

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

Name of Management Organisation : Pabatu Palm Oil Mill – Subsidiary of PT Perkebunan Nusantara IV
 Plantation Name : PT Perkebunan Nusantara IV – Pabatu Estate
 Location : Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia.
 Certificate Code : **MUTU-RSPO/072**
 Date of Certificate Issue : 16 September 2015 Date of License Issue : 16 November 2019
 Date of Certificate Expiry : 15 September 2020 Date of License Expiry : 15 September 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	01, 02 , 03 and 05 August 2019	Leonada, Asystasya Aishah Silalahi, Hasiholan Sihombing, Bayu Yogatama	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	30 October 2019

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FIGURE

Figure 1. Location Map of PTPN IV Unit Pabatu

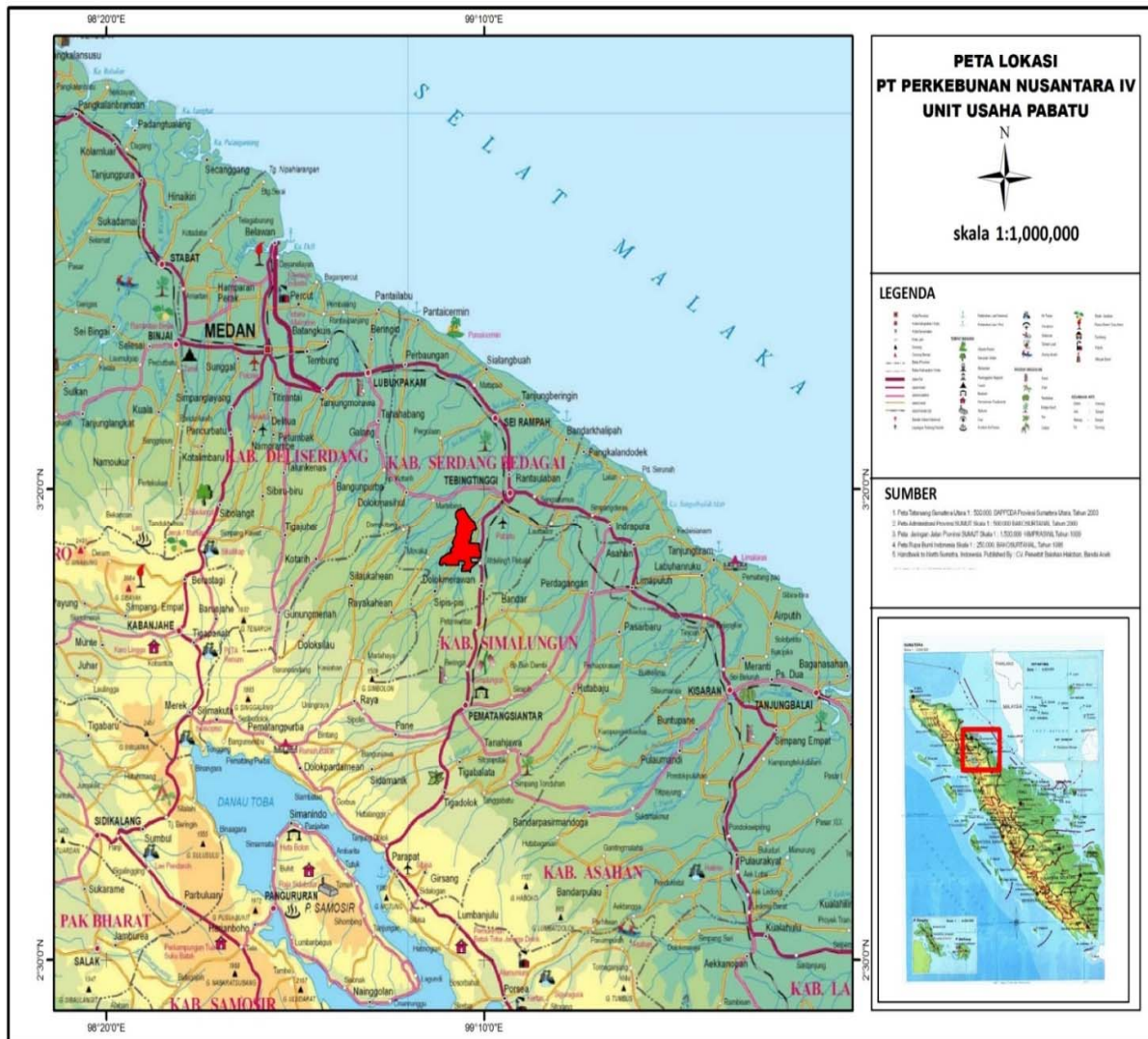
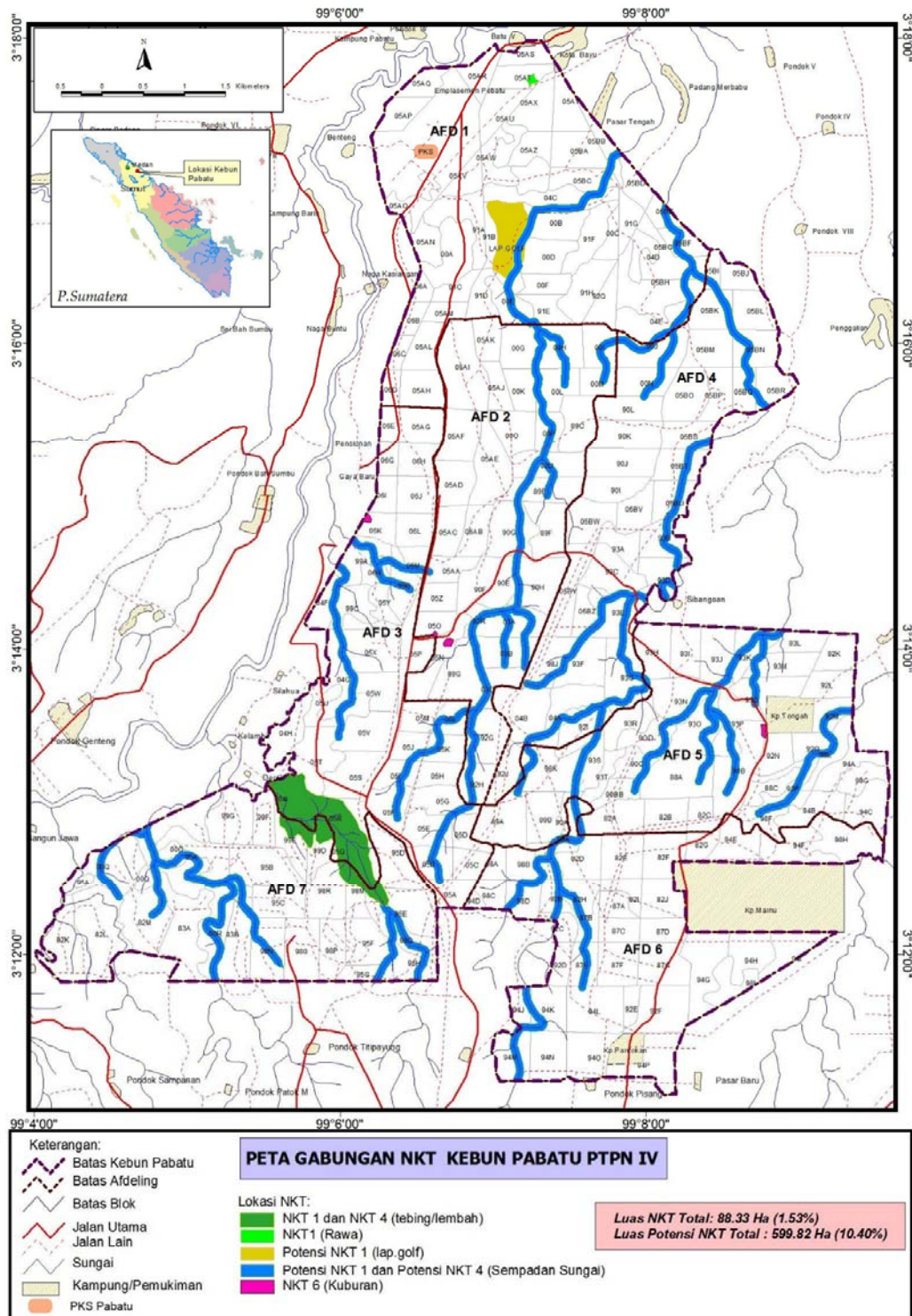


Figure 2. Operational Map of Pabatu Estate



Glossary

ASA	: Annual Surveillance Assesment
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
BOD	: Biological Oxygen Demand
CB	: Certification Body
CPO	: Crude Palm Oil
CSPK	: Certified Sustainable Palm Kernel
CSPO	: Certified Sustainable Palm Oil
CSR	: Corporate Social Responsibility
EFB	: Empty Fruit Bunch
EIA	: Environment Impact Assessment
FFB	: Fresh Fruit Bunch
FR	: Frequency Rate
GHG	: Greenhouse Gas
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha</i> (Land Use Rights)
IPM	: Integrated Pest Management
KER	: Kernel Extraction Rate
LSU	: Leaf Sampling Unit
MSDS	: Material Safety Data Sheet
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
P2K3	: <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> / OHS Committee
POME	: Palm Oil Mill Effluent
PIC	: Person In Charge
PK	: Palm Kernel
PKB	: <i>Perjanjian Kerja Bersama</i> (Collective Labour Bargaining)
P & C	: Principle and Criteria
POM	: Palm Oil Mill
PPE	: Personal Protective Equipment
PTPN	: PT Perkebunan Nusantara
RSPO	: Roundtable on Sustainable Palm Oil
RKL/RPL	: <i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i>
SCCS	: Supply Chain Certification System
SIA	: Social Impact Assessment
SOP	: Standart Operating Procedure
SPBUN	: <i>Serikat Pekerja Perkebunan</i> (Worker Union)
SPO	: Standard Procedure Operational
SR	: Severity Rate
SSU	: Soil Sampling Unit
WTP	: Water Treatment Plant
WWTP	: Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used	<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) • RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill) • RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017) 		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	Pabatu Palm oil Mill - PT Perkebunan Nusantara IV	
1.2.2	Contact person	Khayamuddin Panjaitan	
1.2.3	Organisation address and site address	Head Office: Jln Letjen Suprpto No.2, Medan, Sumatera Utara, 20151, Indonesia Representative offices submission of applications : Village of Banjaran, Sub-District of Padang Tualang, District of Langkat, Province Sumatera Utara, Indonesia.	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Khayamuddin Panjaitan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Pabatu Mill and Pabatu Estate.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	Pabatu	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17' 10"
			E 99° 06' 33"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply	Location	Coordinate

	Base		Latitude	Longitude
	Pabatu	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17' 11"	E 99° 06' 38"
1.5 Description of Area Statement				
1.5.1	Tenure			
	• State		5,754.04 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		5,754.04 Ha	
	• Mature area		2,992.00 Ha	
	• Immature area		1,988.00 Ha	
	• Infrastructure		408.00 Ha	
	• Housing		169.04 Ha	
	• Nursery		20.00 Ha	
	• Pond		3.003 Ha	
	• Steep, swamps, slope area		69.00 Ha	
	• Occupation		29.00 Ha	
	• Air strip		40.00 Ha	
	• Hyaten area/electricity grid line		20.00 Ha	
	• Cemetery, mosque, school and Church		6.00 Ha	
	• Other area (Bamboo, Gliricidia)		10.00 Ha	
	• HCV*		88.30 Ha	
1.6 Planting Year and Cycles				
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Pabatu Estate	Total	
	1995	4.00	4.00	
	1998	138.00	138.00	
	1999	70.00	70.00	
	2000	63.00	63.00	
	2003	68.00	68.00	
	2004	152.00	152.00	
	2005	1,305.00	1,305.00	
	2006	157.00	157.00	
	2009	418.00	418.00	

	2012	235.00	235.00				
	2013	12.00	12.00				
	2014	165.00	165.00				
	2015	205.00	205.00				
	2016	779.00	779.00				
	2017	780.00	780.00				
	2018	335.00	335.00				
	2019	94.00	94.00				
	TOTAL	4,980.00	4,980.00				
1.6.2	New Planting area after January 2010	- Ha					
1.6.3	Planting Cycle	2 nd Cycle					
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Pabatu	30	140,080.90	34,319.73	24.50	6,432.14	4.59
	<i>*Production data source from August 2018 to July 2019</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pabatu	5,754.04	4,980.00	66,215.37	13.29	66,215.37	100
	TOTAL	5,754.04	4,980.00	66,215.37	13.29	66,215.37	100
	<i>*Production data source from August 2018 to July 2019</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Marihat Estate (RSPO Certified)	PT Perkebunan Nusantara IV	-	-	4,254.63		
	Balimbingan Estate (RSPO Certified)		-	-	9,140.28		
	Dolok Ilir Estate (RSPO Certified)		-	-	1,796.95		
	Laras Estate (RSPO Certified)		-	-	2,462.60		
	Adolina Estate (RSPO Certified)		-	-	648.01		
	Aek Nauli Estate (RSPO Non-Certified)		-	-	1,751.92		
	Padang Matinggi Estate (RSPO Non-Certified)		-	-	1,330.66		

	Tinjowan Estate (RSPO Non-Certified)	-	-	401.10				
	Sei Kopas Estate (RSPO Non-Certified)	-	-	7,290.04				
	Marjandi Estate (RSPO Non-Certified)	-	-	19,005.58				
	Bah Birung Ulu Estate (RSPO Non-Certified)	-	-	20,279.92				
	Tanah Itam Ulu Estate (RSPO Non-Certified)	-	-	5,201.91				
	Bukit Lima Estate (RSPO Non-Certified)	-	-	108,.74				
	TOTAL			73,563.60				
	<i>*Source Production Data on August 2018 to July 2019</i>							
1.7.4	Product categories	FFB, CPO, PK						
1.8	Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)	Actual certified product for last year (tonnes/year)					
	• FFB Production	79,443	84,583.09					
	• CPO Production	21,592	21,400.78					
	• Palm Kernel (PK) Production	4,229	4,037.83					
	<i>*The projected volume has been extended on 2 June 2019.</i>							
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product for last year						
	• CSPO sold as RSPO certified product	6,068.89						
	• CSPK sold as RSPO certified product	4,018.82						
	• CSPO sold under other scheme	0						
	• CSPK sold under other scheme	0						
	• CSPO sold as conventional	14,655.73						
	• CSPK sold as conventional	0						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Pabatu	5,754.04	4,980.00	70,000	14.06			
	TOTAL	5,754.04	4,980.00	70.000	14.06			
	<i>*Projected FFB production for 16 September 2019 to 15 September 2020</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (ton)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pabatu	30	70,000	17,500	25	3,500	5	MB
	<i>*Projected CSPO and CSPK production for 16 September 2019 to 15 September 2020</i>							

1.9		Other Certifications					
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			-			
	ISPO			TNI-ISPO-D1705, valid from 4 April 2017 to 3 April 2022			
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					
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified	
		2018	KCP Pabatu	2018		Certified	
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified	
			Laras	2018	Simalungun, Sumatera Utara	Certified	
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified	
	Adolina	2018	Adolina	2018	Serdang Bedagai and Deli Serdang, Sumatera Utara	Certified	
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified	
			Marihat	2018	Simalungun, Sumatera Utara	Certified	
			Bah Birung Ulu	2021	Simalungun, Sumatera Utara	ST-1	
			Marjandi	2019	Simalungun, Sumatera Utara	Certified	
			Marjandi HGU on process (30 Ha)	2021	Simalungun, Sumatera Utara	-	
	Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified	
			Dolok Sinumbah HGU on progress (35.94 Ha)	2021	Simalungun, Sumatera Utara	-	
			Balimbingan	2018	Simalungun, Sumatera Utara	Certified	
	Mayang	2018	Mayang	2019	Simalungun, Sumatera Utara	Certified	
			Bukit Lima	2019	Simalungun, Sumatera Utara	-	
	Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	IC	
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	IC	
Tinjowan	2018	Tinjowan	2018	Simalungun, Sumatera Utara	Certified		
		Aek Nauli	2018	Simalungun, Sumatera Utara	Certified		

		Padang Matinggi	2018	Simalungun, Sumatera Utara	Certified
Air Batu	2018	Air Batu	2018	Asahan, Sumatera Utara	Certified
		Air Batu HGU on progress (459.02 Ha)	2021	Asahan, Sumatera Utara	-
Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
		Berangir HGU on progress (10 Ha)	2021	Labuhan Batu Utara, Sumatera Utara	-
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified
		Sawit Langkat HGU on progress (301.50 Ha)	2021	Langkat, Sumatera Utara	-
Pasir Mandoge	2021	Pasir Mandoge	2021	Asahan, Sumatera Utara	ST-2
		Sei Kopas	2021	Asahan, Sumatera Utara	ST-2
		Tonduhan	2021	Simalungun, Sumatera Utara	ST-2
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	-
		Balap	2021	Mandailing Natal, Sumatera Utara	-
Ajamu	2019	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified
		Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	-
Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	-
PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	-
PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	-
*Time bound plan April 2019 signed by head of plan and development department (Sustainability)					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PTPN IV- Pabatu POM does not have scheme smallholders or outgrowers				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<p>1. Leonada (Lead Auditor). Bachelor of agriculture for plant breeding and seed technology programme study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, lead auditor ISO 9001; 2008, ISO 14001; 2005, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, health and safety management system (SMK3) auditor. In this audit He conducted an assessment on transparency, Legal and land dispute.</p> <p>2. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify best management practices, long term plan, OHS aspects.</p> <p>3. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify Social, Worker Welfare aspects and SCCS.</p> <p>4. Bayu Yogatama (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify Environmental Aspect, HCV, and Green House Gases.</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 : 4 auditor</p> <p>Number of days for ASA-4 at site: 4 days</p> <p>Number of working days for ASA-4 at site : 16 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 Perkebunan Nusantara IV Unit Pabatu to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised June 2017 (Module E for CPO Mill).</p> <p>From morning until afternoon, the team traveled from Jakarta to Medan by plane and travel to site by car. Then continued holding an opening meeting. The opening and closing meeting was held in the Meeting Room attended by</p>

	<p>the Estate Manager, Mill Manager, Assistants, and other related personnel's. During audit activity, auditors always accompanied by client and the documents are presented well. The audit is conducted in accordance with audit plan.</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 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 surveillance assesment findings were observed by auditors at this ASA assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Location of Assessment
ASA-4	<p>Number of unit in this certification activity is 1 (one) Mill and 1 (one) Own Estates. The auditor team used the $(0.8 \sqrt{y}) \times (z)$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. (y) is the number of estate and (z) multiplier defined by the risk assessment. The consideration for risk assessment are geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflict, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Pabatu POM) and one estate (Pabatu Estate).</p> <p>Pabatu POM</p> <ul style="list-style-type: none"> • Weighbridge. Observation and interview related to SCCS, workers welfare, safety aspect and FFB received procedure • Security Post (2 security). Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Loading Ramp (5 workers). Observation and interview with sortation personnel related to understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. • Sterilizer Station (2 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Press Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Boiler Station (3 workers). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Engine Room Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Kernel Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • WWTP (1 operator) Field observations and interview related about ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent. • WTP (1 operator) Observations and interview related to water management, recording of water use, health checks, PPE and waste management. • Chemical Storage (1 Worker) Observation and interview 1 worker about material handling, OHS, and hazardous material handling • Oil Storage Observation and interview about material handling, OHS, and hazardous material handling

	<ul style="list-style-type: none"> • EBA Observatoion related waste management • Hazardous Waste Storage (1 worker) Observation and interview related OHS, material handling, and hazardous waste management. • Hydrant Simulation fire preparedness observation and simulation • Workshop Observation and interview related OHS and workers welfare (1 operator) <p>Pabatu Estate</p> <ul style="list-style-type: none"> • HGU stakes No. 89 block 05BR and No. 99 block 05BP. Observation on boundaries poles, coordinates, maintenance, and demarcation. • HCV Area of riparian division VII. Observation of HCV management. • Block 18P Division 7 (4 Pesticide Applicator). Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare. • Block 12F Division 6 (4 harvester). Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare. • Block 17L Division 3 (EFB application - 4 workers). Field observations on EFB application and interview with the worker related to the procedure, safety and health and also worker welfare. • Block 17L Division 3 (Steep slope area – terrace area). Field observations on steep slope area and management strategy for plantings on that area. • Block 98K Division 3 (Replanting Area). Observation area of replanting. • Nursery. Observation area of nursery. • Housing Afd 3 Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities. • TPA Afdeling 3 Observation and interview related daycare facility. • PPE warehouse and Mixing Area Afd 3. Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling. • Land Application blok 05D Afd 3 Observation about flat bed condition, indications of spillage or overflow of liquid waste, and interviews with workers related to tasks, responsibilities and aspects of employment. • Landfill blok 05 L Afd 3. Observation of waste management. • Pabatu Hospital Observation and Interview with doctor about medical facility and hazardous handling (1 doctor). • Medical waste storage (2 worker) Observation and interview related OHS, material handling, and hazardous waste management. • WWTP Pabatu Hospital Field observations and interview related about ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent. • Fertilizer warehouse Observation for material handling, OHS, and hazardous material handling. • Block 05 BP Afd IV trench insulation Observation about water management and marking area. • Blok 95 E Afd VII HCV Area Observations on marking of HCV management, monitoring of RTE species.
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV Unit Pabatu was held by:</p> <ul style="list-style-type: none"> • Public Notification on website of PT Mutuagung Lestari (www.mutucertification.com) on 26 July 2019 (http://mutucertification.com/notification-of-rspo-surveillance-4-pabatu-pom-subsiidiary-pt-perkebunan-nusantara-iv/) • Public consultation meeting with government institution in Serdang Bedagai District on 1-2 August 2019. • Public consultation meeting with community(s) including previous land owner on 2 August 2019. • Public consultation meeting with internal stakeholders and local contractor on 1-2 August 2019. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Unit Pabatu.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>

2.4 Determining Next Assessment

The next visit (*RC*) will be determined six (6) month before the certificate expiry.

3.0 ASSESSMENT FINDINGS
3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pabatu POM – PT Perkebunan Nusantara IV operation consisting of one palm oil mill and one oil palm estates.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicators; one (1) nonconformity were assigned against Minor Compliance Indicators; and no nonconformance against supply chain requirement for CPO mill and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of *two (2)* Major non-conformities and *one (1)* Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pabatu POM – PT Perkebunan Nusantara IV complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016); RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill); and RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide 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>Company has the latest list of stakeholder period of 2019, consist of statutory bodies (National, Province, Regency, Sub-District), local communities, worker organization, youth organization. Besides, there also list of information that can be accessed by public listed on Director Decree No. 04.03/Kpts/02/II/2018 about publication of company documents. Information that can be accessed by public such as environment, social, legality, OSH, worker welfare document, and so on. Based on interview with statutory bodies in Serdang Bedagai Regency, stakeholders also can access the company's documents, such as company's policies, licensing, reporting, and so on. They also know the mechanism and person in charge for communication with stakeholder.</p> <p>Company also reported mandatory report to related agencies, for example:</p> <ul style="list-style-type: none"> - Land Use Report of PTPN IV Pabatu period of 2018 to Land National Agency of Serdang Bedagai Regency on 17 July 2019. - Employee Report period of 2018 to Manpower Agency of Serdang Bedagai Regency on 11 February 2019. 	
1.1.2	<p>Mechanism to respond information request listed in procedure of <i>Masa Simpan Permintaan Informasi dan Tanggapan</i> No SPO 06 on 1 August 2017. Based on procedure, time limit to respond information request from stakeholder is 30 days.</p>	

Company recorded all incoming letter, its respond, in Recapitulation of Internal and External Communication. For example: A letter from Regent of Serdang Bedagai Regency dated 30 January 2019 regarding CSR data request. The company then replied to the letter on 22 February 2019 through letter No. PAB./X/30/II/2019 contains CSR data of PTPN IV Pabatu.

Status: Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

Company has list of document that can be accessed publicly, such as:

- Company profile
- Annual report
- Land use title
- CSR data
- SIA document
- HCV document
- Complaint and its respond
- And so on

Public document also can be seen in notice board, such as company's vision and mission, public report, or company's website. Based on interview with representative of Bah Sumbu and Naga Kesiangan Village and related agencies of Serdang Bedagai Regency, it is known that they are aware of public document and don't have difficulty to access it.

These documents are available in estate and mill office. Company also has monitoring and management report, such as OSH implementation report, report of environmental management and monitoring plan, land use report, and plantation activities report. These documents also can be accessed by public through the mechanism which has determined by the company.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1

The company has a code of conduct that was signed by the Commissioner and President Director in November 2013. The code of conduct regulates conduct guidelines relating to conflicts of interest, bribery, political activities, drugs and gambling, business entertainment, gifts, souvenirs, donations, and disgraceful acts which constitute a prohibition for business actors. This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company. And also, based on interview with local contractor, company has socialized this policy whenever there is renewal work agreement and then delivered to each contractor worker.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The Company has list of regulations of 2019 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. The company has shown the evidence of legal requirements compliance such as plantation bussines permit fom Integrated Licensing Service Body of Sumatera Utara Province No. 522.2/15/BPPTSU/2/1.3/II/2013 dated 21 February 2013 with covering 5,754.04 Ha and 30 ton FFB/hour capacity. The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely,

hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety & occupational health, transporting and forklift operator etc

Based on interview with stakeholders such as government agencies and other stakeholders such as workers union and surrounding communities it is known that the company has comply the related regulations for example: has plantation business permit, land use right, no workers under age of 18, land application permit, hazardous waste storage permit, there is no environment issues etc.

2.1.2, 2.1.3, 2.1.4

Procedure of legal requirement which presented in document No. 04.01/KOL/P/034, dated 1 August 2018 mentioned that corporate legal officer, general and human resource assistant manager has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the corporate legal officer required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance are conducted annually as example on 29 July 2019. The internal audits have shown the company's compliance of legal requirements according to the list of regulations 2019.

Status: Comply

2.2

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.

2.2.1

PTPN IV – Pabatu has managed totaling area for about 5,754.04 Ha as scope of certification. The plantation of Pabatu is a former of dutch colonial era plantation (NV. *Bandar Oli Culture Masscthapij*), that has been nationalized by government decree No. 19 dated 2 May 1959.

Based on konstatering (decree) No. 110/-PPT/B, Minister of Home Affairs cq. Directorate General of Agrarian Affairs through Decree No. 19/HGU/DA/1976 dated June 26, 1976 gave land title to PNP VI (National Plantation Company VI) Pabatu Estate for an area of 5,707.07 Ha. which is based on field inspection carried out by Committee B which stipulates that the area is free from popular occupation. there is a discrepancy the total area of land title covering 403.50 Ha ie from 6,173.53 ha to 5,770.07 ha. This is due to the existence of an asset release permit from the relevant authorities which is intended for the general plan of the district government spatial layout. for example schools, railway, government clinic and government area of Tebing Tinggi.

Currently Unit Managements of Pabatu managed area covering 5,754.04 Ha. On that particular area the unit management of Pabatu has had the documents of land ownership are:

- Certificate of Land Use Title No. 164 Year 2005 dated 16 September 2005 with a land area of 5,500.43 Ha.
- Certificate of Land Use Title No. 1 Year 2007 dated 17 July 2007 with a land area of 145.46 Ha
- Certificate of Land Use Title No. 2 Year 2007 dated 17 July 2007 with the land area of 108.15 Ha

2.2.2

PTPN IV Unit Pabatu has Standard Operating Procedures of Land use title boundaries pole Maintenance with No.SPO 12.0 (Revision 2) dated 02 January 2015 which describes the person in charge of the boundary poles, the action to be taken if the pole is damaged/lost and the monitoring period were performed every 6 months. The Estate management were able to shows location of boundary poles map as well as its coordinate points, which presented in document of Land Parcel Map No. 28/04/2000. Boundary poles monitoring record in June 2019 informed that 131 poles in Pabatu Estate were in good condition and satisfactory maintained.

Based on field observation to Poles No. 89 block 05BR and No. 99 block 05BP it could be concluded that estate management has monitored their boundary legal poles, clearly demarcated and visibly maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of land parcel map and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation.

2.2.3, 2.2.4, 2.2.5, 2.2.6

The Company has established the mechanism for conflict resolution and land dispute in the procedure No. SOP 04 rev 02 dated 2 January 2015. There was also available a policies explained in the Code of Conduct company that the company

did not use force to maintain peace and order. Based on interview with communities and field observations, there were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area of PTPN IV – Sawit Langkat.

However, it was reported by estate management that within the HGU area there is occupied by community for about 29 Ha in division VII block 95A and 99G which has been mapped with scale 1:5,000. This area was not planted by the company because it was not suitable for planting (lowly, swamp and steep). This occupation has existed since 1965 and the company does not take over by force on the land. Based on interview with the communities and field observation are not found significant dispute or any disturbance from the company to that areas.

Status: Comply

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

2.3.1, 2.3.2, 2.3.3 & 2.3.4

The company has procedure of land conflict management No.4 (revise 2) dated 2 January 2015, explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement. Calculations of compensation carried out with reasonable prices in accordance with the taxable value and state of the areas. In procedure does not distinguish how to calculate compensation based on gender, transmigrator, local community or ethnic group.

The company has no new land acquisition and the plantation of Pabatu is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959 so there is no compensation carried out. Based on the interview with Communities (Naga Kesiangan Village and Bah Sumbu Village) are known that there are no indigenous rights or customary rights and there are no significant land conflicts. Based on interview with communities, it was also known that there was no land compensation carried out. But the communities has been informed by the company regarding FPIC and there is no use of the land for oil palm diminish the rights of communities.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

3.1.1

The company has documents on the long-term plan contained in the *Rencana Jangka Panjang* PT Perkebunan Nusantara IV Unit Pabatu period 2019 - 2024 that explain about business plan and operational management which includes: area statement, projections for production, CPO, PK, Revenue CPO and PK, cost estates, mill costs, profit and loss, and net profit and loss. Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason. Based on information from representative management (estate manager), the long-term plan has been planned well with top management (company directors) and sufficient or feasible as a management plan for achieving the long term economic and financial.

3.1.2

The company has a replanting plan until 2024. The following are outlined Pabatu Estate replanting plans:

Year	Pabatu Estate (Ha)
2019	94
2020	-
2021	138
2022	70
2023	-
2024	67

The company has periodic reviews conducted monthly. The results of the review contain, among others, the progress of

replanting and reporting to the Senior Operations Manager and Director.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The company has had procedures related to agronomy and processing. The agronomy procedures consist of nursery, land preparation, planting, planting legume cover crop, manual upkeep and chemical upkeep, soil and water conservation, manuring, pest and disease control, harvesting and FFB transportation. Procedures related to processing consist of FFB receiving, processing stations, to dispatch, laboratory and maintenance, as well as waster management. These procedures have been relevant and have covered all the operational aspects of existing plantations and factories. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa). The entire procedure both of plantation and mill has been included of safe working instruction, other than those described in the HIRAC document.

Interviews were conducted to harvesters, pesticides applicators, and manuring workers in Pabatu Estate and also operators in Pabatu Mill. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP. There is an internal audit from the company called *Satuan Pengawas Internal* to check and monitoring the performance of contractor related to compliance to company procedure.

4.1.2 and 4.1.3

The company has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2019 has been documented. Non compliance records of internal audit has been corrected and verified by management.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems.

4.1.4

The certificate holder already has the RSPO Supply Chain Procedure (No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019) which regulates the acceptance of the FFB of third parties. Pabatu Mill has record the origins of all FFB source. The result of filed visit, document review and interview with the management, known that there are FFB's sourced from third party (the detail can be seen at basic information of this report)

Status: Comply

4.2

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

4.2.1 and 4.2.2

The company has procedure related to maintain soil fertility (No. Unit Usaha A.10 June 2013). The procedure regulates the basic of fertilization, soil and leaf analysis activities, organic and inorganic fertilization, and fertilization management. During the audit, there is no manuring activity related to stock of fertilizer not yet available in the warehouse. However based on document review, implementation of manuring activity has been well documented in book of manuring program. It shows that the dose, amount, and location has been in accordance with the recommendation.

The auditor conducted an interview with the fertilizer workers at Division 3 Pabatu Estate. Fertilization is done manually by workers. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.

4.2.3

The company has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by *Pusat Penelitian Kelapa Sawit (PPKS)* and it is supported by well-trained census officer in each division. SSU is conducted every 5 year, meanwhile LSU is conducted annually. The last LSU result was issued on December 2018 and the last SSU result was issued on 2015. Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

Result of soil and leaf analysis published recommendation on fertilizer doses to produce an optimal production of palm fruit. Principles of fertilization are giving treatment on the ground to produce the nutrients required by palm and generating optimal results.

4.2.4

The company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and EFB Mulching. The company shows a recording of the EFB applications realization until July 2019 on Pabatu Estate. Overall, the company has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 and 4.3.6

The company shows topography and soil map with scale 1:25,000. The map were provided by PT Surveyor Indonesia and Indonesia Sustainable Palm Oil Foundation on July 2013. The map informed that in general slope condition in Unit Pabatu were varies from undulating to hilly. As observed to Pabatu Estate, it was known that hilly area were has adopting terraces planting pattern. Soil type in Pabatu Estate was mineral soils, which consist of Alluvial, Podzolik Reddish Bron and Podzolic Brown. Main limitation were mainly due to low soil fertility and hilly slope condition. Fragile area were spotted on area with slope more than 40 % which mostly located on Afdeling 2. In total, this fragile area has covers about 10 to 15% from estate operational areas.

Auditor conducted field observations in the EFB application and POME application area and it can be concluded that the company has implemented a management strategy to optimize the potential of the land with the limiting factor.

4.3.2

Strategy of planting management in hilly areas is presented in document No. SPO.01 about land development and No. SPO.02 about new planting, replanting, under replanting, peat management and planting technique.

Based on observation to Division 3 Block 17L, Division 7 Block 18P, it was known that estate management has adopting terraces planting pattern on hilly areas, while single plantform was adopted for palm planted in rolling to hilly area. Furthermore for soil and water conservation purposes, cover crop condition which planted by *Mucuna bracteata* were considered very satisfactory.

4.3.3

The company shows a road maintenance program for 2019 period. Pabatu Estate have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, the realization of road improvements in Pabatu Estate has reached 6,150 meters on July 2019.

Based on field observations throughout the audit activities, it was concluded that the road conditions on Pabatu Estate were in good condition and could be passed.

4.3.4 and 4.3.5

Based on information from estate management, verification on soil map and field observation, it could be concluded that there were no presence of peat soils within Pabatu Estate operational areas. Hence, this Indicator is not applicable.

	Status: Comply	
4.4 Practices maintain the quality and availability of surface and ground water.		
<p>4.4.1 and 4.4.2</p> <p>Based on document verification and field visit result indicated that there is no indication of peat land in PTPN IV area (Pabatu Estate) and yet based on topographic map (scale 1: 25.000), slope of land in operational area of PTPN IV (Pabatu Estate) made by PT Surveyor Indonesia and Indonesia Sustainable Palm Oil Foundation in July 2013, it can be concluded that the operational area of PTPN IV (Pabatu Estate) has a level of slopes ranging from flat to undulating and some have slopes > 40% (hilly) in Block A-C Division II in Planting year 2015.</p> <p>Water management plans are recorded on HCV Identification Documents, e.g riparian buffer zone marking, regular river water testing (Padang river), and water usage on pabatu Palm oil mill. Based on field visit during audit found that company have implemented terrace construction for hilly areas to minimize soil erosion and sedimentation that can be affected total suspended solids content on waterways. Land cover crops (<i>mucuna</i>) also planted on replanting areas and company also shown "<i>berita acara penanaman sempadan sungai</i>", for examples June 2018 on Block 2000B AFD 1 for bamboos planting at riparian areas.</p> <p>There is a River Border Management Mechanism with No.SPO 05 revision 02 effective date 02 January 2015. In the procedure it explains the setting of border area as protection forest. procedures include explaining the setting of border areas as protected forests. The procedure also explains the management of border areas, among others, by:</p> <ul style="list-style-type: none"> • Boundary Mark • warning / banning signs disrupt the riparian • Socialization to the community and other stakeholders about conservation areas <p>Based on field observation to Block 95 E known the riparian condition was uninterrupted condition. There are no traces of chemical applications such as fertilization and spraying of pesticides in the area. 5 palm tree from the riparian are marked red as a spray boundary. based on field visits to Block 05 BP Afdeling IV in the form of isolation ditches that do not flow into the river. the company must re-identify which areas are river basins and which are isolation trenches. OFI</p> <p>4.4.3</p> <p>Field visit on Pabatu Mill shown that effluent pond are maintained well. All palm oil mill effluent are managed on waste water treatment plant before its distributed to estates as land application. Regarding this Pabatu mill already have land application permit based on decree No 18.32/660/47/2016 by Head of environmental agency Serdang Bedagai regency, valid until 2021. Mill effluent has been monitored every months and monitoring period Jan-June 2019 indicates that all of effluent testing parameters is compliant to the standards quality, for example BOD on June 2019 was 879 mg/l and pH 6.47. Mill Effluent management also was reported and submitted quarterly to environmental agency of Serdang Bedagai Regency regularly, for example quarterly report 2 of 2019 sent on July 26,2019.</p> <p>4.4.4</p> <p>Water usages monitoring for Pabatu Mill are conducted daily and listed on "<i>Neraca pemakaian harian</i>" Standards of water usage for FFB process recorded on 2019 budget projected 1.20-1.50 m³/MT FFB process. Evidence for water usage monitoring periodically are available and recorded, for example on June 2019 FFB processe was 13,723 mt, process water usage 19350 m³, and water usage efficiency was 1.41 m³/mt FFB process. Field visit on Pabatu mill water treatment plant found that flowmeter for water usage monitoring are served well.</p>		
	Status: Comply	
4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
<p>4.5.1</p> <p>Estate management has committed to adopting and implementing integrated pest management (IPM) which presented in company budget and procedure No. SPO.05.10-12. Budget and program already covers early warning system, monitoring and census analysis, pest and disease population control through chemical and biological method.</p>		

The company has conducted stages of monitoring of the symptoms of the caterpillar pest attack. Pabatu Estate conducts *global telling* (early warning system / early detection) and it is found that there are symptoms of an attack above the threshold, an effective census is conducted. After that, if results are found above the threshold, chemical control will be carried out. Then, *Natelling* (observation after controlling) is done to see the effectiveness of the control. For example, in Division 6 Pabatu Estate block 09E (25 Ha) on 14 March 2019, *global telling* was carried out with the results of 4.3 caterpillars/midrib. Then the *effective telling* was carried out on 15 March 2019 with the results of 80.4 caterpillars/midrib. Then chemical control was carried out using Mantene (Asefat) with dose of 20 cc/palm on 16 March 2019. Then *Natelling* was carried out on 23 March 2019 with the results of 1.3 caterpillars/midrib. These results indicate it is below the threshold and chemical control is stopped.

Estate management adopting planting of beneficial plants such as *Turnera subulata* and *Antigonon leptopus* for leaf eating caterpillar population control. As observed to estate field, it was known that beneficial plants were mostly planted on the edge of collection and main road.

4.5.2

The company has records of the training implementation for workers who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 20 March 2019 with the number of participants are 47 employees consisting of census operators, supervisors, and field assistants. Based on interview with the worker revealed that the worker understand the method of plant pest and diseases census or detection.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1

The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area. Based on field visits and interviews with 4 pesticide applicators in division 7 Pabatu Estate, it was concluded that workers knew about the function of the chemical used and selective when doing the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed. The company used *Isopropil amina glyphosate* and *Metil metsulfuron* which have received permission from the government. Based on document verification and observation to pesticide storage, there is no prohibited chemicals use.

4.6.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD₅₀, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

4.6.3

Pabatu Estate has program to reduce the pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use.

4.6.4

The company has the complete list of pesticides belonging to the WHO Class 1A or Class1B, or those listed in the Stockholm or Rotterdam Conventions and paraquat and also has Internal Circular Letter of the Unit Manager No.PAB/SE/Intern/04/I/2019, dated 08 January 2019, regarding Paraquat Reduction Program. Pabatu Estate will implement the paraquat reduction program in controlling weed by prioritizing manual control and pest control by emphasizing biological control. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application from 2018 until July 2019.

4.6.5; 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in Division 7 Pabatu Estate, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, based on field observation to mixing area in Pabatu Estate, that known there are storage for keeping all PPE's and spraying tools after use.

4.6.6

The Management Unit has had SOP for Hazardous and Toxic Waste Management (B3) No. SPO 02 dated 02 January 2017 (Revision 03). In point V - Description of Procedure it is explained about temporary storage, waste identification, data collection of waste, packaging of chemical ex-container, waste placement, shelf life, and delivery of waste to the licensed carrier company. The Management Unit also has Procedure for Washing of Chemical Spraying Equipment.

The Management Unit has performed pesticide storage in accordance with best practices. For example, field observation in Pesticide Warehouse at Pabatu Mill Complex – herbicides (*Elang*, *Metsulindo*, and *Santafuron* and the others) have been stored by type and equipped with MSDS in a special room. The warehouse is well ventilated, also available eye shower and hand washing, safety symbols and required PPE symbols, sands to absorb pesticides in case of spilled and be collected again as hazardous waste. Based on field visit, for instance in Afdeling III, there was no used container pesticide discarded in the field. The used container pesticide stored at Temporary Hazardous Waste warehouse.

4.6.8

Based on a review of documents and interviews with management staff, the company did not perform the application of pesticides from the air.

4.6.10

Field visit for examples on AFD III found that agrochemicals containers are disposed in responsible way. Field visit on AFD III housing also found there is no indications that ex agrochemicals containers are used as flower pots or water containers. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by regularly submitted to Pabatu Mill temporary hazardous waste store and hazardous waste disposal evidence for example manifest on July 29th 2019 were available and verified by auditors. Besides that each Afdeling are able to shown regular " *berita acara pengiriman bekas kemasan agrokimia ke TPS LB3*". Pesticides Applicator devices clean up area are located on each Afdeling, based on field visit on AFD III shown that used water from devices clean up were collected and then reused for next pesticides mixing. Evidence for workforce education related to hazardous waste and ex agrochemical handling are available for examples socialization on May 2019, held on Safety committee room, attended by 41 workers representative.

4.6.11

Pabatu Estate has list of pesticide operator based on latest data of June 2019 as many as 61 workers. Medical examination (cholinesterase) has been conducted on 21 November 2018 to all pesticides workers in Pabatu Estate. The result of medical examination is informed to the workers and all pesticide operators are in a healthy condition (normal result). And also, based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

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

	Status: Comply	
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.		
<p>4.7.1</p> <p>The company has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on January 2017 by Unit Manager. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.</p> <p>Interviews were conducted to estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, kernel operator, etc). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.</p> <p>4.7.2</p> <p>The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop in Pabatu Mill and agrochemical warehouse in Pabatu Estate, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.</p> <p>4.7.3</p> <p>Based on documents verification and interviews, it is known that all operators at Pabatu Mill and Pabatu Estate already have lisense such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.</p> <p>Based on field observations and document review, the following evidences were found:</p> <ol style="list-style-type: none"> 1. The company already has a PPE Worker's Replacement Mechanism set forth in Circular Letter No: PAB/SE/Intern/360/V/2019, May 2019, which explains that if there is a PPE that has been damaged then administrative officer made the damage PPE reports and made a report on the request for new PPE replacement.. 2. From field observations and interviews with workers in Pabatu Estate and Mill, it was found that: <ul style="list-style-type: none"> • 4 sorting workers, 1 worker at the press station, 1 worker at the kernel station, 1 worker at the workshop, 1 harvester at Division VI, 1 lossesfruit picker at Division VI and 2 EFB applicators at Division III using PPE shoes that do not meet company standards (purchased by the workers themselves because the shoes that provided by the company are damaged before the new replacement period). • 2 workers at the sterilizer station used PPE gloves which were bought by the worker themselves because the PPE gloves that the company provided were damaged. 3. The company has placed an order in the case of supplying employee safety shoes to the supplier on 21 May 2019. 4. The company shows the PPE acceptance document from the supplier on 26 July 2019. 5. The company shows the minutes of PPE inspection received from the supplier and return of PPE that does not meet the specified specifications (helmets, gloves, sunglasses for welding operators, leather chest layers, rayban glasses for boiler operators, ear plugs, and caps ear). <p>Based on this evidence, the company has not been able to ensure that PPE is always available to all workers. This becomes a Non-conformity No. 2019.01 with MAJOR category.</p> <p>4.7.4</p> <p>The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (<i>P2K3</i>) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the <i>P2K3</i> organization it is known that monthly meetings are always</p>		

routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

Procedures for accidents and emergencies are contained in SOP for Handling of Accident and Health Check date effective 23 April 2013 and SOP for Emergencies Handling (No.Document 4.3.16 revision 02 dated 23 April 2013). The procedures cover the main potential causes of emergencies such as fires, chemical spills, etc. The procedures also explained that records of all accidents shall be kept and periodically reviewed. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in the mill and the result of the experiment was concluded that the hydrant tool is ready for use.

Pabatu Mill and Pabatu Estate has already licensed first aid officers and there was first aid internal training conducted on 13 July 2019 which was attended by 16 participants. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

4.7.6

The company has provide medical care for worker including contract and permanent worker. Medical care is covered by worker and health insurance (*BPJS*). The payment for BPJS is conducted every month according to the available rule. Besides, the company also provide medical facilities for workers if work accident is occurred. Work accident will be reported to the *BPJS* Agency and claim for it will be done if the medical process has been completed. Based on interview with worker in estate and mill, it is known that both worker and their family is have been registered in health insurance (*BPJS Kesehatan*).

However, based on the results of auditor verification, the following facts are obtained:

- There is work done by the contractor, evidenced in the work agreement between the company and CV Senang Jaya (No: 04.04 / SPKP / BBT-MN / 54 / II / 2019) for work in the nursery.
- The evidence above is reinforced by the results of interviews with the supervisor of the nursery who stated that the workers who worked at the nursery were workers of the contractor CV Senang Jaya.
- Based on a document review of the work agreement between the company and CV Senang Jaya (No: 04.04 / SPKP / BBT-MN / 54 / II / 2019) requires that the contractor is obliged to register his workforce in the Work Accident Insurance program.
- In the verification of documents, evidence of contractor labor participation in the work accident insurance program cannot yet be shown.

The company has not been able to ensure that all contractor workers are covered by work accident insurance. This becomes a **Non-conformity No. 2019.02** with **minor category**.

4.7.7

The company has calculated the Lost Time Accident every month for monitoring the recording of occupational accidents. It shown the Lost Time Accident calculation per May 2019. This document informs the number of worker, number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and will be evaluated at monthly meeting of OHS Committee.

4.7.3 Status: Non-conformity No. 2019.01 with MAJOR category.

4.7.6 Status: Non-conformity No. 2019.02 with Minor category.

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

The company has conducted training need analysis for period 2019 for several fields and participants who will be included in the training. For example training is related to emergency response, extension of operator licenses, training related to best management practices, and so on. For training on health and the risk of pesticide exposure, and emergency response is carried out regularly every month.

Based on interview with worker in estate and mill, they have received some training related to their work, such as work

procedure training, emergency response, and first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity. Company also has conducted training regarding awareness of RSPO P & C to the workers.

4.8.2

Company has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. Company also kept training record for each worker. For example:

- Training for clerk administration on 23 March 2019 attended by 17 worker
- Training of harvesting quality on 18 March 2019 attended by 62 harvester
- Training of integrated pest management on 20 March 2019 attended by 50 chemist worker

Based on interview with contractor, training to contractor worker is conducted by socialized the OSH policy or environment management every month by the supervisor.

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1

Certificate holder possess Environmental Impact Assessment (EIA) document covered 5.754,76 ha areas, mill capacity 30 mt FFB/hour, kernel crushing plant, and 3 MW power plant on 2009 approved by Head Of Serdang Bedagai Environmental agency based on letter No: 660/158-B/LH/2009. EIA documents explained activities for estate and palm oil mill.

5.1.2

Company have plan which includes monitoring protocol outlined in the RKL-RPL document and implemented to monitor the effectiveness of the management activities to mitigate negative impact and enhance positive impacts. Review of this environmental monitoring and management plans has been developed on August 2018 and listed on document "*Rapat tinjauan manajemen*" FM-4.5.1-02. Results of monitoring are listed on regular environmental monitoring and management report, and monitoring results for examples 1st quarter 2018 shown environmental management related to waste water, surface water quality, hazardous waste management, noise and etc still comply with regulation and monitoring plan.

5.1.3

Monitoring result indicates environmental monitoring done by company (waste water testing, landfire monitoring, air emission and etc) are still comply with standard quality excepted for noise monitoring on kernel station i.e 91.4dBA. regarding this company have preventive action plan by providing ear plug for workers that working in high noise station. Related to replanting activities that currently conducted, company shown environmental monitoring and management plan listed on document "*rencana pengelolaan dan pemantauan lingkungan replanting*". Company has environmental monitoring and management implementation report (RKL/RPL) per semester. Document review for examples on "*Laporan pelaksanaan RKL/RPL* first and second semester 2018" shown that company management and monitoring regarding replanting activity are not described yet on those report. Based on that's explanation this **non conformity No 2018.04 with minor raised to Major Category**

5.1.3

Status: Non conformity No 2018.04 with Minor raised to Major Category

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

There are no changes for the HCV Identification assessment, since that was conducted in 2013. All HCV and the RTE species was identified by the RSPO approved assessor. RTE species that were identified based on this identification e.g:

manis javanica "Trenggiling". HCV identifying process conducted by using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1,4 and 6 covered 88.3 ha areas.

5.2.2

Pabatu estate shown HCV management plan listed on HCV management plan 2019 document, that consist of HCV area marking, HCV socialization, and HCV area monitoring,. Interview with related stakeholders for examples spraying team on block 18B AFD VII acquired information that HCV 4 area (riverine) on estate are not allowed for all chemical activity and there is clear marked for buffer zone areas. Field visit on block 95E AFD VII also found that riparian are maintained well with natural vegetation.

5.2.3 and 5.2.4

Pabatu estate shown HCV management plan listed on HCV management plan 2019 document, that consist of HCV area marking, HCV socialization, and HCV area monitoring. Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples by providing hunting ban signboard on block 95E AFD VII. Monitoring for RTE species and HCV are conducted every month on each estate and summarized on HCV monthly report.

Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples by providing hunting ban signboard on block 95E AFD VII. Monitoring for RTE species and HCV are conducted every month on each estate and summarized on HCV monthly report. Based on monitoring result period April 2019 shows that HCV areas are managed well. The species that found during this monitoring i.e "burung srigunting" on AFD I,III,VII and "macan akar" on AFD I and III. Based on interview with Pabatu estate harvesting workers, acquired information that companies has conducting socialization for RTE/ protected species within estates operational areas which also informed by signboard. Moreover, field visit on afdeling 3 estates housing found there is no RTE / wild species reared by workers

5.2.5

Based on HCV identification 2010 found there is HCV 6 presence on Pabatu estate (local cemetery). Public cemetery has been there for a long time and until now still been used by community as cemetery. HCV locations has been included on each division working map with appropriate scale. Mutual HCV management agreement between company and affected parties regarding this HCV attributes are available for examples Mutual Agreement letter No PAB/X/234/VIII/2016 on August 30 2016 between Pabatu Estate and Kedai damai villages, Bah Sumbu village, Panonggol village, Pabatu village, Gunung Kataran village, and other villages affected this HCV areas.

Status: Comply

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1

All waste (including hazardous waste) and pollutions sources from mill and estate are identified and recorded on waste identification risk assessment 2019 such as effluent are managed at waste water treatment plant before it distributed to land application bed, hazardous waste were kept at hazardous waste storehouse, Regarding the management of domestic waste generated from company employee housing, there is a plan to reduce the pollution generated by carrying out garbage transportation regularly at a maximum of once a week and piling up waste in the landfill area by separating between organic and inorganic. The results of the field visit to the landfill area found that domestic waste from housing has been managed well by separating between organic and anorganic. Based on the results of a visit to the afdeling 3 housing, it is known that waste has been separated based on organic and anorganic types in different sacks.

5.3.2 and 5.3.3

Company conduct waste management based on waste identification and waste management plan. Observation during audits on Pabatu mill temporary hazardous & toxic waste storage shown that all of hazardous waste are compliant with the periods in permit. Document review shown that company has sent all toxic and hazardous waste to PT Jagar Prima Nusantara (licensed collector by decree of national environmental minister) on July 29th 2019.

Inventory for all chemicals usage and it containers are available on chemicals storehouse / temporary hazardous storage.

All ex chemicals containers were kept on temporary hazardous storage and the company has a permit for hazardous and toxic waste storage issued by head of capital investment decree No 0002/DPMP2TSP-SB/II/2018 valid until 2023. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by regularly submitted to Pabatu Mill temporary hazardous waste and hazardous waste disposal evidence for example manifest on July 29th 2018 were available and verified by auditors. The last transportation was carried out by PT Jagar Prima Nusantara with a vehicle with the number BP 9341 UY.

- WY 0003235 for 454.9 kg of contaminated packaging
- WY 0003236 for 55.6 kg used electronics
- WY 0003234 for 187.91 kg used sacks
- WY 0003237 for 1 kg used cateridge

All settlements waste are not disposed using open fire, certificate holder are provides landfill for domestic waste management. Field observation on Pabatu estate block 05L AFD III, found that companies managed settlements/housing domestic waste by sorting them into organic/anorganic waste.

Status: Comply

5.4

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

5.4.1

Procedure for fossil fuel usage efficiency are listed on procedures SPO no 17, 2015 related to mill waste utilization. PTPN IV Pabatu unit had planned and implemented the use of fiber and shell for fossil fuels substitution. Realization of renewable energy have been monitored every day and documented on monthly report for fiber and shell usage. During January-July 2019, the usage of fiber and shell for boiler resulted energy efficiency for electricity about 16.76. kwh/MT CPO meanwhile fossil fuel usage energy efficiency were 0.137 Litre/MT CPO.

Status: Comply

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 and 5.5.2

Company have commitment and policy listed on SOP Agronomy No. SPO.02 dated August 1st 2007 stated that company do not conduct any land fire for replanting or new development. Field visit on block 98K AFD V and document review shown the last replanting activities were conducted on 2019 and there is no indications that land clearance were conducted by open fire.

Auditors also verified working agreement letter for examples SPMK No. No 04.14/SPMK/030/VII/2018 (between Pabatu estate and PT Risa Agina Sara) and on this working agreement listed that all land clearing acitivites are conducted by mechanically method.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1, 5.6.2

CH has identified sources of pollution and emissions generated from all operational activities of the plantation and factory. The company also has plans to reduce or minimize these emissions. This is contained in the Mitigation document and efforts to reduce GHG emissions, such as:

- Providing appropriate training to spraying team
- Planting beneficial plants (cassia cobanensis, tunera spp and antigonon spp) in empty areas.
- EFB application
- Perform routine services on vehicles and generators
- Plant trees around generator houses and riparian belt areas.
- Perform leaf analysis to determine the type and dosage of fertilizer

- Land monitoring that has the potential to be fire-prone

CH has also conducted an assessment of activities that cause pollution or emissions, for example:

- Liquid Waste quality testing
- Air quality testing
- Testing of emissions of boilers and generators
- Noise testing
- Odor testing
- Vibration testing

Mitigation measurements and plan to reduce waste, pollution, and emission including GHG from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods Jan-June 2019 sighted that all of waste water testing parameters is compliant to the standards quality.

Noise monitoring (2st semester 2018) are conducted based on RKL/RPL matrix in kernel station (91.3 dBA), mill front yard (59.8dBA), area process (75.5 dBA), and workers housing (39.6dBA). Field visit on high noise station on Pabatu Mill such as sterilizer, kernel ,theresser, press found that warning signs for PPE requirement (ear muff) on those areas are available.

5.6.3

Monitoring for GHG emission and pollutants from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency peridically. Semester 2 2018 testing result indicates all parameters related to emission are still comply with standard quality. CH has conducted GHG emission calculations period 2018 Using Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied Apply Full Version

Summary of Net GHG Emissions periods January-December 2018

Summary of Net GHG Emissions

Emmision per product	tCO2e/tProduct
CPO	0.49
PK	0.49
Production	
	t/yr
FFB processed	64808.32
CPO produced	15473.03
PK produced	3106.81
Extraction	
	%
OER	23.88
KER	4.79
Lan use	
	Ha
Planted area	4970
Planted on peat	0
Conservation Area	88,33

Summary of field emission and Sinks

Description	Own crop		Group		3rd party	
Emissions	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Sources						

Land conversion	45738.67	0.71	0	0	0	0
CO ₂ emissions from fertilizer	3486.43	0.05	0	0	0	0
NO ₂ emissions	2699.26	0.04	0	0	0	0
Fuel consumption	241.86	0	0	0	0	0
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-43354.19	-0.67	0	0	0	0
Sequestration in Conservation area	0	0	0	0	0	0
Total	8812.03	0.14	0	0	0	0

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	13943.86	0.2
Fuel consumption	241.86	0
Grid electricity	6.91	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	252.45	0.2

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

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

6.1.1, 6.1.2, 6.1.5

Social impact assessment was conducted in 2009 in collaboration with PT Yayasan Sawit Berkelanjutan Indonesia involving local communities. Social assessments include impacts on the socio-economic aspects, social aspects (education, health), socio-cultural aspects, customs and traditions.

The assessment was conducted by interview involving stakeholders, such as resident from Padang Merbau, previous head of Naga Kesiangan Village, Head of Bah Damar Village, and so on. After conducting interviews with affected parties, the company conducted public consultations with stakeholders and employees. The public consultation delivered the results of the interviews and was given a question and answer session for stakeholders. Company showed photo documentation of interview and minute of meeting of public consultation. Based on interview with representative of Bah Sumbu and Naga Kesiangan village, all issues is covered in SIA document. However, company does not conduct any

partnership with smallholder.

6.1.3, 6.1.4

Company has arrange management and monitoring plan for social impact assessment every year. Management and monitoring plan is made by involving the stakeholder such as Bah Sumbu and Naga Kesiangan Village conducted on 2 August 2019. Monitoring is based on management plan and the monitoring result also make the new management plan. The latest management and monitoring plan is for period of 2019. Management plan for 2019 is same as previous year because those communities still need those management plan. For example:

Social Impact	Management Plan	PIC
Environmental pollution	<ul style="list-style-type: none"> - Waste monitoring from operational activity - Giving out questionnaire of complaint response to stakeholder 	Human resource assistant
FFB theft	<ul style="list-style-type: none"> - Conducting socialization to local communities about FFB theft 	Human resource assistant
Medical service	<ul style="list-style-type: none"> - Cooperating with government officials to help health services in plantation environment 	Human resource assistant
Cattle	<ul style="list-style-type: none"> - Conducting socialization to local communities for not herding cattle in plantation operational area. 	Human resource assistant

Management and monitoring plan has reviewed every 2 years. The latest review of social management and monitoring plan is on 18 September 2018. Based on interview with representative of Bah Sumbu and Naga Kesiangan Village, all social impact has been identified in SIA document. The company has made a management and monitoring plan its realization for the 2018 period. The social management plan for 2019 has also been arranged based on the distribution of questionnaires on 2 August 2019, for example questionnaire to Bah Sumbu Village and Bah Damar Village. The company can improve it again for completing the management plan and monitoring carried out by stating the management period and the person in charge (OFI).

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1

Mechanism for consultation is listed in procedure of *Komunikasi dan Konsultasi dengan Masyarakat* (SPO No. 3) dated 2 January 2017. The procedure explain that all communication and consultation managed by human resource assistants representing the manager. All communication must be submitted to the manager to be processed and will be informed to the public and follow-up that will be carried out by the company no later than 3 months after the information is received. Procedure is available in Bahasa Indonesia

Based on interview by phone with Statutory Bodies in Serdang Bedagai Regency and representative of Bah Sumbu and Naga Kesiangan Village, it is known that they understand how to communicate and consult with PTPN IV Pabatu. They also know the PIC for communication and consultation.

6.2.2, 6.2.3

The PIC for consultation and communication with the community is HR assisstant. The PIC is assigned to accommodate the implementation of social impact analysis, responsible for top management for communication and consultation with stakeholders Officers

List of stakeholder is made by human resource assistant. The latest list of stakeholder is available for year of 2019, consist of statutory bodies (National, Province, Regency, Sub-District), local communities, worker organization, youth organization. The company has documented incoming letters from external stakeholders in Recapitulation of Internal and

External Communication. The document records the date of the letter, letter number, the sender of the letter, subject matter, and follow-up. The information request from stakeholders is about assistance proposal and mandatory reporting information. For example, A letter from Regent of Serdang Bedagai Regency dated 30 January 2019 regarding CSR data request. The company then replied to the letter on 22 February 2019 through letter No. PAB./X/30/II/2019 contains CSR data of PTPN IV Pabatu.

Status: Comply

6.3

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

6.3.1

Company has a mechanism of complaint and grievance handling, as follows:

- Procedure of *Komunikasi Internal dan Penanganan Keluhan Karyawan* (No. SPO 19) on 6 November 2018
- Procedure of *Penanganan Keluhan Pelanggan dan Lingkungan* (No. SPO 13) on 2 January 2015
- Procedure of *Komunikasi dan Konsultasi Dengan Masyarakat* (No. SPO 03) on 2 January 2017

The procedure is made involve the consideration from various parties. Company also will protect the identity of complainant. Based on interview with worker in estate and mill, it is known that workers understand how to deliver their complaint if any. Based on interview with representative of Bah Sumbu and Naga Kesiangan Village, it is known that they understand the mechanism to deliver their complaint if any.

6.3.2

Complaints that submit to company are documented in the recapitulation list of internal and external communications. Based on this document, during 2018 - 2019 there were no complaints that entered the company. The document records incoming letters from external stakeholders related to aid proposals and requests for information. There are a number of complaints based on the results of the social impact questionnaire distributed to stakeholders, such as the potential for mill liquid waste pollution into underground water or the Padang River which is often used by villagers. The complaint has been documented in the 2019 Social Management and Monitoring Plan along with management efforts to reduce these complaints.

Based on interview with Bah Sumbu and Naga Kesiangan Village, there is no complaint that has submitted to CH. The complaint from stakeholder is only obtained from results of the social impact questionnaire distributed to stakeholders and it has been documented.

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary 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.

6.4.1, 6.4.2 & 6.4.3

The Company has compiled a procedure of Land Compensation describe in SOP No.4 (revise 2) dated 2 January 2015. The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The scope of procedure is all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. The procedure also determine the compensation done by negotiation until they reach agreement, calculations of compensation carried out with reasonable prices in accordance with the taxable value and state of the areas. In SOP does not distinguish how to calculate compensation based on gender, transmigrator, local community or ethnic group.

The company has no new land acquisition and the plantation of Pabatu is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959 so there is no compensation carried out. Based on the interview with Communities (Naga Kesiangan Village and Bah Sumbu Village) are known that there are no indigenous rights or customary rights and there are no significant land conflicts.

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

Company has a copy of Sumatera Utara Governor Decree No. 188.44/1365/KPTS/2018 about Minimum Wage of Sumatera Utara Province for 2019. The minimum wage for Sumatera Utara Province is Rp 2,303,403.43/month. Also copy of Sumatera Utara Governor Decree No. 188.44/575/KPTS about Minimum Wage of Sumatera Utara Province for 2018. It stated that minimum wage for 2018 is Rp 2,132,188.68.

Then, company issued decree No. 04.11/SE/10/IV/2019 30 April 2019 which explain that wage for worker consists of basic wage and special allowance for class IA – IVD. Company also has circular letter No 04.11/Kol/M-1063/V/2019 related to rice allowance for worker with class IA – IID. Company showed wage documentation for worker with worker number 7841 for June 2019. The basic wage and overtime payment is in accordance with applicable regulation.

6.5.2

The Company has a Collective Labor Bargaining (PKB) for the period 2018-2019 between PTPN IV and SPBUN. The PKB was registered at the Manpower Agency of Sumatera Utara Province No. 22-6/DTK/2018 on 9 February 2018, valid until 31 December 2019. Based on interview with some workers in mill and estate, it is known that they understand about PKB (collective labour bargaining). There is no change of workers policy. Based on interview with harvesting workers, they are aware about deduction if the harvest unripe fruit.

6.5.3 & 6.5.4

Based on field observation in housing complex in Pabatu Estate, it is known that company has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities (kindergarten, elementary). Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the company is adequate. And also it is known that one house is occupied by one family and the condition of housing is still in good shape. Adequate food supply can be accessed by the worker from nearest market.

	Status: Comply	
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6.6

The employer respects the right 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.

6.6.1 & 6.6.2

The policy related to form and join worker union is written in PKB which states that company admit SPBUN as worker association in all unit. The policy is written in Bahasa Indonesia. Based on interview with representative of worker union, it is informed that company is giving freedom for worker to express their opinion. And also, company did not give any intervention related to worker union activity as well as conflict of interest. Worker union has registered to Manpower Agency of Sumatera Utara Province with registration number 567/50/DSTKM/2001.

Based on interview with worker union, it is known that worker union routinely hold meetings with members (workers). The company shows examples of documentation of meetings between workers and worker union. For example, the meeting on 5 and 6 November 2018 about the socialization of gender equality policies on employment opportunities There are photos of activities and letters of invitation for the socialization activities. Documentation can be requested by employees if needed.

	Status: Comply	
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6.7

Children are not employed or exploited.

6.7.1

Company policy for not use child labor in Policy of *Pekerja Anak* (No. 03) on 2 January 2015. Based on the document, states that children under the age of 18 may not work in company. Based on document verification of employee list and field observation to estate and mill, it is known that there is no children worker in operational area of PTPN IV Pabatu.

	Status: Comply	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1 & 6.8.2 <p>Company has policy related to nondiscrimination and equal opportunity listed in Policy of <i>Persamaan Kesempatan Kerja</i> which explained that PT. Perkebunan Nusantara IV (Persero) abolishes all forms of ethnic, religious, racial, gender, age discrimination, work disabilities. Based on field observation and interview with spraying female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from representative of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.</p> 6.8.3 <p>Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. It is based on skill, capabilities, and health condition for all workers. Worker promotion, mutation or demotion is done through the employee performance assessment. Company shows employee recruitment documents in the form of job application letters, copies of family cards, curriculum vitae, and then obtains a letter of appointment to become a temporary daily worker and then obtains a letter of appointment for class IA orientation period.</p>		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1, 6.9.2, 6.9.3 <p>Based on company regulation, employees must not commit immoral acts or other actions that harm the company. Based on interview with female worker in Estate, it is known that they understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee, it is known that there is no issue or complaint related to sexual harassment on the workplace.</p> <p>Company has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with menstrual leave, pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, Company give special breast feeding time for female worker, but prohibit the worker from working with chemical material.</p>		
	Status: Comply	
6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.		
<p>Based on production data and interviews with representatives of the management representative, the company currently does not receive fruit from third parties. FFB that is received and processed in mill only comes from the own estate and estate from group, such as Marihat, Dolok Ilir, Laras, Sawit Langkat. However, company made partnership with other local business, such as procurement of goods. Based on interview with contractor (CV Arafat and CV Wljaya Putra Perkasa), the agreement is made based on negotiation and transparent for both parties.</p> 6.11 Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1 & 6.11.2 <p>Determination of local development programs based on proposal assistance from previous year. However, based on interview with representative of Bah Sumbu and Naga Kesiangan Village, it is known that company has implemented CSR program in those village.</p> <p>Programs for local development are listed in the Community Development program, for example:</p> <ul style="list-style-type: none"> • Road maintenance in Sub district of Dolok Merawan 		

- Road maintenance in Pabatu Village
- Holding a cheap market for local communities

Implementation for the program, for example as follows.

- CSR assistance from local communities, such as holding a market for communities
- Work agreement with local contractor
- Recruitment for local worker

However, company does not conduct any partnership with smallholder.

	Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labor.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

	Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

Company has policy on human rights issued in November 2 January 2015. The policy explains that the company respect human rights for all employees. Based on interview with worker in estate, mill and local contractor, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there was a complaint, the complaint can still be resolved by amicable way between employees.

	Status: Comply	
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PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

7.1.1; 7.1.2; and 7.1.3.

As described in indicator 5.1.1 which states that the area of palm oil plantation PTPN IV (Unit Pabatu) is a land that has been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. So Principle 7 is not applicable to PTPN IV (Unit Pabatu).

	Status: Comply	
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7.2

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.

7.2.1 and 7.2.2	Based on the PT Perkebunan Nusantara IV Unit Pabatu area statement, it is known that there was no new planting since previous assessment (ASA-3).	
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.	As described in indicator 5.1.1 which states that the area of palm oil plantation PTPN IV (Unit Pabatu) is a land that has been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sarim) July 21, 2017 CH declared that PTPN IV (Unit Pabatu) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process".	
	Status: Comply	
7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
7.4.1 and 7.4.2	Based on the PT Perkebunan Nusantara IV Unit Pabatu area statement, it is known that there was no new planting since previous assessment (ASA-3).	
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
7.5.1	Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.	
	Status: Comply	
7.6	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 free, prior and informed consent and negotiated agreements.	
7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6	Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.	
	Status: Comply	
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
7.7.1 & 7.7.2	Since the previous assessment (ASA-3), there are no land expansion. Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.	
	Status: Comply	

7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 and 7.8.2		
Based on documents review, interview, and field visits, shown that company did not expand any operational area and there is no more land clearing for new development activity since January 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
8.1.1		
The company has implemented the RSPO Internal Audit on 22 – 23 April 2019 and management review conduct annually at 26 April 2019. All aspect regularly reviewing and evaluation to ensure effectiveness for improvements such in best management practices aspect which in pest monitoring and evaluation known that biological control can managed the pest population. In social aspect known that CSR program and participatory SIA can effectively manage the social impacts etc. The others improvement that implemented will describe below.		
Aspects of Best Management Practices:		
The company has implemented a commitment to continuous improvement, such as:		
<ul style="list-style-type: none"> • Biological leaf caterpillar pests control by planting and maintaining (conservation) beneficial plants, such as <i>Antigonon leptopus</i>, <i>Cassia cobanensis</i>, and <i>Turnera subulata</i>. • Since 2018, Pabatu Estate was no longer using Paraquat. 		
Manpower Aspect		
Conduct employee assessment every year		
Environment Aspect		
<ul style="list-style-type: none"> • The PT PN IV Pabatu management unit routinely monitors the quality of the emissions of boilers and generators every six months, monitors the quality of wastewater once a month, and monitors ambient air quality every six months. • There is a good management of medical LB3 as indicated by the existence of a special contract to manage medical hazardous waste and the presence of medical hazardous warehiuse at Pabatu Hospital. 		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Certificate holder take legal ownership and physically handles RSPO certified sustainable oil palm products. The entire area, mill and storages are owned by the organization and all processing from FFB to CPO/PK are done by Pabatu Mill. The CPO and PK transporter are under contract with PTPN IV, which are:</p> <ul style="list-style-type: none"> - PT. Wahana Adidaya Pertiwi (CPO transporter) - CV. Karya Mandiri (PK transporter)
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The site does not buy from any RSPO licensed traders. CSPO and CSPK are produced from FFBs processed that supplied from its own estates.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The parent company are member of RSPO (PT. Perkebunan Nusantara IV (PERSERO)):</p> <ul style="list-style-type: none"> - Number of RSPO membership: 1-0082-09-000-00 - RSPO IT Platform of Pabatu Palm Oil Mill: RSPO_PO1000002520
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Parent company or site has no processing aids</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Certificate holder has applied mass balance supply chain model correctly and there is no declassification. The mill received FFB from own estate (Pabatu Estate) that has been certified and also from uncertified area (subsidiary of PTPN IV).</p>
	Status: Comply
5.2.2	

The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
The certificate holder has applied mass balance supply chain model only	
	Status: Comply
5.3	Documented procedures
5.3.1	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge and able to demonstrate the implementation of SCCS.	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
The Procedure to conduct annual internal audit are describe in SOP No. 21 dated 2 January 2018 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit are done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit are conduct at 22 – 23 April 2019 with finding regarding to SCCS training record. A finding has been followed up and corrected by mill.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Pabatu Mill has not purchased CSPO or CSPK. The mill received FFB from certified and uncertified sources. Based on documents verification of FFB receives for example on July 2019 are known that all data such as name, address, date of transaction, date of issued claim, transport documentation were match without any non compliance.	
	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Pabatu Mill has not purchased CSPO or CSPK. However The procedure of handling non-conforming oil palm products of FFB received (certified or non-certified) has describe that non-conforming oil palm products as a false in FFB received notes (certified or non certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non certified areas) and monitored by mass balance record documents.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	

The Certificate holder has the agreements with a third parties in terms of transporting CPO & PK that ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

- PT. Wahana Adidaya Pertiwi (CPO transporter) agreement No. 04.09/S.Perj/07/II/2019 dated 2 January 2019
- CV. Karya Mandiri (PK transporter) agreement No. 04.05/S.Perj/15/III/2019 dated 20 March 2019

Status: Comply

5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

The certificate holder has legal ownership of CPO and PK products which in the transport of CPO and PK are given to third parties. The agreements with contractors are ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

- PT. Wahana Adidaya Pertiwi (CPO transporter) agreement No. 04.09/S.Perj/07/II/2019 dated 2 January 2019
- CV. Karya Mandiri (PK transporter) agreement No. 04.05/S.Perj/15/III/2019 dated 20 March 2019

Status: Comply

5.5.3

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

Transportation of CPO and PK has been carried out by third parties and the company has detailed records of the contractors used, as follows:

- PT. Wahana Adidaya Pertiwi (CPO transporter) address Medan – North Sumatera
- CV. Karya Mandiri (PK transporter) address Serdang Bedagai – North Sumatera

Status: Comply

5.5.4

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

Question : Has MUTU informed about any new outsourcers?

A contractor used (names and contact details) has been informed to the CB, which are:

- PT. Wahana Adidaya Pertiwi (CPO transporter)
- CV. Karya Mandiri (PK transporter)

Status: Comply

5.6

Sales and goods out

5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

Pabatu mill has product information provided in such as document of weighbridge ticket, delivery order and other invoices. Such as the CPO delivery No. FMLK3/DP/08/01 at 22 July 2019 contract No. 0199/HOLD/CPO-L/N-IV/VI/2019 for 20,290 Kg.

The informations that provided on the invoices are:

- The name and address of the buyer;
- The name and address of the seller;

<ul style="list-style-type: none"> - The loading or shipment / delivery date; - A description of the product RSPO certified Mass Balance model - The date on which the documents were issued; - The quantity of the products delivered; - Any related transport documentation; - etc. 															
	Status: Comply														
5.7	Registration of transactions														
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 															
Certificate holder has registered all transactions in RSPO IT platform.															
	Status: Comply														
5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 															
Transactions of RSPO certified volumes sold as certified are registered in RSPO IT platform. RSPO certified volumes sold as conventional are removed on palm trace by credit allocation as for periods for last year															
<table border="1"> <thead> <tr> <th>Product selling</th><th>Volume (Ton)</th></tr> </thead> <tbody> <tr> <td>CSPK sold as RSPO certified product</td><td>6,068.89</td></tr> <tr> <td>CSPK sold as RSPO certified product</td><td>4,018.82</td></tr> <tr> <td>CSPK sold under other scheme</td><td>0</td></tr> <tr> <td>CSPK sold under other scheme</td><td>0</td></tr> <tr> <td>CSPK sold as conventional</td><td>14,655.73</td></tr> <tr> <td>CSPK sold as conventional</td><td>0</td></tr> </tbody> </table>		Product selling	Volume (Ton)	CSPK sold as RSPO certified product	6,068.89	CSPK sold as RSPO certified product	4,018.82	CSPK sold under other scheme	0	CSPK sold under other scheme	0	CSPK sold as conventional	14,655.73	CSPK sold as conventional	0
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CSPK sold as conventional	14,655.73														
CSPK sold as conventional	0														
	Status: Comply														
5.8	Training														
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff															
SCCS training are planned annually, for example training on 15 May 2019 that has been reviewed and documented.															

	Status: Comply																							
5.8.2																								
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed																								
The certificate holder has provided training at 15 May 2019 for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements, such as: mill process assistant, security, weighbridge operator, etc. Based on interview at weighbridge station is known that the weighbridge operator and SCCS person in charge have understand the RSPO supply chain procedures.																								
	Status: Comply																							
5.9	Record keeping																							
5.9.1																								
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements																								
The certificate holder has maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements. Thoose are describe in this ASA-4 report on section of Module E CPO Mills - Mass Balance Requirements.																								
	Status: Comply																							
5.9.2																								
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock																								
The retention times for all records and reports are keep in minimum 2 years According to the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The mill have RSPO certified in September 2015 and based on documents verification it's concluded that the record of supply chain are available since the mill was certified.																								
	Status: Comply																							
5.9.3																								
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.																								
The estimate volume of palm oil products are describe in this ASA-4 report (Basic Info 1.8.3). FFBs, CSPO and CSPK produced and/or claimed records are kept in minimum 12 months. Record of all certified palm oil / palm kernel oil volumes purchased (input) and claimed (output) for period of 12 Months:																								
<table><tr><th rowspan="2">Period</th><th colspan="2">CPO production (MT)</th><th rowspan="2">Total</th><th colspan="2">CPO Sold (MT)</th><th rowspan="2">Total</th></tr><tr><th>Cert</th><th>Non Cert</th><th>RSPO</th><th>Conventional</th></tr><tr><td>August 2018 to July 2019</td><td>21,400.78</td><td>13,654.03</td><td>35,054.81</td><td>6,068.89</td><td>14,655.73</td><td>20,724.62</td></tr></table>							Period	CPO production (MT)		Total	CPO Sold (MT)		Total	Cert	Non Cert	RSPO	Conventional	August 2018 to July 2019	21,400.78	13,654.03	35,054.81	6,068.89	14,655.73	20,724.62
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August 2018 to July 2019	4,037.83	2,412.58	6,450.41	4,018.82	0	4,018.82																		
	Status: Comply																							
5.10	Conversion factors																							
5.10.1																								
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past																								

experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Pabatu mill doesn't applied a conversion rate.	
	Status: Comply
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Pabatu mill doesn't applied a conversion rate.	
	Status: Comply
5.11	Claims
5.11.1 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
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
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Procedures for stakeholders complaints established in the document SOP No. 13 dated 2 January 2015. Based on complaints document verification is known that there is no complaint regarding SCCS for last a year.	
	Status: Comply
5.13	Management review
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The certificate holder has management review conduct annually at 26 April 2019.	
	Status: Comply
5.13.2 The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
The content of management review related to SCCS are the result of internal audit, customer feedback, work process, preventive and corrective actions, follow up actions and recommendations for improvement.	
	Status: Comply
5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. 	

- **Resource needs.**

The Management review are include the decision and actions related to improvement of the effectiveness of the management system and its processes and Resource needs.

Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement															
E.1	Definition															
E.1.1																
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																
SCSS module used in Pabatu Mill is Mass Balance (MB), because the mill receives FFB from the estate that RSPO certified and non-certified RSPO.																
	Status: Comply															
E.2	Explanation															
E.2.1																
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																
Estimate product certified CPO and PK for period 16 September 2019 – 15 September 2020 describe at this ASA-4 report (basic info 1.8.3). Actual tonnage in period 16 September 2018 – 15 September 2019:																
<table><tr><td rowspan="2">Products</td><td colspan="3">Tonnes/year</td></tr><tr><td>Estimate</td><td>New Estimate</td><td>Actual (until July 2019)</td></tr><tr><td>CSPO</td><td>17,500</td><td>21,592</td><td>18,486.68</td></tr><tr><td>CSPK</td><td>3,599</td><td>4,229</td><td>3,580.49</td></tr></table>		Products	Tonnes/year			Estimate	New Estimate	Actual (until July 2019)	CSPO	17,500	21,592	18,486.68	CSPK	3,599	4,229	3,580.49
Products	Tonnes/year															
	Estimate	New Estimate	Actual (until July 2019)													
CSPO	17,500	21,592	18,486.68													
CSPK	3,599	4,229	3,580.49													
*The projected volume has been extended on 2 June 2019.																
	Status: Comply															
E.2.2																
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																
• RSPO IT Platform member registration number: RSPO_PO1000002520																
<table><tr><td>Product selling</td><td>Volume (Ton)</td></tr><tr><td>CSPO sold as RSPO certified product</td><td>6,068.89</td></tr><tr><td>CSPK sold as RSPO certified product</td><td>4,018.82</td></tr><tr><td>CSPO sold under other scheme</td><td>0</td></tr><tr><td>CSPK sold under other scheme</td><td>0</td></tr><tr><td>CSPO sold as conventional</td><td>14,655.73</td></tr><tr><td>CSPK sold as conventional</td><td>0</td></tr></table>		Product selling	Volume (Ton)	CSPO sold as RSPO certified product	6,068.89	CSPK sold as RSPO certified product	4,018.82	CSPO sold under other scheme	0	CSPK sold under other scheme	0	CSPO sold as conventional	14,655.73	CSPK sold as conventional	0	
Product selling	Volume (Ton)															
CSPO sold as RSPO certified product	6,068.89															
CSPK sold as RSPO certified product	4,018.82															
CSPO sold under other scheme	0															
CSPK sold under other scheme	0															
CSPO sold as conventional	14,655.73															
CSPK sold as conventional	0															
	Status: Comply															
E.3	Documented procedures															
E.3.1																
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:																
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;																

b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge and able to demonstrate the implementation of SCCS.

Status: Comply

E.3.2
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The procedure describes the process of FFB admissions from estates and processing certified and non-certified FFBs. Based on document verification found that the FFB delivery notes from certified area are marked by RSPO certified stamp as example FFB delivery note at 30 July 2019 from Pabatu Estate division V with 6,990 Kg.

Status: Comply

E.4
Purchasing and goods in
E.4.1
The site shall verify and document the volumes of certified and non-certified FFBs received.

The site has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 Months:

Month	FFB (ton)		
	RSPO Certified	Non Certified	Total
August 2018 to July 2019	84,583.09	55,497.81	140,080.90

Status: Comply

E.4.2
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

There is overproduction of certified tonnage that has been extended and reported to the CB. Actual tonnage in period 16 September 2018 – 15 September 2019:

Products	Tonnes/year		
	Estimate	New Estimate	Actual (until July 2019)
CSPO	17,500	21,592	18,486.68
CSPK	3,599	4,229	3,580.49

*The projected volume has been extended on 2 June 2019.

Status: Comply

E.5
Record keeping
E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product

ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The Certificate holder has record and balance all received of RSPO FFB and deliveries of RSPO certified CPO and PK. The Volume of certified CPO and PK are delivered from accounting system according to conversion by percentage of FFB certified. The sales of RSPO product claim for period of 12 months are sold from a positive stocks:

Period	CPO production (MT)		Total	CPO Sold (MT)		Total
	Cert	Non Cert		RSPO	Conventional	
August 2018 to July 2019	21,400.78	13,654.03	35,054.81	6,068.89	14,655.73	20,724.62

Period	PK production (MT)		Total	PK Sold (MT)		Total
	Cert	Non Cert		RSPO	Conventional	
August 2018 to July 2019	4,037.83	2,412.58	6,450.41	4,018.82	0	4,018.82

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-4	PTPN IV Pabatu has no trademark license and do not use RSPO trademark and CB Logo	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-4	PTPN IV Pabatu does not use the logo both in the on-product and off-product.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-4	PTPN IV Pabatu does not use the logo both in the on-product and off-product.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-4	PTPN IV Pabatu does not use the logo both in the on-product and off-product.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

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

- a. PTPN IV Time Bound Plan (TBP) is explaining in table section 1. PTPN IV has run 13 mills and 30 estates in Indonesia. All mills and estates are operated in Indonesia. PTPN IV has informed the TBP progress through head office in Indonesia. Based on the information get from PTPN IV website, there are acknowledge majority shareholder own by PTPN IV that not included in the Time Bound Plan. The description of this majority shareholder are PT Agro Sinergi Nusantara (50.64% of PTPN IV and 49.36% of PTPN I) and PT Sinergi Perkebunan Nusantara (71.28% of PTPN IV and 28.72% of PTPN XIV)
- b. MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. PTPN IV gives the positive assurance based on the partial certification declaration only. The company was not able to show supporting document to strengthen the statement such as internal audit and other relevant evidence.
- c. MUTU Auditor has verified company partial certification and concludes that:
 - There are no systems or mechanism conducted by PTPN IV to ensure the compliance against indicator 2.1;2.2;6.3;6.4; 7.3; 7.5;7.6 such as internal audit or other assessment of compliance
 - The time bound plan did not cover all subsidiaries under PTPN IV
 - There is no written documentation for time bound plan which is isolated lapses.

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>Yes and positive assurance is produced for these units.</p> <p>Auditor verification</p> <p>There are external audit that has been conducted for management units of Air Batu, Berangir, Sawit Langkat, Pasir Mandoge, Timur, PT Agro Sinergi Nusantara and PT Sinergi Perkebunan Nusantara</p> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>PTPN IV has submitted liability disclosure to RSPO.</p> <p>Based on PTPN IV disclosure of liability there is one (1) estate that has liability</p> <p>PTPN IV has sent their liability disclosure to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. PTPN IV has been update their liability disclosure and also sent LUCA on 2018. There is one (1) unit that has non-compliant land clearance.</p> <p>Auditor verification</p> <p>Auditor has verified the supporting evidence of</p>

		above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1st January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p>Auditor verification PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. PTPN IV has been update their liability disclosure and also sent LUCA on 2018. There is one (1) unit that has non-compliant land clearance without HCV before 2010.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p>Auditor verification The company has SPO of conflict area menagement No.4 (revise 2) january 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and Employee Grievance Handling (internal) (No. 19 (Revision 1) effective from January 2, 2015), SOP Handling Customer Complaints and Environment (external) (No. 13 (Revision 1) effective from January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the</p>

		documents of Infringement Complaint Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection For Reporter.
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>Yes, there is no legal non-compliance is being processed.</p> <p>Auditor verification</p> <p>The company has a complete list of regulations that includes local regulations, national regulation and international regulation.</p> <p>The procedure explains that the person responsible for the management of legal documents are the Head of General Affairs and and Human Resources. The company has kept a list of rules and regulations in 1nd semester of 2016 at the Head of General Affairs and Human Resources Departement and has distributed to each division office in hardcopy and softcopy.</p>

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at *ASA-3* Assessment

NCRNo.	: 2018.04	Issued by	: Steve Mualim
Date Issued	: 27 August 2018	Time Limit	: 3 November 2019
NC Grade	: Minor Raise to Major	Date of Closing	: 23 September 2019
Standard Ref. & Requirement	5.1.3 An environmental monitoring plan document and its implementation report and an improvement plan for such monitoring results if nonconformity is found. This plan is reviewed at least 2 years.		
Evidence observed (filled by auditor): Regarding for replanting activities that currently conducted, company shown environmental monitoring and management plan listed on document "rencana pengelolaan dan pemantauan lingkungan replanting". Company has environmental monitoring and management implementation report (RKL/RPL) per semester. Document review for examples on "laporan pelaksanaan RKL/RPL" semester 1 tahun 2018 shown that company management and monitoring regarding replanting activity are not described yet on those report			
Non-Conformance Description (filled by auditor): There is no report on the implementation of environmental management and monitoring, especially related to replanting aspects			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">- The lack of understanding of the officers in making the RKL-RPL (Environment Monitoring Plan) report in accordance with the environmental documents owned by the estate unit- There is no stipulation of a special officer responsible for making RKL-RPL reports for each semester			
Correction (filled by organization audited): List and explain the aspects of replanting done by Pabatu estate.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">- Make a socialization on making RKL-RPL reports that are in accordance with the environmental documents owned by the plantations- Determine special officers who are responsible for making RKL-RPL reports for each semester			
Assessor Evaluation and Conclusion (filled by auditor): Verification 3 August 2019 The company shows the training document for the preparation of the RKL-RPL report conducted by PTPN IV on 16-17 October 2018 in the district I - Bah Jambi building which was attended by 1 representative of the Customs Unit on behalf of Misdi, (attached attendance documents, certificates and training materials). Based on the results of verification of RKL-RPL reporting documents for semester 2 of 2018, it is known that the company has not included and explained management and monitoring actions related to replanting aspects. The company also has not yet shown supporting documents relating to the appointment of special officers responsible for implementing the RKL-RPL. As evidence of corrective action to avoid the same non-conformity repeated again in the future Based on the explanation, this Nonconformity has not closed. Minor Raised to Major. Verification 16 September 2019 The company shows evidence of improvement in the form of the Decree of the Customs Business Unit Manager Number: PAB/SK/04/VIII/2019 regarding the determination of PTPN IV Pabatu's environmental management and monitoring officer on behalf of Misdi on 12 August 2019.			

Verification September 23, 2019

The company shows evidence of improvement in the form of Semester 1 RKL-RPL Report 2019 along with evidence of reporting to relevant agencies. Based on the results of the document study, it is known that the Semester 1 201 RKL-RPL report has explained the impacts related to replanting. This Nonconformity has been closed.

Verified by	:	Bayu Yogatama
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCR No.	:	2019.01	Issued by	:	Hasiholan Sihombing
Date Issued	:	5 August 2019	Time Limit	:	3 November 2019
NC Grade	:	MAJOR	Date of Closing	:	3 October 2019
Standard Ref. & Requirement	:	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.			
Evidence observed (filled by auditor): <p>Based on field observations and document review, the following evidences were found:</p> <ol style="list-style-type: none"> 1. The company already has a PPE Worker's Replacement Mechanism set forth in Circular Letter No: PAB/SE/Intern/360/V/2019, May 2019, which explains that if there is a PPE that has been damaged then administrative officer made the damage PPE reports and made a report on the request for new PPE replacement.. 2. From field observations and interviews with workers in Pabatu Estate and Mill, it was found that: <ul style="list-style-type: none"> • 4 sorting workers, 1 worker at the press station, 1 worker at the kernel station, 1 worker at the workshop, 1 harvester at Division VI, 1 lossesfruit picker at Division VI and 2 EFB applicators at Division III using PPE shoes that do not meet company standards (purchased by the workers themselves because the shoes that provided by the company are damaged before the new replacement period). • 2 workers at the sterilizer station used PPE gloves which were bought by the worker themselves because the PPE gloves that the company provided were damaged. 3. The company has placed an order in the case of supplying employee safety shoes to the supplier on 21 May 2019. 4. The company shows the PPE acceptance document from the supplier on 26 July 2019. 5. The company shows the minutes of PPE inspection received from the supplier and return of PPE that does not meet the specified specifications (helmets, gloves, sunglasses for welding operators, leather chest layers, rayban glasses for boiler operators, ear plugs, and caps ear). 					
Non-Conformance Description (filled by auditor): <p>Based on this evidence, the company has not been able to ensure that PPE is always available to all workers.</p>					
Root Cause Analysis (filled by organization audited): <p>There is no policy regarding the provision of PPE in the unit to replace damaged PPE while waiting for the realization of procurement from the Head Office.</p>					
Correction (filled by organization audited): <ul style="list-style-type: none"> - Make monitoring of the completeness and condition of PPE used by employees every month - To socialize PPE replacement mechanism to all employees who use PPE 					
Corrective Action (filled by organization audited): <p>Issues internal unit policy to provide PPE to replace damaged PPE while waiting for the realization of PPE procurement from the Head Office.</p>					

Assessor Evaluation and Conclusion (filled by auditor):
Auditor response - September 16, 2019

The company sent proof of improvement (correction) in the form of internal circular letter about Mechanism of PPE Replacement in May 2019. However, the company has not sent evidence of corrections as submitted in the correction column. In addition, there is still an auditor's response to the root cause analysis and corrective actions sent by the company. This non-conformity is still not closed.

Auditor response - October 1, 2019

The company has sent evidence of corrections in the form of:

- Document monitoring of the completeness and condition of PPE that is in each *Afdeling* and Pabatu POM.
- Evaluation documents on the monitoring of the completeness and condition of PPE that exist in each of the *afdeling* and Pabatu POM.
- Examples of letters of request for PPE replacement from employees to assistants.
- Documentation of information dissemination mechanism for PPE replacement for employees in each estate and Pabatu POM.
- Evaluation documents on the socialization of PPE replacement mechanisms to employees in each estate and Pabatu POM.
- Documentation of monitoring of the completeness and condition of employees' PPE in each *afdeling* and Pabatu POM.

However, there are still responses to the corrective actions described above. This non-conformity is still not closed.

Auditor response - 3 October 2019

The company sent evidence of corrections in the form of an Internal Memo issued by the Estate Manager and the Factory Manager on 29 September 2019 regarding the PPE replacement policy where there was a point explaining that "while awaiting the realization of PPE Procurement from the Head Office, all Divisions must continue to provide PPE for employees whose jobs are high risk".

Based on the corrected evidence submitted and an explanation of the root cause analysis and corrective actions, this non-conformity can be declared Closed and will be re-observed at the time of the next assessment.

Verified by	: Hasiholan Sihombing
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NCR No.	:	2019.02	Issued by	:	Hasiholan Sihombing
Date Issued	:	5 August 2019	Time Limit	:	RC
NC Grade	:	Minor	Date of Closing	:	3 October 2019
Standard Ref. & Requirement	:	4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
Evidence observed (filled by auditor):					
Based on the results of auditor verification, the following facts are obtained:					

- There is work done by the contractor, evidenced in the work agreement between the company and CV Senang Jaya (No: 04.04 / SPKP / BBT-MN / 54 / II / 2019) for work in the nursery.
- The above is reinforced by the results of interviews with the foreman of the nursery who stated that the workers who worked at the nursery were workers of the contractor CV Senang Jaya.
- Based on a document review of the work agreement between the company and CV Senang Jaya (No: 04.04 / SPKP / BBT-MN / 54 / II / 2019) requires that the contractor is obliged to register his workforce in the Work Accident Insurance program.
- In the verification of documents, evidence of contractor labor participation in the work accident insurance program cannot yet be shown.

Non-Conformance Description (filled by auditor):

The company has not been able to ensure that all contractor workers are covered by work accident insurance.

Root Cause Analysis (filled by organization audited):

- Lack of monitoring of compliance with documents regarding the application of RSPO certification principles and criteria.
- There is no evaluation of the fulfillment of the requirements in the implementation of work performed by the vendor.

Correction (filled by organization audited):

Showing evidence of the participation of *CV Senang Jaya's* workforce in the Employment *BPJS*

Corrective Action (filled by organization audited):

- Appoint a PIC responsible for monitoring compliance with RSPO documents.
- Appoints the PIC responsible for evaluating the terms and conditions of carrying out the work of the Vendor.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor response - September 16, 2019

The company shows evidence of corrections in the form of:

- Memo from the Strategic Planning Section dated February 14, 2019 regarding "*BPJS* Employment Partners" which emphasizes units that use service provider companies (PTPN IV partners) to ensure that all workers of these partners have been registered in *BPJS* Employment membership.
- The company also presented evidence in the form of a *BPJS* Employment card scan from 13 *CV Senang Jaya* workers and evidence of payment of the *BPJS* fee.

However, there are still auditors' responses to the corrective actions submitted by the company. This non-conformity is still not closed.

Auditor response - October 1, 2019

There are still auditor responses in the corrective action section above. This non-conformity is still not closed.

Auditor response - 3 October 2019

The company sent back the evidence of corrections in the form of a Decree on "Officers conducting Vendor Evaluation of Compliance with Requirements in carrying out work" and also Decree on "Formation of Monitoring Team for Fulfillment of Documents concerning Principles and Criteria of RSPO Implementation Certification" issued by Mill and Estate Manager on September 30, 2019.

Based on the corrected evidence submitted and an explanation of the root cause analysis and corrective actions, this non-conformity can be declared Closed and will be re-observed at the time of the next assessment.

Verified by	:	Hasiholan Sihombing
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3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.4.2	Identification of river basins and isolation ditches in the field.
2	6.1.3	The social management and monitoring plan is scheduled and implemented.
3	6.5.1	Payment of the shortfall process reward of Pabatu Mill workers according to Letter No. PKS-PAB / SE / 04 / VI / 2019

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Has received an ISPO Certificate
2	Has received a <i>SMK3</i> Certificate
3	Not using paraquat anymore
4	Team work in providing documents
5	Good management of waste hazardous and toxic materials.

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
Manpower and Transmigration Agency of Serdang Bedagai Regency Industrial Relationship and Social Insurance Division <ul style="list-style-type: none"> Company routinely submit mandatory reporting of Employment to manpower agency. The latest reporting is for period of 2018. There is no complaint from workers. Basic wage for workers is in accordance with minimum wage of Sumatera Utara Province period of 2019. All workers has registered to social insurance (BPJS). Company has worker union. The changes of worker union board has been registered to Manpower Agency of Serdang Bedagai. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.5, 6.6, 6.7, 6.8, 6.9 about worker welfare.</p>
Environmental Agency of Serdang Bedagai Regency <ul style="list-style-type: none"> The relationship between the company and the Department is well established All permits related to the environment are still valid Until now there is no pollution information Compulsory report has been submitted for regular basis 	<p>There is no negative issues from the government agency. CH has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5</p>
Gender Committee <ul style="list-style-type: none"> Women empowering division has socialized mechanism for submitting complain to woman worker. Woman worker usually work as upkeep worker and office worker. There is no complaint from worker about sexual harassment. Company provides woman worker with menstrual leave for 2 days and maternity leaves for 3 months. Pregnant worker is prohibited work as upkeep worker. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.9 about reproductive rights for woman worker.</p>
Union Worker (SPBUN) <ul style="list-style-type: none"> Type of worker in PTPN IV Pabatu is permanent worker. Basic wage for workers is in accordance with minimum wage of Sumatera Utara Province period of 2019. PPE is provided by company. However, if there was a damage PPE before next distribution period, then workers will use personal PPE. There is no complain about overtime payment. However, overtime payment for mill worker will be paid as processing premium. There is no complaint from worker about discrimination among workers. 	<p>The company has implemented the principles & criteria of RSPO about worker welfare and industrial relationship on indicator 4.7.3, 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, 6.9.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> There is no work accident until July 2019. 	
Local Contractor (Stationary procurement) <ul style="list-style-type: none"> There is no complaint about late payment. Communication with PTPN IV Pabatu goes well. 	The company has implemented the principles & criteria of RSPO on indicator 6.10.1, and 6.10.3.
Surrounding communities and previous land owner Naga Kesiangan and Bah Sumbu Village <ul style="list-style-type: none"> Communication between PTPN IV Pabatu and representative of villages went well. There is no complaint about company's operational activity. However, village communities feels that company's assist in CSR aspect is less. There is no land conflict with PTPN IV Pabatu There is no land fire in previous year. Company helps increase economy level of communities by agreement with local contractor. Also some of villagers work in PT PTPN IV Pabatu 	Auditor has verified the compliance with social and worker welfare aspect in criterion 6.8 and 6.11. As for assistance for village, company has CSR program and has implemented it. It has explained in indicator 6.11.1
Local Contractor (CV Arafat & CV Wijaya Putra Perkasa) <ul style="list-style-type: none"> The collaboration has been running for more than 9 years (CV Arafat) and 5 years (CV WPP). There is never a late payment, payment is made at the beginning of the month. The contract is carried out for every procurement of goods. For input, please price adjusted to the location of the garden, so far the price refers to the price of the terrain. So there are several types of goods that cost more. 	It has been complied with criteria 6.10; 1.3

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Perkebunan Nusantara IV – Pabatu
Head of Planning Department



Khayamuddin Panjaitan
Thursday, 03 October 2019

PT Mutuagung Lestari
Lead Auditor



Leonada
Thursday, 03 October 2019

APPENDICES
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
	Environmental Agency	Serdang Bedagai District, North Sumatera	-	Interview	2 August 2019	✓	
	Land Agency	Serdang Bedagai District, North Sumatera	-	Interview	1 August 2019		✓
	Manpower and Transmigration Agency	Serdang Bedagai District, North Sumatera	-	Interview	1 August 2019	✓	
	Plantation Agency	Serdang Bedagai District, North Sumatera	-	Interview	1 August 2019		✓
	Surrounding communities and previous land owner Naga Kesiangan and Bah Sumbu Village	Serdang Bedagai District, North Sumatera	-	Interview	2 August 2019	✓	
	Local Contractor (Stationary procurement)	PTPN IV Unit Pabatu	-	Interview	1 August 2019	✓	
	Gender Committee	PTPN IV Unit Pabatu	-	Interview	1 August 2019	✓	
	Worker Union (SPBUN)	PTPN IV Unit Pabatu	-	Interview	1 August 2019	✓	
	Pabatu Estate: - 1 warehouse worker - 1 Operator Generator house - 1 Daycare Worker - 1 Fertilizer warehouse worker - 4 Pesticide Applicator - 3 harvester - 3 Fertilizer Applicator - 2 Medicl waste storage worker - 1 Daycare worker - 1 Doctor	Pabatu Estate	-	Visit and Interview	2 August 2019	✓	
	Pabatu POM: - 1 Operator WTP - 1 Operator WWTP - 1 worker Hazardous waste storage - 1 worker Chemical storage - 2 security - 2 workers in loading ramp - 1 worker in sterilizer station - 1 worker in press station - 1 worker in boiler station - 1 worker in engine room station - 2 workers in kernel station	Pabatu POM	-	Visit and Interview	1 August 2019	✓	
	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	26 July 2019		✓
	WWF	Jakarta, Indonesia	www.wwf-	Email	26 July 2019		✓

			indonesia@wwf.or.id				
	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	26 July 2019		✓
	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	26 July 2019		✓

Appendix 2. Assessment Program

DATE	1 – 5 August 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 1 August 2019		
05.35 – 08.00	Jakarta → Kuala Namu	All Auditor
08.00 – 12.00	Stakeholders consultation to related agencies	BYG
08.00 – 10.00	Kuala Namu → Site (PTPN IV – Pabatu)	
10.00 – 11.00	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) 	LEO / AAS / HSS LEO / AAS / HSS
11.00 – 12.00	Documents Review <ul style="list-style-type: none"> Review of previous assessment findings Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Verification of P n C documents 	LEO / AAS / HSS
12.00 – 14.00	BREAK	
14.00 – 17.00	Field observation to Pabatu Mill : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO) Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application <p>Interview with Gender Committee, Worker's Union, , Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any)</p>	LEO HSS BYG AAS
Friday, 2 August 2019		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners. Field Observation to Pabatu Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV area. Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & 	AAS LEO HSS

DATE	1 – 5 August 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect - Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).	BYG
14.00 – 17.00	BREAK <ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of documents and completing checklist 	All Auditor
Saturday, 3 August 2019		
08.00 – 12.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of documents and completing checklist 	All Auditor
12.00 – 14.00	BREAK	
14.00 – 17.00	Interim Meeting (closing meeting preparation)	All Auditor
Monday, 5 August 2019		
08.00 – 10.00	Closing Meeting	
10.00 – 12.00	Perjalanan menuju PTPN IV – Unit Usaha Pulu Raja	All Auditor