenced through Report of Environmental Management and Monitoring Plan First Semester 2023 and has reported it to Public Housing for Settlement and Environment Agency of Ketapang Regency on 27 July 2023.

Based on verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test is carried out by a accredited laboratory (LP-024-IDN) on 09 March 2023. Based on the analysis of the test results, it can be concluded that there is no value above the applicable quality standard, namely Environment Ministry Regulation Number 07 of 2007 for Boilers, Environment Ministry Regulation Number 11 of 2021 for Gensets and Government Regulation Number 22 of 2021 for ambient air.

In addition, unit of certification has also carried out management for interference from immovable sources. The tests were carried out by accredited laboratory (LP-024-IDN) on 09 March 2023. The tests carried out by unit of certification included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation.

Result of interview with boiler and generator officers stated that there was never any hearing loss experienced by the informants or other factory workers. Unit of certification has also carried out routine health checks. The resource person also explained that the obligation to use PPE in the work area is an obligation that must not be violated, warnings about the use of PPE and checking the completeness of PPE are also applied in unit of certification.

Status: Comply

7.11

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

7.11.1

Based on the results of verification of legality documents and area information, interviews with management and related stakeholders as well as observations in the company's operational areas, it was found that there were no new planting or replanting areas at the time the surveillance audit-4 was carried out.

7.11.2

The company has fire prevention and control procedures which are explained in the SOP for Land Fire Control (Document No. SOP-EHS-005 edition 02/revision 01, effective date 10 April 2018). This procedure is intended as a safety guideline in fire control. This procedure is created by the HSE Coordinator and approved by GM. Changes from the previous procedure are: Changing the document structure by adding a reference section and replacing the company logo/symbol in the document format. The procedure explains: preparation for fire control, implementation of fire control, conditions when the fire has been extinguished, fire prevention efforts.

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

The company also carried out an emergency response simulation on March 18 2023 at the Damkar Stadium with a total of 42 participants. The company also has land fire control facilities and infrastructure that refer to applicable regulations, for example:

- Fire watch tower
- Extinguishing equipment (personal equipment)
- Team equipment
- Hand tools
- Water pump and accessories
- Data processing and communication facilities
- And others

The company has proof of reporting on system preparedness, forest, land and plantation fire control infrastructure for the 1st semester of 2023 on July 10 2023 to the District Agriculture, Animal Husbandry and Plantation Service. Ketapang, District Secretariat. Ketapang etc. Based on the report, there were no fires in the Company's operational areas, and there were 7 clearings of land belonging to the community (6 cases in the village of Lama Satong and 1 case in the village of Kuala Satong, and 12 cases of fires outside the HGU (5 cases in the village of Kuala Satong, 4 cases in the village of Kuala rejected, 2 KGU and 1 case Kuala Satong Village).

7.11.3

Based on the results of field observations in the operational activities, it shows that there is no indication of land clearing by burning. Based on interviews with management, it was stated that all land clearing activities were mechanical. Based on an interview with relevant agencies, it was also stated that the company has shown a commitment not to burn for land clearing through fire simulation activities involving various stakeholders.

Status: Comply	
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7.12

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

7.12.1 & 7.12.8

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

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

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

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

Unit of certification has a PT Kayung Agro Lestari remediation plan in 2023, with the following categories:

- Land subsidence management and monitoring
- Monitoring the depth of the peat water table within the block
- Water management and canal drainage
- Prevention of forest and land fires
- Define river border area
- Restore the function of the river border

From the category of remediation plans, unit of certification has actions in remediation, namely:

- Measure the rate of subsidence of peat soil.
- Perform water level marking and water monitoring in peat areas with a Piezometer.
- Carry out flood impact and potential management.
- Provide education on the dangers of fire to the outside community in collaboration with the village government.
- Establish permanent river boundaries, non-permanent flow boundaries, artificial drainage.
- Marking border areas, restoring hydrological functions, monitoring river water quality.

7.12.2

Unit of certification conducted activities to track and identify the presence of HCVs in 2013 which has been included of main main plantation and its partnership plantation. The field survey was carried out on 19-26 October 2013 with a public consultation on 25 October 2013 attended by 36 participants representing the surrounding community, the Agriculture Office of Ketapang Regency, Nature Conservation Agency of Ketapang Regency, NGOs (Palu Foundation). The results of the Public Consultation are stated in the Public Consultation Notification document. Unit of certification does not undertake new land clearing is done after November 15, 2018, so that the existing HCV assessment remains valid. Unit of certification has the results of the identification of protected areas contained in the final report document identification of the presence of High Conservation Value PT Kayung Agro Lestari Ketapang Regency - West Kalimantan Province in collaboration with the Faculty of Forestry - IPB explained, among others, identification activities in the area of PT Kayung Agro Lestari showed that the Conservation Value area. The identified heights include HCV1 (HCV 1.2 and HCV 1.3), HCV 4 (HCV 4.1 and HCV 4.2) and HCV 6. The area identified as a high conservation value area is 3,884.53 ha covering river borders (328.83 Ha), Conservation Forest area (2,988.10 Ha), Hill (462.49 Ha). Unit of certification re-mapped the conservation area within the scope of the HGU with a total area of 1122.99 ha with the following description:

PT Kayung Agro Lestari (GST-1, GST-2, SGT-1, and SGT-2)

Location of HCV	Type of HCV	Area (ha)				Total
		GST 1	GST 2	SGT 1	SGT 2	
HCV 657,22 (Tanjung Sekuting)	HCV 1.2, HCV 1.3, HCV 3, HCV 4.1	0	0	286.10	0	286.10
Berambungan Hill	HCV 1.2, HCV 4.2	21.23	0	0	0	21.23
Berumbang Hill	HCV 1.2, HCV 1.3, HCV 4.2	207.87	0	0	0	207.87
Biantang Hill	HCV 1.2, HCV 4.2	73.65	0	0	0	73.65
Duri Hill	HCV 4.2	0.00	20.73	0	0	20.73
Kasai Hill	HCV 1.2, HCV 1.3, HCV 4.2	57.40	0.00	0	0	57.40
Kelampai Bawah Hill	HCV 1.2, HCV 4.2	0.08	0	0	0	0.08
Kunyit Hill	HCV 4.2	45.17	0	0	0	45.17
Penakal Hill	HCV 1.2, HCV 1.3	0.00	0	0	0	0.00
Kepayang River riparian	HCV 1.2, HCV 4.1	78.22	0	0	0	78.22
Malaka River riparian	HCV 4.1	0	0	29.76	0	29.76
Satong Kanan River riparian	HCV 4.1	0	16.45	0.00	68.28	84.73
Satong Kiri River riparian	HCV 1.2, HCV 4.1	0	0	34.77	1.62	36.39

Satong Laman River riparian	HCV 4.1	18.75	0	23.00	0.00	41.75
Total		502.37	37.18	373.63	69.90	983.08

PT Kayung Agro Lestari Partner (MLMS, MBSL, and MLAB)						
Location of HCV	Type of HCV	Area (ha)				Total
		MLMS	MBSL	MLAB		
Biantang Hill	HCV 1.2, HCV 4.2	1.85	0	0		1.85
Kelampai Bawah Hill	HCV 1.2, HCV 4.2	34.51	0	0		34.51
Kunyt Hill	HCV 4.2	0	0	0		0.00
Penakal Hill	HCV 1.2, HCV 1.3	70.10	0	0		70.10
Kepayang River riparian	HCV 1.2, HCV 4.1	20.98	0	0		20.98
Satong Kiri River riparian	HCV 1.2, HCV 4.1	0	12.47	0		12.47
Total		127.44	12.47	0		139.91

Based on the explanation above, it can be concluded that PT Kayung Agro Lestari has identified high conservation value areas.

7.12.3
Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

7.12.4
Based on results of HCV identification, it is known that there is HCV area within the scope of the certification unit referred to HCV of unit of certification within the scope of the HGU with a total area of 1122.99 ha. Unit of certification has compiled and determined HCV management plan in HCV Management Plan document in 2023 with scope of management and targets. An integrated management plan is developed in consultation with relevant stakeholders and covers areas that are directly managed and takes into account the relevant wider landscape level carried out on February-March 2021 with relevant stakeholders of unit of certification. Unit of certification manages the HCV area by providing boundary markers, signboards and markers for the boundaries of the HCV area. unit of certification also has a management plan that is prepared annually which aims to update management and monitoring needs, the annual program for the 2023 period includes:

- HCV area patrol by conservation task force
- Patrol and monitoring the HCV area with stakeholders
- Biodiversity Inventory
- Maintenance of HCV signboards and boundary markers
- Monitoring of orangutan conflicts with companies
- Phenology
- Creation of media campaigns and participation in environmental expo activities
- Socialization of HCV to staff, employees and contractors
- HCV signboard creation
- QR Code creation and installation

Unit of certification has carried out socialization of protected areas and HCVs to workers and communities around the plantations. The summary of evidence of the socialization is as follows:

- Socialization to employees of Division 01 of SGT-01 on 27 February 2023 which was attended by 82 participants.
- Socialization to employees of Division 02 of SGT-01 on 25 March 2023 which was attended by 77 participants.
- Socialization to employees of Division 03 of SGT-01 on 25 February 2023 which was attended by 45 participants.
- Socialization to employees of Division 01 of GST-01 on 25 March 2023 which was attended by 78 participants.
- Socialization to employees of Division 16 MLMS on 28 February 2023 which was attended by 36 participants.
- Socialization to Manjau & Kepayang Sub-village of Laman Satong Village community on 21 October 2022 which was attended by 18 participants.
- Socialization to Mata-mata Village community on 23 February 2023 which was attended by 56 participants.

- Socialization to Tanjung Jorong Sub-village of Kuala Tolak Village community on 20 February 2023 which was attended by 5 participants.
- Socialization to Kepayang Sub-village of Laman Satong Village community on 02 January 2023 which was attended by 18 participants.
- Socialization to *SMPN 03 MHU* in Matan Hilir Utara District on 30 March 2023 which was attended by 37 participants.
- Socialization to Kuala Tolak Village community on 15 & 17 April 2023 which was attended by 17 participants.

Unit of certification also has maps of the HCV area, water flow and topography with a scale of 1:85,000, the map is also equipped with information about: map title, cardinal directions, map legend, map update date, and map source. Unit of certification also conducts a review related to management and monitoring activities in 2023 as evidenced in the 2022 HCV Management Plan Review Report which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in 2023.

The management plan for HCV areas in the form of river borders has been stated in unit of certification documents as follows:

- High Conservation Value Identification Report 2013 which is in the HCV findings section explains the existence of rivers designated as HCV in PT Kayung Agro Lestari, namely Satong Kanan River, Satong Kiri River, Melaka River, Kepayang River and Laman River.
- High Conservation Value Area Management SOP Document No. SOP-CSV-01 Revision 03 dated 01 October 2018, explains things, including
 - Determine width of river border on each side of water body at 100 meters for large rivers and 50 meters for small rivers.
 - Artificial drainage to drain water during heavy rain does not require buffer zone but is not permitted to be contaminated with fronds, fertilizer or other chemicals.
 - Marking of river border areas by placing red paint marks on trees outside the river border; as well as on the outermost (circular) palm oil tree which is the boundary of the oil palm plantation in the river border area.

As implementation of these procedures during the audit process, evidence of implementation of the plan can be shown, including:

- Management Plan 2023 explains program for patrolling HCV area every week, maintaining signboards every week, making and installing HCV stakes every 4 months, maintaining HCV stakes every 4 months, as well as socialization to workers.
- HCV Management Report for August 2023 which explains that patrols of HCV area, maintenance of signboards, manufacture and installation of HCV stakes, and maintenance of HCV stakes have been carried out.
- Daily Patrol Report with document number FRM-ENV-001 by the HCV task force from August 2023 to 14 September 2023 which includes monitoring activities that damage HCV including destruction of HCV planks, destruction of HCV signs (stakes, boundaries), fertilization and spraying throughout the area river border. It is known that there was no destruction of HCV signs (stakes, boundaries), fertilization or spraying along the river border area.
- HCV socialization to staff and employees on 27 February 2023 which was attended by 17 upkeep (spraying) workers at SGT-01.
- Re-socialization of non-chemical riparian area along Melaka River border on 13 September 2023 to 18 spraying workers.

However, based on result of field visit to Melaka River Block B30 SGT-01, evidence was obtained that there were traces of pesticide chemical application activities on oil palm trees on Melaka River border, where in this area there was also no red paint on the outermost (circular) oil palm tree which constitute the boundary oil palm plantations in river border areas. Furthermore, the verification results in SGT-01 Employee Daily Activity Report document on 31 August 2023 explained that pesticide chemical application activities had been carried out in Block B30 SGT-01 covering an area of 36.76 ha for type of agrochemical namely *amiphosate, ally, agristick* and *boral*.

Based on the explanation above, unit of certification has not been able to show sufficient evidence that the implementation of HCV management has been carried out in accordance with existing procedures. **This is nonconformity No. 2023.03 with major category.**

7.12.5

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

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

Unit of certification can show the minutes of the agreement on the joint commitment to the management of the HCV area of the Laman Randu sacred tomb dated April 12, 2016 in the core zone area of 100 Ha.

Unit of certification has collaborated with surrounding villages in the implementation of conservation management, for example in August 2020 a Patrol with the Village Forest Management Agency (LDPHD) Laman Satong was carried out in several HCV areas.

7.12.6

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

Unit of certification already has SOP for the Management of High Conservation Value Areas which took effect on October 1, 2018 explaining, among other things:

- Marking the boundaries of HCVF in the field using a Global Position System (GPS) device based on the map of HCV identification
- Provide facilities and infrastructure to protect HCV (Plants and Animals) areas; provision of facilities in the form of maps of HCV areas, HCV signboards containing information on HCV name, HCV type, HCV area and various types of activities that are PROHIBITED such as hunting, mining, felling trees, gardening and legal sanctions while taking into account the wisdom of the local community.
- Conduct routine or periodic surveillance and patrols on HCVs that are prone to disturbances and the results of monitoring and patrol activities are written in the prepared report format
- Planning the development of plantation infrastructure by taking into account the HCV
- Develop and monitor a population management plan for protected species of plants and animals contained in the HCV
- Conduct an inventory of Non-Timber Forest Products (NTFPs) in the HCV such as honey, rattan and others
- Supervise and control the use of NTFPs according to the concept of sustainable use
- Reducing the occurrence of water pollution by using environmentally friendly agricultural chemicals in the Estate area
- Conducting outreach and outreach to the community

Unit of certification manages the HCV area by providing boundary markers, signboards and markers for the boundaries of the HCV area. unit of certification also has a management plan that is prepared annually which aims to update management and monitoring needs, the annual program for the 2023 period includes:

- HCV area patrol by conservation task force
- Patrol and monitoring the HCV area with stakeholders
- Biodiversity Inventory
- Maintenance of HCV signboards and boundary markers
- Monitoring of orangutan conflicts with companies
- Phenology
- Creation of media campaigns and participation in environmental expo activities
- Socialization of HCV to staff, employees and contractors
- HCV signboard creation

- QR Code creation and installation

Unit of certification carried out socialization of protected areas and HCVs to workers and communities around the plantations. The summary of evidence of the socialization is as follows:

- Socialization to employees of Division 01 of SGT-01 on 27 February 2023 which was attended by 82 participants.
- Socialization to employees of Division 02 of SGT-01 on 25 March 2023 which was attended by 77 participants.
- Socialization to employees of Division 03 of SGT-01 on 25 February 2023 which was attended by 45 participants.
- Socialization to employees of Division 01 of GST-01 on 25 March 2023 which was attended by 78 participants.
- Socialization to employees of Division 16 MLMS on 28 February 2023 which was attended by 36 participants.

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

7.12.7

Unit of certification has been monitoring the status of HCVs, peat areas, RTE species. Unit of certification can show the PT Kayung Agro Lestari High Conservation Value Area Management report for January-June 2023 period which has been approved by the Director. The results of the document review of the report show that unit of certification has carried out several activities as an effort to protect HCV, peat areas, and RTE species. The results of the monitoring carried out by unit of certification are as follows:

- During the period of January-June 2023, there was an illegal logging activity in production forest which borders PT KAL HCV but the case is decreased from previous period. Efforts made by unit of certification by conducting direct communication and directing to the community.
- The results of the animal and plant inventory conducted by unit of certification for the first semester of 2023 revealed that there are 21 types of protected wildlife based on the Regulation of the Minister of Environment and Forestry Number P.106 of 2018 consisting of 6 types of mammals, 14 species of birds, and 1 types of reptiles.
- Phenology activities to determine the suitability of Orangutan habitat carried out in the HCV 2330 Area such as tree species inventory. The results of the activity showed that the number of trees found was 536 trees, which were dominated by Family Myrtaceae (53 species) and Sapotaceae (223 species).

The results of the monitoring carried out by unit of certification in the first semester of 2023 are used as input for the implementation of monitoring in the second semester of 2023.

7.12.4	Status: Nonconformity No. 2023.03 with major category.
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3.2 Conformity Checklist of Certificate and Logo Use

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

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of ANJA against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.5.4. A summary of findings is as stated below.

ANJA Time Bound Plan (TBP) is explaining in table section 1.10.1 ANJA has run five (5) mills and eight (8) management unit/company in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement: The company are already doing internal audits.</p> <p>Auditor verification: Internal Audit for uncertified management unit</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama has been conducted Internal Audit on 24 November – 2 December 2022.
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification: ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005, without preceded by the identification of HCV in accordance with RaCP Procedure will be observed again on the next visit audit.</p>
2.1.3	Any new plantings since January 1 st , 2010, must comply with the RSPO New Plantings Procedure.	<p>company statement: NPP has been applied.</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014

2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification: The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015).</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>Company statement: There is no labour disputes.</p> <p>Auditor verification: The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013.</p> <p>A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), is mentioned in section 6 of tis SOP.</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
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>Company statement: All legal requirements for palm oil plantation has been comply.</p> <p>Auditor verification: PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> • Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) • Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 • Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 • HGU on process • Environment Permit No. 211, 2013, dated 06 May 2013 • SEIA No. 210, 2013, dated 1 May 2013

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

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
<p>No Non-conformance identified in ASA-3</p>					
Non-Conformance Description (filled by auditor):					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

<i>NCR No.</i>	:	2023. 01	<i>Issued by</i>	:	Benli Manurung
<i>Date Issued</i>	:	15 September 2023	<i>Time Limit</i>	:	Next ASA
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	
<i>Standard Ref. & Requirement</i>	:	2.2.2 All contracts, including contracts with FFB suppliers, have separate clauses regarding the fulfillment of relevant legal obligations, and can be proven by the relevant third party.			

Evidence observed (filled by auditor):
The company has an IM from the HR Director and CM of ANJ Group number 015/ANJT/HRCM/IM/IX/2022 dated September 22 2022, concerning Outsourcing Provisions. In point 10, it is stated that the HRO is obliged to supervise outsourcing in collaboration with companies regarding compliance with applicable labor norms, including:

- e. Company contracts with outsourcing companies
- f. The outsourcing company's contract with the employee
- g. Outsourcing company employee pay slips
- h. Proof of membership in *BPJS Kesehatan* and *BPJS Ketenagakerjaan*

Based on the results of a review of the list of contractors as of September 2023, it is known that there are 11 contractors and 3 FFB suppliers and 1 CPO/PK transporter. Then the results of the verification of several samples of contractors and suppliers obtained information on the fulfillment of relevant legal obligations by contractors/suppliers/transporters as follows:

1. PT Manjau Agro Abadi (Maintenance and Harvest contractor)

- Contract number 004SPKB/03/0423 dated 21 March 2023 between PT KAL and PT MAA regarding the provision of harvest services at PT KAL which is valid until 20 April 2023.
- The list of employees as of September 2023 is 30 people
- The list of BPJS TK participants as of September 2023 is 22 participants
- The list of BPJS Health participants as of September 2023 is 7 participants
- Contract Monitoring Checklist for all employees (30 people), for example the casual daily worker contract dated 02 January 2023 in the name of Noviani (broker quote)
- Proof of payment of workers' wages, for example proof of payment of wages for the period August 2023 in the name of Noviani amounting to IDR 3,219,890
- Contractor evaluation documents as of August 2023 with notes that BPJS Health is still in progress

Based the explanation above, company cannot be shown sufficient evidence that all employees have been included in the *BPJS Ketenagakerjaan* and *BPJS Kesehatan* programs. In additions, company cannot be shown that the contract is still valid between PT KAL and PT MAA.

2. CV Abadi Loc Jaya (Transporter CPO/PK)

- Contract number 1204/PK/SC/2022 dated 26 December 2022 between PT KAL and CV Abadi Loc Jaya regarding Transporter Kernel which is valid until 31 December 2023.
- Contract number 1203/CPO/SC/2022 dated 26 December 2022 between PT KAL and CV Abadi Loc Jaya regarding CPO Transporter which is valid until 31 December 2023.

However, sufficient evidence cannot be shown regarding compliance with other regulations such as: Driver's License, Proof of *BPJS Ketenagakerjaan* *BPJS Kesehatan* participant, Proof of payment of workers' wages, list of employees and CV ALJ contracts with workers.

3. PT Sinar Karya Mandiri (Supplier TBS)

<ul style="list-style-type: none"> Contract number 1017/COM/KAL/2022 dated 26 December 2022 between PT KAL and PT Sinar Karya Mandiri regarding FFB suppliers which is valid until 31 December 2024 List of 5 drivers/employees BPJS Employment participant number for 5 people, for example in the name of Rupian with <i>BPJS Ketenagakerjaan</i> number 17042800148 Proof of payment of workers' wages for the period August 2023, for example on behalf Amirullah with wages amounting to IDR 5,280,404 Driving license available, for example number 930410201101 on behalf Achmad Sarif which is valid until April 14 2024 <p>However, sufficient evidence cannot be shown regarding compliance with other regulations, such as: proof of <i>BPJS Kesehatan</i> membership and PT SKM contracts with workers.</p>
<p>Non-Conformance Description (filled by auditor):</p> <p>Based on the explanation above, the company has not been able to show sufficient evidence that all contractors have fulfilled their obligations to comply with relevant regulations, including those related to employment relations, employee lists, OHS aspects and membership of <i>BPJS Ketenagakerjaan</i> <i>BPJS Kesehatan</i>.</p>
<p>Root Cause Analysis (filled by organization audited):</p>
<p>Correction (filled by organization audited):</p>
<p>Corrective Action (filled by organization audited):</p>
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Evaluasi Penilai dan Kesimpulan (dilengkapi oleh auditor):</p>
<p>Follow up on next audit (filled by auditor):</p>
<p>Verified by :</p>

<i>NCR No.</i>	:	2023.02	<i>Issued by</i>	:	Afiffuddin
<i>Date Issued</i>	:	15 September 2023	<i>Time Limit</i>	:	14 December 2023
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	20 November 2023
<i>Standard Ref. & Requirement</i>	:	7.2.10 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.			
Evidence observed (filled by auditor):					

The company shows special health inspection records including spray workers. Based on these recordings, it is known that the last inspection was carried out on 29 – 31 May 2023. The results of the inspection showed that all pesticide applicators had been included in the health examination with the results, namely:

- 20 pesticide applicators GST-1, there are records for 13 workers, including related to autspirometry and liver function
- 18 pesticide applicators GST-2, there are records for 13 workers, including related to autspirometry and liver function
- 32 pesticide applicators Mitra Estate, there are records for 8 workers, including related to autspirometry and liver function
- 16 pesticide applicators SGT-1, there are records for 9 workers, including autspirometry
- 15 pesticide applicators SGT-2, there are records of 3 workers, including those related to liver function

Based on management's explanation, it is known that follow-up has not been carried out because they are waiting for the installation of health examination equipment at the clinic. However, the company has not been able to demonstrate follow-up on the results of the health inspection that has been carried out until the audit assessment is carried out.

Non-Conformance Description *(filled by auditor):*

Based on the explanation above, the company has not been able to show documented evidence of follow-up to the results of the health examinations carried out.

Root Cause Analysis *(filled by organization audited):*

- Follow-up on MCU results has not been carried out because the laboratory equipment at the Polyclinic to support MCU follow-up is still in the process of being ordered.

Auditor's Response (September 29, 2023)

- Do workers who receive records of special examination results have to wait until lab equipment is available for follow-up?
- The company has anticipated this by carrying out a physical examination before the Special MCU. Based on previous MCU history, third party lab results were less accurate because employees lacked discipline in preparing for MCU (smoking, not fasting, staying up late, etc.) and some body conditions were unhealthy (menstrual conditions, flu, etc.).
- Is there no other alternative to follow up on the results of the examination?
Basically, physical examination screening was carried out before the Special MCU and there were no health complaints from employees.
- What will be the condition of workers who receive inspection records but continue to work at the same job if it turns out that the worker's condition is worsening?
Have carried out physical examination screening before the Special MCU so that workers are still suitable for the conditions at that time

Correction *(filled by organization audited):*

- Carrying out laboratory equipment installation
- Create a follow-up program for the MCU

Corrective Action *(filled by organization audited):*

Auditor's Response (September 29, 2023)

- How is the plan for installing laboratory equipment and its realization?
Laboratory equipment installation has been carried out in September 2023 (Attachment 2.1 List of Lab Equipment)

- When will workers be followed up on their inspection results?
Based on the results of re-examination at the KAL Polyclinic laboratory in September and October 2023, all employees who received MCU were fit (Appendix 2.2 MCU Follow Up for Estate and Mill 2023)

Assessor Evaluation and Conclusion *(filled by auditor):*

Verification date September 29, 2023

Based on the results of the auditor's verification, the company has carried out root cause analysis, corrections and corrective actions, but there are still several notes from the auditor that must be responded to by the auditee. Therefore, the Nonconformity in this indicator is still not fulfilled. Please respond to the auditor's note above and show the supporting documents.

Verification date 20 November, 2023

The company shows evidence of improvement as follows:

- The company shows evidence of improvement in the results of employee follow-up springing in September and October 2023 carried out by company doctors
- The company shows a list of Lab equipment used for MCU activities in the KAL polyclinic laboratory (Internal)

Based on the Root Cause, corrective and corrective actions as well as the evidence submitted, the non-conformity in this indicator is declared fulfilled and will be observed in the next assessment.

Follow up on next audit *(filled by auditor):*

Verified by : Afiffuddin

<i>NCR No.</i>	:	2023.03	<i>Issued by</i>	:	Erika Lucitawati
<i>Date Issued</i>	:	15 September 2023	<i>Time Limit</i>	:	14 December 2023
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	18 October 2023
<i>Standard Ref. & Requirement</i>	:	7.12.4 Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plans to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).			
Evidence observed (filled by auditor): The management plan for HCV areas in the form of river borders has been stated in unit of certification documents as follows: <ul style="list-style-type: none">• High Conservation Value Identification Report 2013 which is in the HCV findings section explains the existence of rivers designated as HCV in PT Kayung Agro Lestari, namely Satong Kanan River, Satong Kiri River, Melaka River, Kepayung River and Laman River.• High Conservation Value Area Management SOP Document No. SOP-CSV-01 Revision 03 dated 01 October 2018, explains things, including<ul style="list-style-type: none">- Determine width of river border on each side of water body at 100 meters for large rivers and 50 meters for small rivers.- Artificial drainage to drain water during heavy rain does not require buffer zone but is not permitted to be contaminated with fronds, fertilizer or other chemicals.- Marking of river border areas by placing red paint marks on trees outside the river border; as well as on the outermost (circular) palm oil tree which is the boundary of the oil palm plantation in the river border area. As implementation of these procedures during the audit process, evidence of implementation of the plan can be shown, including: <ul style="list-style-type: none">• Management Plan 2023 explains program for patrolling HCV area every week, maintaining signboards every week, making and installing HCV stakes every 4 months, maintaining HCV stakes every 4 months, as well as socialization to workers.• HCV Management Report for August 2023 which explains that patrols of HCV area, maintenance of signboards, manufacture and installation of HCV stakes, and maintenance of HCV stakes have been carried out.• Daily Patrol Report with document number FRM-ENV-001 by the HCV task force from August 2023 to 14 September 2023 which includes monitoring activities that damage HCV including destruction of HCV planks, destruction of HCV signs (stakes, boundaries), fertilization and spraying throughout the area river border. It is known that there was no destruction of HCV signs (stakes, boundaries), fertilization or spraying along the river border area.• HCV socialization to staff and employees on 27 February 2023 which was attended by 17 upkeep (spraying) workers at SGT-01.• Re-socialization of non-chemical riparian area along Melaka River border on 13 September 2023 to 18 spraying workers. However, based on result of field visit to Melaka River Block B30 SGT-01, evidence was obtained that there were traces of pesticide chemical application activities on oil palm trees on Melaka River border, where in this area there					

was also no red paint on the outermost (circular) oil palm tree which constitute the boundary oil palm plantations in river border areas. Furthermore, the verification results in SGT-01 Employee Daily Activity Report document on 31 August 2023 explained that pesticide chemical application activities had been carried out in Block B30 SGT-01 covering an area of 36.76 ha for type of agrochemical namely *amiphosate*, *ally*, *agristick* and *boral*.

Non-Conformance Description (filled by auditor):

Based on the explanation above, unit of certification has not been able to show sufficient evidence that the implementation of HCV management has been carried out in accordance with existing procedures.

Root Cause Analysis (filled by organization audited):

Determination of the Melaka River border line refers to the SOP for Management of High Conservation Value and River Borders (SOP SDD 02) which was issued on 1 April 2013 with provisions for the width of the water body being 5 - 10 m, the river border width being 25 m and also guidelines from BMP RSPO Riparian but not yet referring to the latest HCV Management SOP, namely 50 m for small rivers, this is due to a lack of understanding from conservation officers.

Correction (filled by organization audited):

- Conduct further socialization to employees regarding spraying limits in river border areas
- Marking with red paint on the outer 50 m boundary of the Melaka River border area

Corrective Action (filled by organization audited):

- Conduct training for conservation officers regarding the implementation of SOPs for HCV management, especially regarding river border management
- Socialization to spraying employees not to spray in river border areas
- Monitoring river border management to ensure that there are no activities using chemicals (spray and fertilizer) in areas marked with red paint.

Assessor Evaluation and Conclusion (filled by auditor):

29 September 2023

Based on the verification results, the company demonstrated the determination of root cause analysis, corrections and corrective actions. However, there is an auditor's response in the root cause analysis and corrective action column that needs to be answered by the company. Thus, this nonconformity is declared not yet fulfilled.

09 October 2023

The company has presented the following documents:

- Activity Report on the Installation of Boundary Marks and Signboards for the Melaka River Border Area on 25 September 2023 in the form of painting palm trees using red paint as a chemist area with a radius of 50 m.
- Training on Conservation SOPs Related to Management of River Border Areas on 03 October 2023 to 6 HCV officers.
- Socialization of the Melaka River Border Area on 26 September 2023 to 14 spraying employees.

However, there is an auditor's response in the root cause analysis and corrective action column that needs to be answered by the company. Thus, this nonconformity is declared not yet fulfilled.

18 October 2023

The company has established a root cause analysis, corrections and corrective actions, as well as showing documents in the form of a Daily Patrol Report with document number FRM-ENV-001 by the HCV task force on September 25 2023 which includes monitoring of activities that damage HCV including destruction of HCV planks, destruction of signs (stake, boundary) HCV, fertilization and spraying along the Melaka river border area. It is known that there was no

destruction of HCV signs (stakes, boundaries), fertilization or spraying along the river border area. Based on this explanation, this nonconformity is declared to have been fulfilled.

Follow up on next audit (filled by auditor):

Verified by : Erika Lucitawati

3.4.3. Opportunity for Improvement

No	Ref.	Description
1	6.2.7	Companies have the opportunity to ensure that workers remain employed for all main jobs (harvesting).

3.4.4. Noteworthy Positive Components

No	Description
1	Commitment to implementing principles of sustainable palm oil plantation management.
2	The company has human resources who are competent in their respective fields.
3	Presentation of documents is good
4	The company has certificate of <i>Proper</i> 2021 – 2022 from Ministry of Environment and Forestry period with green predicate.



3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environment Agency of Ketapang Regency <ul style="list-style-type: none"> Unit of certification is proactive in establishing communication with agencies, both requests for advice, directions and fulfillment of regulatory obligations Liquid waste reports, hazardous waste reports and environmental management and monitoring reports are submitted regularly and completely There are no environmental issues due to non-compliance with regulations related to the implementation of environmental management and monitoring activities 	<p>There are no negative issues that need further verification.</p>
Head of Manpower Department of Manpower and Transmigration Office of Ketapang Regency <ul style="list-style-type: none"> Mandatory reports related to employment have been submitted regularly There are no complaints regarding labour issues (child worker, worker discrimination, forced labour and so on). The company pays wages according to local government regulations Workers have been registered with the Social and Health Insurance (BPJS) Health checks have been carried out for workers. 	<p>There are no negative issues that need further verification.</p>
Plantation Agency Ketapang Regency <ul style="list-style-type: none"> The company has good relations and communication with the Agency The company always involves the Department in every company CSR activity. The Company has routinely submitted mandatory reports to the Agency During the last year there were no fires in the company area. There are no problems related to interference with plantation businesses by the community. 	<p>There are no negative issues that require further verification.</p>
National Land Agency of Ketapang Regency <p>There were no additional new use rights, and there were no reports regarding land disputes and conflicts with communities or outside parties. It was also explained that the company had also reported a report on land use / right to cultivate for the period 2022.</p> <p>Based on the results of the interview, it was also known that communication and cooperation between the National Land Agency office and the company were well established,</p>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Laman Satong Village, Kuala Tolak Village (who were also the previous land owners) & Kuala Satong Village.</p> <p>The process for land compensation is carried out on the basis of an agreement between the two parties without coercion or intimidation</p> <p>The company's relationship with the community is very good. The social responsibility provided includes assistance in community activities such as support in customary activities, road infrastructure improvements, and absorption of village communities as company workers</p> <p>The land compensation process has been carried out with a negotiation process, good administration, involving witnesses and mediation of the traditional leader, village head, sub-district head and police.</p>	<p>There are no negative issues that need further verification.</p>
<p>Sungai Awan Kanan Village</p> <p>The company's relationship with the community is very good. The social responsibility provided includes assistance in community activities such as support in road infrastructure improvements. This village is not directly adjacent to PT Kayung Agro Lestari's operational activity in this assessment, instead adjacent to project plan for special terminal of CPO transportation in the future. There is not any land conflict which happens currently between community village and the unit of certification.</p>	<p>There are no negative issues that need further verification.</p>
<p>Gender Committee</p> <ul style="list-style-type: none"> Gender Committee structure has represented each gender Male and female Unit of certification has granted permission/menstrual leave and maternity leave to female workers. Unit of certification gives permission to female workers to breastfeed For female workers who are breastfeeding who are in the office, there is an empty room provided for pumping breast milk There were no complaints or reports related to harassment, sexual violence or others in the last 2 years. 	<p>There are no negative issues that need further verification.</p>
<p>Kayong Agro Sejahtera Cooperation</p> <ul style="list-style-type: none"> The cooperative was founded in 2015 and is engaged in the procurement of goods such as basic necessities and others. Starting in 2021, all employees will automatically become members of the cooperative. So far, the forms of support provided by unit of certification include the provision of buildings and vehicles to purchase goods for cooperatives. 	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The last Annual Member Meeting was held in September 2022 and one of them appointed the new Chairman of the Cooperative. In cooperatives there are contributions including a basic fee of IDR 50,000 and a mandatory fee of IDR 30,000 So far there have been no complaints related to unit of certification's involvement in supporting the existence of the cooperative. 	
Gender Committee <ul style="list-style-type: none"> Gender Committee structure has represented each gender Male and female Unit of certification has granted permission/menstrual leave and maternity leave to female workers. Unit of certification gives permission to female workers to breastfeed For female workers who are breastfeeding who are in the office, there is an empty room provided for pumping breast milk There were no complaints or reports related to harassment, sexual violence or others in the last 2 years. 	There are no negative issues that need further verification.
Mitra Bina Satong Lestari Cooperative Manager <p>The relationship between the company and the cooperative is going well. Forums are discussed and dialogue is open to respond to any existing problems.</p>	There are no negative issues that need further verification.
PT Manjau Agro Abadi (Prunning, Upkeep and Harvest Contractor) <ul style="list-style-type: none"> Work Agreement is made monthly The price is agreed upon in advance when the contract is made Current payment The age of workers has been specified in the work agreement (minimum 18 years) BPJS Employee and BPJS Health have participated Work Agreement with workers already exists PT KAL has carried out contractor evaluations in accordance with what was agreed in the Work Agreement 	There are no negative issues that need further verification.
PT Sinar Karya Mandiri (Supplier TBS) <ul style="list-style-type: none"> Work Agreement is made monthly The price is agreed upon in advance when the contract is made Current payment The age of workers has been specified in the work agreement (minimum 18 years) BPJS Employee and BPJS Health have participated Work Agreement with workers already exists 	There are no negative issues that need further verification.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> PT KAL has carried out contractor evaluations in accordance with what was agreed in the Work Agreement 	
LKS Bipartite <ul style="list-style-type: none"> The <i>LKS Bipartite</i> structure was formed in May 2023 with a composition of 13 company representatives and 13 worker representatives The <i>LKS Bipartite</i> Forum was formed as a forum for communication between workers and the company 	<p>There are no negative issues that need further verification.</p>
PT Abadi Loc Jaya (Supplier EFB dan Transporter CPO/PK) <ul style="list-style-type: none"> Contracts are made annually The price is agreed upon in advance when the contract is made The age of the worker has been specified in the contract (minimum 18 years) Workers have insurance (<i>BPJS Ketenagakerjaan and BPJS Kesehatan</i>) All workers have a work contract with PT ALJ All drivers have a driving license 	<p>Based on document review and interviews with PT KAL representatives, known that sufficient evidence cannot be shown regarding compliance with other regulations such as: Driver's License, Proof of <i>BPJS Ketenagakerjaan BPJS Kesehatan</i> participant, Proof of payment of workers' wages, list of employees and CV ALJ contracts with workers. This has become a non-conformity in indicator 2.2.2</p>
Ex-structural of the Workers' Union (Serikat Buruh Patriot Pancasila/SBPP) <ul style="list-style-type: none"> SBPP is currently on inactive because its chairman resigned on November 28 2022 Currently, former SBPP members are preparing to electing the new structural so that SBPP will be active again. In Additions, the results of interviews with employees revealed that the company gives workers the freedom to form labor unions. 	<p>There are no negative issues that need further verification.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kayung Agro Lestari General Manager</p>  <p>Dadi</p> <p>Monday, 20 November 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Satria Adi Putra</p> <p>Monday, 20 November 2023</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	Environment Agency	Ketapang Regency	-	Direct interview	11/09/2023	✓	
2	Manpower Agency	Ketapang Regency	-	Direct interview	11/09/2023	✓	
3	Plantation Agency	Ketapang Regency	-	Direct interview	11/09/2023	✓	
4	Land Agency	Ketapang Regency	-	Direct interview	11/09/2023	✓	
5	Laman Satong Village	Ketapang Regency	-	Interview by Phone	15/09/2023	✓	
6	Kuala Tolak Village	Ketapang Regency	-	Direct interview	13/09/2023	✓	
7	Kuala Satong Village	Ketapang Regency	-	Direct interview	13/09/2023	✓	
8	Sungai Awan Kanan Village	Ketapang Regency	-	Direct interview	11/09/2023	✓	
9	Gender Committee	PT KAL	-	Direct Interview	12/09/2023	✓	
10	Kayong Agro Sejahtera Cooperation	PT KAL	-	Direct Interview	12/09/2023	✓	
11	Mitra Bina Satong Lestari	Ketapang Regency	-	Interview by Phone	14/09/2023	✓	
16	KAL POM • 1 Weighbridge operator • 1 Security • 3 Operator Grading • 1 workshop employee • 1 warehouse worker • 1 WTP worker • 1 WWTP worker	PT KAL	-	Direct Interview	13/09/2023	✓	
17	SGT 1 • 2 Harvesters • 3 upkeep workers • 1 HCV officer	PT KAL	-	Direct Interview	13/09/2023	✓	
18	SGT 2 • 1 upkeep worker • 1 HCV officer	PT KAL	-	Direct Interview	13/09/2023	✓	
19	GST 1 • 1 upkeep worker • 1 HCV officer	PT KAL	-	Direct Interview	13/09/2023	✓	
20	GST 2 • 1 upkeep worker • 1 HCV officer	PT KAL	-	Direct Interview	13/09/2023		
21	BSL • 1 harvester • 1 upkeep worker • 1 HCV officer	PT KAL	-	Direct Interview	12/09/2023	✓	
22	LAB • 1 harvester • 2 fertilizer workers • 1 upkeep worker • 1 HCV officer	PT KAL	-	Direct Interview	14/09/2023	✓	
23	LMS • 1 upkeep worker	PT KAL		Direct Interview	13/09/2023	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
24	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire via email	05/09/2023		✓
25	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	05/09/2023		✓
26	AMAN	Jakarta	rumahaman@cbn.net.id	Questionnaire via email	05/09/2023		✓

Appendix 2. Assessment Program

DATE	11 – 16 September 2023	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
Monday, 11 September 2023		
05:25 – 07:00 08:15 – 09:00 09:30 – 12:30 13:00 – 15:30	<ul style="list-style-type: none"> • Jakarta → Pontianak (Super Air Jet IU-682) • Pontianak → Ketapang (Wings Air IW-1440) • Public consultation with stakeholder to relevant agency in Ketapang Regency • Ketapang → Kayung Agro Lestari Palm Oil Mill – PT Kayung Agro Lestari 	AFF/ELU/BEN/INA
16:00 – 17:00	Opening meeting <ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	AFF/ELU/BEN/INA
Tuesday, 12 September 2023		
08:00 – 12:00	<ul style="list-style-type: none"> • Public consultation with affected communities around the plantation and previous land owners (direct interview) • Interviews with Gender Committees, Trade Unions, Local contractors, Employee cooperatives, third party suppliers (direct interview or by phone) Field Observation SGT 1 Estate & MBSL Aspect to be verified : <ul style="list-style-type: none"> • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Implementation of Environmental Aspects, Waste Management, Waste, LA, warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities) 	AFF ELU BEN & INA
12:00 – 14:00	Break	AFF/ELU/BEN/INA
14:00 – 16:30	Field observation to Kayung Agung Lestari POM <ul style="list-style-type: none"> • Supply Chain Flow (Receiving FFB, Weighing FFB), Despatch CPO, Sortation Station and mill housing • Observation of the processing, Fire Control Simulation and mechanism of employment aspects • Observation of Chemical Storage, PPE Storage, Hazardous Waste Storage, WWTP, WTP, Empty Bunch Area 	AFF BEN & INA ELU
16:30 – 17:00	Presentation of Daily Progress	AFF/ELU/BEN/INA
Wednesday, 13 September 2023		
08:00 – 12:00	Field Observation SGT 2 Estate & MLAB Aspect to be verified : <ul style="list-style-type: none"> • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV 	AFF & ELU

DATE	11 – 16 September 2023	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental Aspects, Waste Management, Waste, LA, warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities) <p>Field Observation GST 1 Estate & MLMS Aspect to be verified :</p> <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental Aspects, Waste Management, Waste, LA, warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities) 	BEN & INA
12:00 – 14:00	Break	AFF/ELU/BEN/INA
14:00 – 16:30	<ul style="list-style-type: none"> Document review and completing audit checklist Verification of stakeholder consultation result and field visit 	AFF/ELU/BEN/INA
16:30 – 17:00	Presentation of Daily Progress	AFF/ELU/BEN/INA
Thursday, 14 September 2023		
08:00 – 12:00	<p>Field Observation GST 2 Estate Aspect to be verified :</p> <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental Aspects, Waste Management, Waste, LA, warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities) 	AFF BEN & INA ELU
12:00 – 14:00	Break	AFF/ELU/BEN/INA
14:00 – 16:30	<ul style="list-style-type: none"> Document review and completing audit checklist Verification of stakeholder consultation result and field visit 	AFF/ELU/BEN/INA
16:30 – 17:00	Presentation of Daily Progress	AFF/ELU/BEN/INA
Friday, 15 September 2023		
08:00 – 12:00	<ul style="list-style-type: none"> Document review and completing audit checklist Verification of stakeholder consultation result and field visit 	AFF/ELU/BEN/INA
12:00 – 14:00	Break	AFF/ELU/BEN/INA
14:00 – 15:00	Interim Meeting Auditor	AFF/ELU/BEN/INA
15:00 – 17:00	Closing Meeting	AFF/ELU/BEN/INA

DATE	11 – 16 September 2023	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
Saturday, 16 September 2023		
07:00 – 07:45 09:40 – 11:05	<ul style="list-style-type: none"> • Ketapang → Pontianak (Wings Air IW-1345) • Pontianak → Jakarta (Super Air Jet IU-697) 	AFF/ELU/BEN/INA