

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

Name of Management : **Air Batu POM subsidiary of PT PERKEBUNAN NUSANTARA IV**
Organisation

Plantation Name : **Air Batu Estate**

Location : Village of Air Batu, Sub District of Air Batu, Regency of Asahan, Province of Sumatera Utara, Indonesia

Certificate Code : **MUTU-RSPO/129**

Date of Certificate Issue : 24 May 2019

Date of License Issue : 03 March 2021

Date of Certificate Expiry : 23 May 2024

Date of License Expiry : 23 May 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1 (remote)	11 - 12 June 2020	Trismadi Nurbayuto, Brigitta Prita, Rindu Gali Rezza R, Nurdin Chaeriana (Observer)	Leonada	Ardiansyah
ASA-1 (Onsite)	23, 24, 26 October 2020	Trismadi Nurbayuto (Lead Auditor), Asystasya Aishah Silalahi, Yudhi Yuniarto Tallutondok, Rahmat Abdiansyah (Auditor Trainee)		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	19 March 2021

TABLE OF CONTENT
FIGURE

Figure 1. Location Map of PTPN IV Air Batu 2

Figure 2. Operational Map of PTPN IV Air Batu 3

Abbreviations Used 4

1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used 5

1.2 Organisation Information 5

1.3 Type of Assessment 5

1.4 Location of Mill and Plantations 5

1.5 Description of Area Statement 5

1.6 Planting Year and Cycle 6

1.7 Description of Mill and Supply Base 7

1.8 Estimate Tonnage of Certified Product 7

1.9 Other Certifications 8

1.10 Time-Bound Plan 8

2.0 ASSESSMENT PROCESS

2.1 Assessment Team 10

2.2 Assessment Methodology, Assessment Process and Locations of Assessment 11

2.3 Stakeholder Consultation and Stakeholders Contacted 13

2.4 Determining Next Assessment 13

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification 14

3.2 Conformity Checklist of Certificate and Logo Use 50

3.3 Summary of RSPO Partial Certification 51

3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components 54

3.5 Summary of Arising Issues from Public, Management and Auditor Responses 111

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings 114

APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process 115

2. Assessment Program 117

Figure 1. Location Map of PTPN IV Air Batu

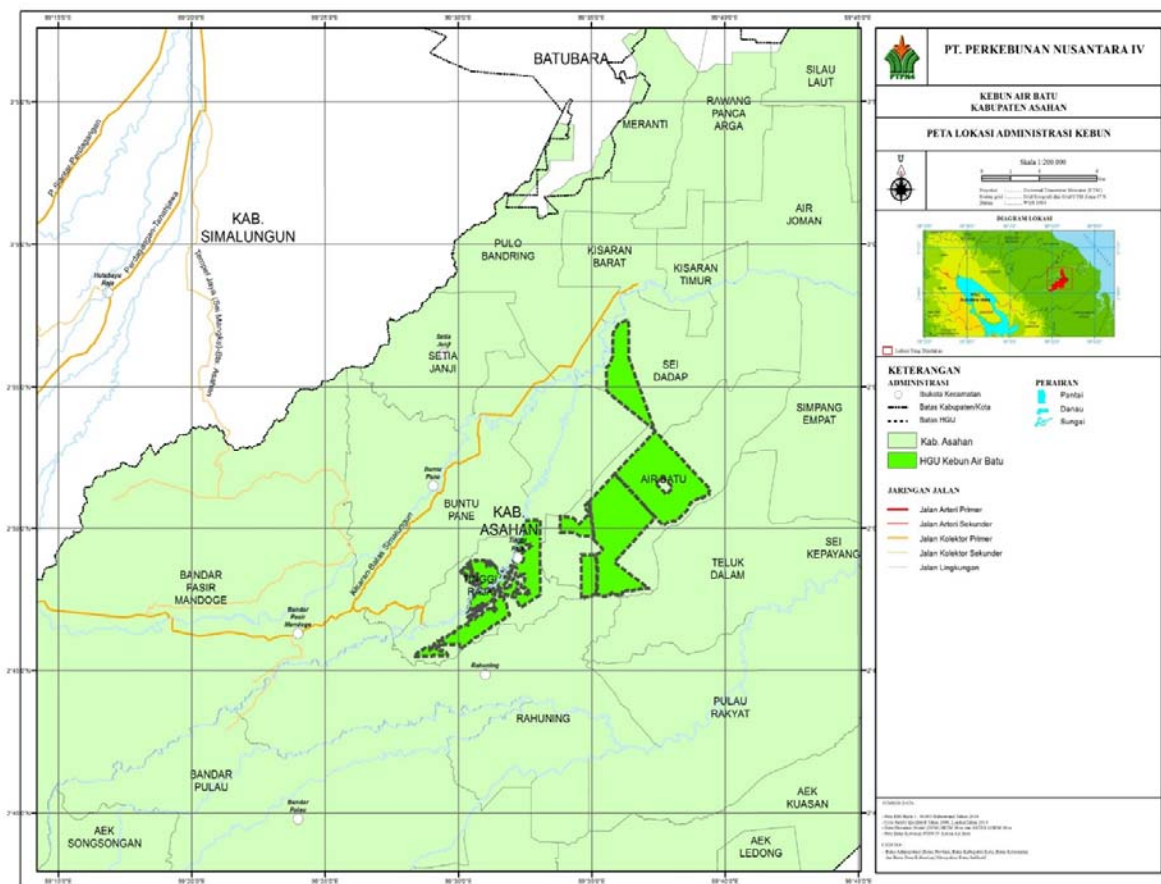
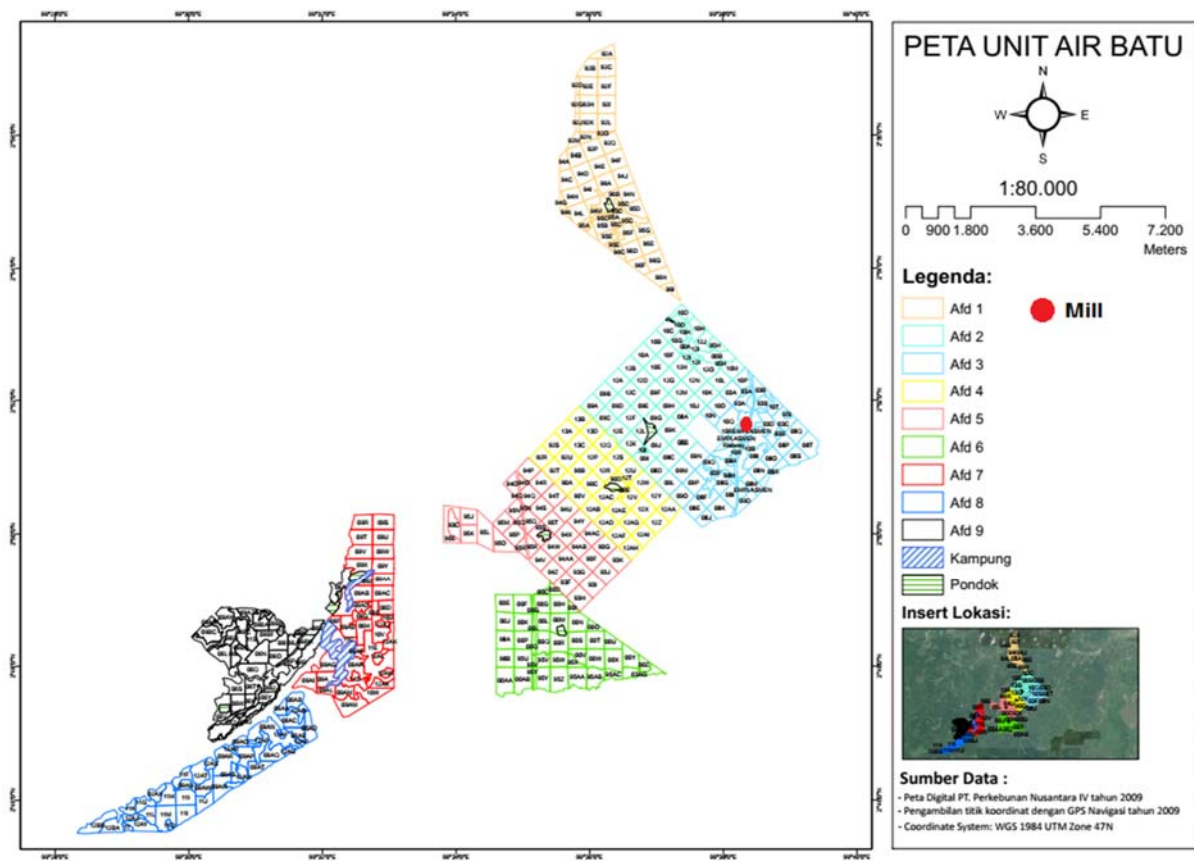


Figure 2. Operational Map of PTPN IV Air Batu



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CB	:	Certification Body
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DELH	:	<i>Dokumen Evaluasi Lingkungan Hidup</i> / Environmental Evaluation Document
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gas
HCV	:	High Conservation value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (plantation business permit)
KER	:	Kernel Extraction Rate
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
Muspika	:	<i>Musyawarah Pimpinan Kecamatan</i> / Sub-district Leadership Deliberations
NGO	:	Non-Governmental Organization
OER	:	Oil Extraction Rate
OSH	:	Occupational, Safety, and Healthy
P & C	:	Principle and Criteria
PIC	:	Person in Charge
PK	:	Palm Kernel
PKBL	:	<i>Program Kemitraan Bina Lingkungan</i> / Community Development Partnership Program
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PTPN	:	<i>Perusahaan Terbatas Perkebunan Nusantara</i>
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i>
RSPO	:	Roundtable Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SKPD	:	Satuan Kerja Perangkat Daerah / Regional Work Unit
SOP	:	Standard Operational Procedures
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"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification System for Principles and Criteria, 14 June 2017 					
1.2	Organisation Information						
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV – Kebun Air Batu					
1.2.2	Contact person	Dhanny Hermawan					
1.2.3	Organisation address and site address	Head Office: Jalan Letjen Suprpto No. 2, Kode Post 20151, Medan, 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	Dhanny Hermawan					
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 <ul style="list-style-type: none"> Air Batu Mill, Air Batu 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 <table border="1"> <tr> <th>Latitude</th> <th>Longitude</th> </tr> <tr> <td>N 02° 51' 34.92"</td> <td>E 99° 38' 18.09"</td> </tr> </table>	Latitude	Longitude	N 02° 51' 34.92"	E 99° 38' 18.09"
Latitude	Longitude						
N 02° 51' 34.92"	E 99° 38' 18.09"						
	Air Batu Mill	Air Batu village, Air Batu Sub District, Asahan District, Sumatera Utara Province, Indonesia					
1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate <table border="1"> <tr> <th>Latitude</th> <th>Longitude</th> </tr> <tr> <td>N 02° 51' 36"</td> <td>E 99° 38' 19"</td> </tr> </table>	Latitude	Longitude	N 02° 51' 36"	E 99° 38' 19"
Latitude	Longitude						
N 02° 51' 36"	E 99° 38' 19"						
	Air Batu Estate	Air Batu village, Air Batu Sub District, Asahan District, Sumatera Utara Province, Indonesia					
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State	7,418.73 Ha					
	• Community	- Ha					

1.5.2	Area Statement											
	• Total area						7,418.73					Ha
	• Planted Area						6,926.00					Ha
	• Mature area						6,451.00					Ha
	• Immature area						475.00					Ha
	• Nursery area						6.00					Ha
	• Emplasment						161.00					Ha
	• Infrastructure						325.73					Ha
	*HCV was include in planted area: 337.48 Ha											
1.6	Planting Year and Cycles											
1.6.1	Age profile of planting year											
	Planting Year	Hectarage (Ha)										
		Division										
		I	II	III	IV	V	VI	VII	VIII	IX	Total	
	Mature Area											
	1994	-	-	-	-	367	-	-	-	-	367	
	1995	118	16	4	-	245	189	-	-	-	572	
	1996	162	-	-	-	-	-	-	-	-	162	
	1997	-	-	-	-	-	47	-	-	-	47	
	2000	-	41	-	-	-	531	-	-	-	572	
	2003	-	-	147	-	-	25	-	-	-	172	
	2005	41	-	-	-	-	-	-	-	-	41	
	2006	-	-	-	-	-	-	83	77	374	534	
	2008	-	101	325	-	-	-	-	-	-	426	
	2009	-	263	151	-	-	-	455	215	233	1317	
	2010	-	268	150	-	-	-	48	-	-	466	
	2011	-	-	-	-	-	-	85	171	45	301	
	2012	-	340	-	456	-	-	-	-	-	796	
	2013	-	-	-	93	-	-	-	-	-	93	
	2015	-	-	-	85	80	-	-	-	-	165	
	2016	304		-	116	-	-	-	-	-	420	
	Sub Total	625	1029	777	750	692	792	671	463	652	6451	
	Immature Area											
	2018	-	-	48	-	158	-	-	-	-	206	
	2019	269	-	-	-	-	-	-	-	-	269	
	Sub Total	269	-	48	-	158	-	-	-	-	475	
	TOTAL	894	1029	825	750	850	792	671	463	652	6926	
	1.6.2	New Planting area after January 2010					- Ha					
	1.6.3	Planting Cycle					2 nd Cycle					

1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Air Batu	30	154,886.79	35,792.11	23.11	5,687.10	3.67
	*Production data source from Oct 2019 – Sept 2020.						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Air Batu	7,418.73	6,451	143,303.56	20.69	143,303.56	100
	TOTAL	7,418.73	6,451	143,303.56	20.69	143,303.56	100
	*Production data source from Oct 2019 – Sept 2020.						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Berangir Estate (RSPO certified)	Group Plantation PTPN IV	-	4,015.26	462.07		
	Pulu Raja Estate (RSPO certified)	Group Plantation PTPN IV	-	4,228.68	472.77		
	Air Batu (RSPO Non certified)	Group Plantation PTPN IV	-	459.02	5,824.26		
	Sei Kopas Estate (RSPO Non certified)	Group Plantation PTPN IV	-	4,456.2	4,353.00		
	TOTAL					11,112.10	
	*Production data source from Oct 2019 – Sept 2020.						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (Oct 2019 to Sept 2020) (MT)	
	FFB Processed			201,035		143,303.56	
	CPO Production			48,103		34,192.56	
	Palm Kernel (PK) Production			8,396		6,268.77	
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year (Oct 2019 to Sept 2020 (MT)			
	CSPO sold as RSPO certified product			3,155.71			
	CSPK sold as RSPO certified product			3,785.79			
	CSPO sold under other scheme			0			
	CSPK sold under other scheme			0			

	CSPO sold as conventional				30,497.31			
	CSPK sold as conventional				0			
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Air Batu		7,418.73	6,451	150,000	23.25		
	TOTAL		7,418.73	6,451	150,000	23.25		
	<i>*Projected FFB production for 12 months certificate</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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Air Batu	30	150,000	34,500	23.00	6,000	4.00	MB
	<i>*Projected CSPO and CSPK production for 12 months certificate</i>							
1.9	Other Certifications							
	OHSAS 18001:2007			-				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound	Location	Status		
	POM	Time Bound						
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	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 dan 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	Stage-1 Audit		
			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	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified		
			Bukit Lima	2021	Simalungun, Sumatera Utara	-		
	Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified		
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified		

	Tinjowan	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified
			Aek Nauli	2019	Simalungun, Sumatera Utara	Certified
			Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified
	Air Batu	2018	Air Batu	2019	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	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified
			Sei Kopas	2020	Asahan, Sumatera Utara	Certified
			Tonduhan	2020	Simalungun, Sumatera Utara	Certified
			Sei Kopas HGU on progress (763 Ha)	2021	Asahan, Sumatera Utara	-
	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	-
	Date Approval TBP on November 2020					
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard					
	The company has no agreement with any associated smallholders and associated out-growers.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
Remote Audit ASA-1	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore, he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001:14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; RSPO Next, and SA 8000. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. In this audit activity performs the assessment of worker welfare, environment, and OHS aspects. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System, Training Lead Auditor RSPO by Daemeter and Proforest on July 2017; Training SA 8000 by Internal Company; Training Lead Auditor SCCS by BM Trada on June 2018; and Training social & worker welfare from RSPO on January 2019. She has been audited experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. In this audit activity performs the assessment of legalities and Supply Chain. Rindu Galih Rezza Rachmansyah (Trainee Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agro technology). He has 1-year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, Training Lead Auditor ISPO, Training Lead Auditor RSPO, RaCP and NPP awareness for RSPO, OHSAS 18001: 2007. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, OHS aspect social aspect and worker welfare aspect. During this audit, he supports to verify Best Management Practices. Nurdin Chaeriana (Observer). Indonesian Citizen. Diploma of Forest Management, Faculty of Forestry, has 5 years working experience in Industrial Plantation Forest Companies as Environment, Health and Safety staff and worked for 5 years in plantations as Assistant Manager of Sustainability. Training attended was ISPO Auditors, General OHS Expert, Hazardous and toxic waste material Management Technical Guidance, Fundamentals of Forest and Land Fire Control, Training of Trainer Fire Fighting Course, Basic Fire Fighting Course, Fire Management, Fire Fighting Technique Prevention & Control, ISO 14001:2004 Internal Auditor. During this audit, he conducted as Observer.
Onsite Audit ASA-1	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Indonesian Citizen. Diploma of Forest Management, Forestry Faculty; and Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore, he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001:14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; RSPO Next, and SA 8000. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. In this audit activity performs the assessment of the transparency, best management practice, long-term business plan, 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 Legality aspects and SCCS.

3. **Yudhi Yuniarto Tallutondok (Auditor).** Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&C, Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, labor, social and legality aspects. In this audit activity performs worker welfare environmental and OHS.
4. **Rahmat Abdiansyah (Trainee).** Indonesian citizen, Bachelor of Forestry from the Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&C in 2019 and 2020. During this audit it was conducted as a Trainee under supervised by Lead Auditor to verify environmental, conservation, GHG, waste management and social.

2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
Remote Audit ASA-1	<p>Number of auditors: 2 auditors</p> <p>Number of days for ASA-1 at site: 2 days</p> <p>Number of working days for ASA-1 at site: 4 Working days (Remote Audit).</p>
Onsite Audit ASA-1	<p>Number of auditors: 3 auditors</p> <p>Number of days for ASA-2 at site: 3 days</p> <p>Number of working days for ASA-2 at site: 9 Working days</p>
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.</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) <i>interview</i>, 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>Public Stakeholder Notification was made on Mutu International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wife of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.</p> <p>During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities or previous land owners so that these activities are carried out by telephone.</p>

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

Some opportunities for improvement of the results **ASA-1** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-2**).

Improvement of findings from *main assesment* findings were observed by auditors at this **ASA-1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1**.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-1	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Air Batu POM</p> <ol style="list-style-type: none"> 1. Chemical Warehouse. Observation of chemical warehouse facilities and OHS facilities 2. Workshop. Observation and interviews of officers related to OHS and procedures 3. POME. Observations regarding the condition of POME and the digital flow meter 4. Water Treatment Plan. Observation of water management in Mill both for processing and domestic activities 5. Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill 6. Diesel Tank. Observation and interviews of officers related to OHS and procedures 7. Empty Bunch Press Station. Observation and interviews of officers related to OHS and procedures 8. Hazardous & Toxic Waste Warehouse. Observation and interviews of officers related to OHS and procedures 9. WWTP. Observation and Interview operator related WWTP ponds and flowmeter condition. 10. Land Application Block 2010 M Observation and Interview related POME Management, PPE and working hours. 11. Pump Room. Observation and Interview related water use and flowmeter condition. 12. Housing Complex. Observation about house condition and interview with residents about other facilities for worker, domestic waste management. 13. Security post (2 securities). Interview with security about worker welfare, OHS implementation, emergency situation, worker training, FFB supplier, and complaint mechanism. 14. Weigh bridge (1 worker). Interview with worker about worker welfare, OHS implementation, emergency situation, worker training, SSCS aspect, and complaint mechanism. 15. Grading station (2 workers). Interview with security about worker welfare, OHS implementation, emergency situation, worker training, best practice, and complaint mechanism. 16. Dispatch station (1 worker). Interview with worker about worker welfare, OHS implementation, emergency situation, worker training, SSCS aspect, and complaint mechanism <p>Air Batu Estate</p> <ol style="list-style-type: none"> 17. Harvesting. Block 09AU, Division VII. Observation and interviews of officers related to OHS and procedures. 18. Global Telling. Block 59, Division VII. Observation and interviews of officers related to OHS and procedures. 19. Block 12N, Division VII. Observation the condition of uncertified area. 20. Buffer zone (Sei Kampak), Block 06A/06B, Division IX. Observation about riparian zone management and conditions. 21. HGU Poles No. 172, 173, 174 and 165 block 012 AS and 012 AR. Observation on boundaries poles, coordinates, maintenance, and demarcation. 22. Land Fill. Block 09 AR, Division VIII. Observation regarding management of domestic waste. 23. HCV Area of Bukit Tebing Block 011 J Division VIII Observation of HCV management. 24. Fertilizer storage. Observation about storage condition, fertilizer stock, and interview with storage officer about OHS implementation, worker welfare aspect, and waste management 25. Clinic. Interview with paramedic about infectious waste management, clinic service, frequently work accident,

	<p>worker welfare</p> <p>26. Rinse house. Observation about rinse house condition, PPE of spraying worker storage, and waste management.</p> <p>27. Housing complex of Afdeling VII. Observation and interview workers facility, employment and domestic waste management</p> <p>28. Landfill, Afdeling VII. Observation regarding management of domestic waste.</p> <p>Stakeholder consultation with relevant agencies</p> <p>29. Environmental Agency of Asahan Regency</p> <p>30. Local contractor of FFB Transporting.</p> <p>31. Plantation Agency of Asahan Regency</p> <p>Surrounding Villages</p> <p>32. Sei Alim Ulu Village. Interview land issues, environment, social etc.</p> <p>33. Perkebunan Air Batu Village. Interview land issues, environment, social etc.</p> <p>34. Air Teluk Hesa Village. Interview land issues, environment, social etc.</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PTPN IV-Air Batu POM was held by:</p> <ul style="list-style-type: none"> • Public Notification on Mutuagung website on 7 October 2020 • Public consultation meeting with government institution (Manpower Agency, Environment Agency, Plantation Agency in Asahan Regency on 23 October 2020) • Public consultation meeting with communities on 23 October 2020 • Public consultation meeting with internal stakeholders (worker union and gender committee) and contractor on 23 October 2020 • Public consultation by email with NGO (AMAN, Sawit Watch, and Walhi) on 15 October 2020 <p>Numbers of input from stakeholders were clarified by PTPN IV-Air Batu POM</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-2) will be conducted eight (8) months to twelve (12) months after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Air Batu POM – PT Perkebunan Nusantara IV. Operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were seven (7) Nonconformities were assigned against Major Compliance Indicators and ten (10) Nonconformities against minor compliance indicators and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformity raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action that had been reviewed and accepted by Auditors in form of documentation evidence) e.g. (*document record/photographic/etc.*). Those corrective actions taken that consist of seven (7) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Air Batu POM – PTPN IV complied with the requirements of *Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1; 1.1.2; 1.1.3 and 1.1.4	<p>The company has Circular Letter No. 04.01 / SE / 02 / II / 2018 dated February 27, 2018 concerning Management of Company Data / Document / Information Provision which explains that the request for data / documents / information can be done by visiting the website of PT Perkebunan Nusantara IV (www.ptpn4.co.id/kip/) or by request letter to the Head of the Corporate Secretary Section (if the request is to the unit, the district / unit manager must coordinate with the Head of the Corporate Secretary).</p> <p>The company has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03 / Kpts / 02 / II / 2018 dated February 5, 2018 which was approved by the President Director. The decision states that there are 22 information (company profile, land permit, audited financial statements, licensing/permitting documents, waste management, disposal plan, etc.) that can be published and accessed in general and 27 information (company articles of association, bonus formula / production services, formula selling price of commodities, etc.) which cannot be published publicly.</p> <p>These documents are stored in each business unit and PTPN IV headquarters depending on the type of information. However, all these documents can be given to stakeholders if they submit a request for information to the company. This accessible information is provided and disseminated to stakeholders related to the company during both formal and informal meetings. In addition, requests for information can be made through the PTPN IV website so that all stakeholders can access it easily. The officer appointed to provide and update information is the General HR department.</p> <p>Based on the review of company documents, it has an information service procedure for stakeholders that is explained in SPO 03 (Communication consultation with the community) which was effective on January 2, 2015 which explains that communication and consultation for the community in the immediate plantation unit is recorded by HR assistants and the general representing managers to communicate with the <i>Muspika</i>, traditional religious leaders and the community around</p>	

the operational area, if there is a direct request for information known to the directors then it will be conveyed to the manager of the GUU (Business Unit Group) then it will be relayed back to the Directors and will be followed up on.

SOP of Information Request and SOP of Communication & Consultation have covered all the elements in indicator 1.1.1 above. The time period for responding to requests for information is 30 working days after the letter is received by management. For all records of requests will be stored in each business unit in accordance with the purpose of the request for information. From January to May 2020, there were no requests for information from stakeholders in the company, this is evidenced by the absence of a register of incoming letters related to requests for information within that period.

During onsite audit activity sighted that the unit of certification is able to shows several public-available documents as follows:

- Fire fighting simulation on the first semester 2020 to the *Satuan Polisi Pamong Praja* Asahan Regency dated 2 October 2020.
- Manpower online report period of 2020 with number 21272.20201023.0001 dated 23 October 2020.
- OHS report on the third quarter 2020 to the Manpower of North Sumatera dated 6 October 2020.
- Environment monitoring and management plan realization on the first Semester 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 6 August 2020.
- Hazardous and toxic waste management on the third quarter 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 13 October 2020.
- Effluent Management on the third quarter 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 13 October 2020.
- On the OHS report period of I-III quarter 2020 there were no work accident cases reported. While on the work accident record there are 19 work accident cases.

However, during the onsite audit there are several compulsory reports that had not been submitted, such as:

- Fire fighting report on the first semester 2020 to the Agriculture Agency of Asahan Regency.
- Land use/utilities report year of 2020 to the National Land Agency.
- Work accident report year of 2020 to the Manpower and Transmigration Agency of Asahan Regency.

The unit of certification has no been able to show evidence that all reports are publicly available. **It was raised as nonconformance number 2020.01 with Major category.**

1.1.5

The company shows an updated list of company stakeholders on July 1, 2020. The document details the stakeholders who are frequently associated with the company, contact persons, positions, and telephone numbers that can be contacted, consisting of national agencies (4 agencies), provinces (3 agencies), districts. (11 agencies), sub-districts (13 agencies), internal (5 agencies), partners (7 agencies), and journalists, NGOs, OKP (Youth Organization) (5 agencies).

1.1.1.	Status: NCR No 2020.1 with Major/Critical Category
---------------	---

1.2

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

1.2.1 and 1.2.2

PTPN IV has a written policy that contains a commitment to the code of integrity and ethical behavior contained in the Code of Conduct prepared in 2019, Chapter V Prohibition for Businesses. This chapter contains a code of conduct relating to conflicts of interest, bribery, political activities, drugs and gambling, and disgraceful acts which are prohibited by the company's business people. Every business person is prohibited from conducting KKN (Corruption, Collusion, Nepotism and Bribery).

PTPN IV is committed to Living Prosperously without Corruption is a commitment of the Clean BUMN (state-owned enterprises) Program, PTPN IV's people are committed not to accept gratuities in carrying out their duties and authority and are free from conflicts of interest. We invite stakeholder participation in delivering information if PTPN IV Bersih's commitment is not carried out by company people, online through: www.ptpn4.co.id or by email complaint@ptpn4.co.id

The company has socialized the Code of Conduct (available in Indonesian) every year to all employees, in addition to that

the company has provided a code of business conduct for all workers when they first enter as PTPN IV employees. So that all workers have understood the work behavior (Code of Conduct) of PTPN IV. The company can also show evidence of its socialization record including:

- The socialization of PTPN IV Code of Conduct on 09 and 17 April 2019 for all workers in each unit.
- Integrity Pact document to carry out PTPN IV Code of Conduct on 09 December 2019, which has been signed by each contractor.

Based on interview with several workers on the mill and estate; contractors sighted that there were understood about code of conduct.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The company has complied with environmental regulations, this has been proven by having permits related to the environment such as:

- The company has an environmental evaluation document (DELH) in 2019.
- The company has obtained an environmental feasibility permit for oil palm plantation and mill activities in Air Batu and Tinggi Raja Districts, Asahan Regency, North Sumatra Province by PTPN IV Air Batu Unit dated May 21, 2019 in accordance with the Decree of the Head of Asahan Regency Environmental Service Number 660.1 / 786 / LH / 2019.
- The company has a permit for the Temporary Storage of Hazardous and Toxic Waste based on the Decree of the Regent of Asahan number 503 / LB3 / DMPPTSP / 0010 / XI / 2018 dated November 13, 2018 and is valid for 5 years.
- The company has a land application permit in accordance with the Decree of the Regent of Asahan Number: 503 / IPAL / DMPPTSP / 0006 / VI / 2020 on June 4, 2020 with a validity period of 5 years.
- The company has a surface water extraction and utilization permit in accordance with the Governor of North Sumatra decree number 610/115 / DMPPTSP / 5 / XII.1 / II / 2017, issued on 28 Feb 2017, valid for 3 years, water utilization is carried out from the Hesa river. The company has applied for an extension of the water resources exploitation permit on February 13, 2020 to the Governor of North Sumatra Cq. Head of the Office of Investment and One Stop Integrated Licensing service, North Sumatra Province. Until the ASA 1 assessment, the extension of the permit for surface water extraction and utilization has not been completed. Then this becomes OFI (OFI Number 1).

2.1.2

Company has evaluation of regulation implementation for operational activity in estates and mill. The evaluation is updated every year of if there is update of regulation itself. However, company also uses a third party to carry out several operational activities, such as the transportation of CPO and maintenance in the nursery area. Then, the company shows the evaluation for the contracted third party. Matters that become the criteria for assessment include standard work quality, work completion, and payment to workers. However, the company does not yet have a list and proof of legal compliance by the contracted third parties.

In this regard, the company has not been able to demonstrate a system to ensure legal compliance, including by all contracted third parties. This become **nonconformity No. 2020. 02 with noncritical category**.

2.1.3

Based on the field observation to HGU stakes number 172, 173, and 165, it was found that the stakes were clearly visible and well maintained. There is no planting of oil palm outside the HGU area. The company also shows stake monitoring and based on the monitoring results, the HGU stakes installed are in good condition. However, the company needs to improve the monitoring of HGU markers again according to the HGU map they have, because during the field visit, stake no 172 and stake no 173 were installed in reverse positions. However, the company has reinstalled the stake according to the HGU map it owns. (OFI)

2.1.2.	Status: NCR No 2020.2 with minor/non-critical category
---------------	---

2.2

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

2.2.1.

The company shows a list of contractors for the 2020 period which informs Estate Unit, Partner Name, Job location and type of work such as:

No.	Mitra name	Type of work
1.	Kopkar Kekar	Transport of FFB
2.	CV TS Brother	Transport of FFB
3.	CV Putra Mandiri	Transport of FFB/ EFB Transport/ maintenance of planted FFB
4.	CV Anugerah Cahaya	Transport of FFB/ EFB Transport
5.	CV Angkasa	Transport of FFB
6.	PT MAN Sinergi Satu	Maintenance of planted FFB
7.	CV Tri Bina Karya	Maintenance of planted FFB
8.	CV Dini Arta Lestari	Maintenance
9.	CV Alif Utama	Maintenance Immature FFB
10.	CV Fauzab Grup	Maintenance Immature FFB

2.2.2.

The company shows the work agreement CPO Production Transportation in 2020 between PT Perkebunan Nusantara IV and PT Wahana Adidaya Pertiwi under number 04.05 / S.Perj / 10 / I / 2020 from 17 January 2020 to 31 December 2020 and the contractor address is located on *Jl. Letjend Suprpto No.2 Medan*. In point (p) it is explained that the Second Party runs an internal system for transporting CPO production to comply with all RSPO supply chain requirements and is willing to be audited at any time by the certification body appointed by the First party.

Based on field observation to nursery area, it is known that there are 5 contractor workers. Based on interviews with maintenance workers in the nursery area, it is known that workers do not have a work agreement with the vendor, the monthly wage is Rp. 2,200,000 (below the provincial minimum wage. Minimum wage of North Sumatra Province year 2020 is Rp. 2,499,031), and has not been included in the social insurance program.

Third parties through the company have also not been able to show proof of compliance with regulations, for example: payment of contractor workers' wages, examples of work agreements, and BPJS membership.

Based on this explanation, it is known that the contractor has not been able to show evidence of fulfilling the relevant legal obligations, for example regarding the fulfillment of wages according to the minimum wage, has been included in the BPJS program, contractor workers have work agreements, and other relevant regulations. This becomes **nonconformity No. 2020.03 with noncritical category**.

2.2.3.

Company showed work agreement of local contractor, for example work agreement of CPO transporter No. 04.09/PPABE/MS/02/XI/2019. The work agreement has explain about compliance with applicable laws and regulations. Work Partners are required to comply with the provisions not to employ children who are underage according to Law No.13 2003 concerning labor, not discriminating against workers, respecting human rights, not practicing forced labor, not employing labor from human trafficking and so on.

2.2.2. Status: NCR No 2020.3 with minor/non-critical category

2.3

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

2.3.1& 2.3.2.

All FFB sources from own estate and plantation PTPN IV group.

Status: Comply

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

3.1

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

3.1.1

PTPN IV – Air Batu POM and Air Batu Estate has a long-term management plan for period 2020 to 2023 which issued by the Board of Directors and Commissioners in November 2019. Management plan has covers prediction of production cost, operational areas, productivity, products price, replanting area, product quality, etc. 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.

Since the prior audit assessment (ST-2) was carried out, the company did not have Scheme Smallholders.

3.1.2

The company replanting program is planned to commence in 2018 until 2021 with consideration of FFB production which has begun to decline, the difficulty of harvesters and output of harvesters who tend to decline. In 2018 and 2019 an area of 475 hectares has been realized for replanting activities, while for the replanting plan in 2020 it is planned to cover 572 hectares and in 2021 an area of 162 hectares.

3.1.3

The company has a procedure associated with operational internal audit in the RSPO Internal Audit (No. SPO 21 dated 2 January 2015). Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Internal Audit every year. The records of internal audit of 2019 (in 21 December 2019) have been documented. Noncompliance records of internal audit has been corrected and verified by management. There is no revision of SOP at the recertification assessment. In each SOP, there is page of document control that record the revision if any.

Status: Comply	
-----------------------	--

3.2

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

Internal audit of PTPN IV – Air Batu has conducted simultaneously as follows:

- Internal audit of RSPO for period 2019 in PTPN IV – Air Batu, had carried out by internal auditor from in 21 December 2019. The audit has resulting 4 non-conformity (NCR) notes which all already closed.
- Evaluation by conducting an internal audit conducted by the Internal Supervisory Unit (SPI) on 17-18 October 2019 to conduct an inspection / evaluation of production, finance and investment for the 2019 period. This has received two important notes in the fields of production and finance; however, this has been reviewed by the Air Batu Unit on 29 October 2019 and carried out a comprehensive repair on 31 October 2019.

Worker Welfare

- Unit certification has set minimum wage regulations for all workers based on the stipulation of minimum wages by the Governor of Sumatera Utara for 2019 & 2020.
- Unit certification facilitates workers with adequate housing, electricity facilities, and availability of clean water in every publicly available housing.
- Unit certification is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of human rights violations in the work environment.

The continuous improvement related environmental has been implemented by the company among other but not limited to reducing the use of pesticides in line with Integrated Pest Management (IPM) plan, managed and monitored the environmental impact based on participatory assessment, waste reduction and disposal based on regulation (not open burning), mitigation of GHG, etc.

3.2.2

The Annual Communication of Progress (ACOP) has been submitted to the RSPO.

Status: Comply	
-----------------------	--

3.3
Operating procedures are appropriately documented, consistently implemented and monitored.
3.3.1. & 3.3.2.

Unit management of PTPN IV – Air Batu has document related to all agronomist procedure. The procedures were presented in document No. SPO -00 to SPO-21 dated August 1st 2007. All procedures were available in Bahasa. Master list of procedure for estate and mill were keeps by Unit Manager. Based on procedures document review, it could be concluded that all SOP's and WI's were still relevant with current situation and covers all aspect of best management practices in the estates and mill. Based on field observation and interview with Foreman and several workers in each estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as standard of ripeness, PPE to be used, PPE management, considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example HCV or riparian zone area which marked by red-paint on the palm trunk).

Procedure of safe working practices towards agrochemicals application or chemist works is presented in several documents such as Work instruction (WI) No. IK/TA/07 about chemist (pesticide application) quality on the palm circle and harvesting path, WI No. IK/TA/08 about wiping on coarse grass, WI No. IK/TA/11 about pest management, Hazard identification risk assessment control (HIRAC) for estates and mill and material safety data sheet (MSDS) of each agrochemicals used. According to field observation to estate and mill, as well as interview with the respective workers, it could be concluded that in general the workers has understood the basic of safe working practices such as using a proper set of personal protective equipment (PPE), meaning of risk symbols, agrochemicals and hazardous materials handling, etc.

3.3.3

The company has a procedure associated with operational internal audit in the RSPO Internal Audit (No. SPO 21 dated 2 January 2015). Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Internal Audit every year. The records of internal audit of 2019 (in 21 December 2019) have been documented. Noncompliance records of internal audit has been corrected and verified by management. There is no revision of SOP at the recertification assessment. In each SOP, there is page of document control that record the revision if any.

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 and manual workbook systems.

Status: Comply

3.4
A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.
3.4.1 & 3.4.2

Until the ASA 1 assessment was carried out, the company had not carried out any new plantings. The company already has an environmental document in the form of an Environmental Impact Analysis Document (AMDAL) which has been approved by the Head of the Asahan Regency Environment and Tourism Office through letter No. 131 / XII / LHP / RPL-RKL / 2004 concerning Approval of RKL-RPL Documents. However, the AMDAL document that has been owned by PTPN IV Air Batu Unit is not in accordance with the permits held and the existing conditions in the field. In the environmental document, the plantation area and its supporting facilities are around 7,418.73 hectares, while the existing plantation area is 7,877.75 hectares. In addition, in the RKL-RPL document for POME management after being processed in WWTP and comply with quality standard, it is channelled into the Hessa River, while the existing conditions in the POME are used for land applications. Whereas in connection with the aforementioned considerations, PTPN IV Air Batu Business Unit has improved and adjusted its environmental documents in accordance with applicable regulations, namely by preparing a DELH (Environmental Evaluation Document). The company already has an Environmental Evaluation Document (DELH) for the activities of the Plantation and Palm Oil Mill of PT. Perkebunan Nusantara IV Air Batu Business Unit with an area of 7,877.75 Ha with the location of the unit in Air Batu Subdistrict and Tinggi Raja Subdistrict, Asahan Regency, North Sumatera Province. The company shows the Decree of the Head of the Environmental Service of Asahan Regency Number 660.1 / 786 / LH / 2019 regarding the environmental feasibility of oil palm plantation and mill activities in Air Batu and Tinggi Raja Districts, Asahan Regency, North Sumatera Province by PTPN IV Unit Air Batu dated 21 May 2019. The management and monitoring

plans that must be carried out include:

- Air quality and odor
- Increased noise
- Decreased surface water quality
- Decreased groundwater quality
- Decreased diversity of flora and fauna
- Open job opportunities and business opportunities
- Increase in people's income and local economy
- Changes in community perceptions and attitudes
- Public health disorders.
- Disruption of security and order
- Increased potential for land fires
- Increased waste and toxic and hazardous waste

Based on the study of environmental documents owned by the company, it is known that all activities and the company's area have been covered in these environmental documents.

The company has carried out a social impact study which was conducted in July 2011 by a team of consultants PT Surveyor Indonesia. The aspects assessed include socio-economic aspects, social aspects (education, health), socio-cultural aspects, customs, communication patterns, corporate social responsibility and community perceptions. Data collection in the field was carried out by direct interview method based on questionnaires to respondents which aimed to find out the community's perception of plantation activities and observations made on the patterns of daily life of the communities around the plantation in their interactions with the company. The villages involved in the assessment included Air Batu 3/9 Plantation Village, Sei Alim Ulu, Air Teluk Hesa, Air Batu 1/2 Plantation, Pinagripan, Danau Sijabut, Sijabut Teratai and Piasa Ulu.

In 2019 the company has compiled a social management and monitoring plan by involving stakeholders which was attended by the company, consultants and village heads around the company on February 6, 2019. The social management and monitoring plan includes:

- Public facilities and social facilities.
Improve communication with village stakeholders to discuss participatory village development programs based on priority scales from the perspective of village residents.
- Employment Opportunity
Promote labor recruitment to villages around the estate, equal access for all job applicants and direct contractors to prioritize residents around the estate if they meet the qualifications needed as workers.
- Business opportunity.
Encourage the realization of partnership and community development programs according to village needs.

Based on interviews with Air Teluk Hesa Village and Air Batu 1/2 Plantation Village, it is known that the social impacts that occur due to company operations are job opportunities and CSR programs. Based on the review of the social impact document, it has been covered in the company social management and monitoring plan.

3.4.3

The company has implemented the Management Plan and social monitoring plan in 2020, for example:

- Aspects of job opportunities and business opportunities: the company has prepared a stakeholder questionnaire which has been distributed to villages directly adjacent to the Air Batu unit. Based on the results of the questionnaire resume, it is known that the company's existence has opened job opportunities and business opportunities for rural communities around the plantation. Based on the recapitulation of employees from surrounding villages carried out by the company, it is known that there are 159 workers who come from villages around the company. Based on interviews with the people of Sei Alim Ulu Village and the Head of Air Teluk Hesa Village, it was known that the company had recruited workers from the village and if there were job vacancies, it would be informed to the village.
- Public and Social Facilities Aspects. The company has provided CSR and PKBL (Community Development Partnership Program) assistance to the community around the company as a form of the company's commitment to meeting the needs of public and social facilities.

The company has implemented the results of the environmental permit listed in the RKL RPL report document for semester 1 of 2020 and has been reported to the local government, this is evidenced by the receipt of the RKL RPL Report for Semester I 2020 to the Asahan Regency Environmental Service on August 6, 2020. Based on the results of the review of the document on the implementation of RKL / RPL for semester 1 of 2020, it is known that the company has implemented environmental management in accordance with the directions of the DELH document it has. While environmental monitoring, there are several types of impacts that have not been carried out, such as:

- Decreased diversity of flora and fauna
- Changes in community perceptions and attitudes
- Public health disorders.
- Disruption of security and order
- Increased potential for land fires
- Increased waste and toxic and hazardous waste

Based on this, the company has not carried out environmental monitoring in accordance with the established RKL-RPL matrix. This became **NCR No 2020.4 indicator 3.4.3 with Major / Critical category.**

3.4.3.	Status: NCR No 2020.4 with Major/Critical Category
---------------	---

3.5

A system for managing human resources is in place.

3.5.1 and 3.5.2

The CH has a Collective Labor Agreement (CLA) for the 2020-2021 Period, which has been approved by the Indonesian Ministry of Manpower. The CLA document describes work relations, social security, leave, permits, Occupational Health and Safety, environment, order, to family planning and cooperative.

The CH has a human resource system that has been implemented in operational activities including recruitment procedures and career path procedures. In addition, the CH also has a pension and termination mechanism listed in CLA.

Based on interviews with estate and mill workers show that the CH routinely and gradually has carried out socialization related to labor procedures including termination, retirement and promotion so that the average worker understands the employment procedures that the CH has. Based on interviews with estate and mill workers revealed that the CH did not act discriminatively during the selection, recruitment and promotion processes. All employment processes are carried out according to company-owned procedures.

Based on interviews with estate and mill employees revealed that the CH never made distinctions regarding the rights of each worker. all workers rights are granted in accordance with applicable regulations.

There are jobs that are contracted by companies with third parties, namely FFB Loading. Related to this, the CH can show the work agreement with the contractor (CV Agro Nusantara).

The entire work agreement describes: the object and scope of the agreement, the value, volume and price of the work unit, payment procedures, the term of the agreement, the rights and obligations of the parties, taxes, work accident insurance, OHS, PPE, implementation and prohibition of job transfer. Fulfillment of licensing and safety provisions and termination of agreements, statements and guarantees, practical integrity and Force majeure.

Based on interviews with estate and mill workers revealed that employees already knew and understood labour mechanism related because the CH has been socializing to employees regularly. Further explained that so far the CH has always been consistent in the application of labour mechanisms.

	Status: Comply
--	-----------------------

3.6

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

3.6.1

Evidence observed:

- CH has compiled a HIRAC Form for division that includes activities for harvesting FFB, budding, fertilizing, chemical

dishes, loading FFB, handling people with symptoms of COVID-19, preventing transmission of COVID-19, dongkelan, harvesting under the power grid, cutting through the grid, treatment roads, operation of a water pump machine, load FFB into baskets, transfer FFB, unload FFB, transfer FFB to TPH using along - along baskets.

- Based on field observations and verification of the HIRAC form documents for division show that there are still activities that have not identified the potential hazards and risks but are not limited to activities: tuning under the power grid, global telling under the power grid, activities in rinse houses, storage of work tools at employees' homes, loading CPO into CPO hauling trucks and protection of rotating parts of machines.

The CH has not been able to show sufficient evidence that it has carried out the identification of risks and hazards to OSH problems as a whole in the operational area so this is a non conformity. **NCR 2020.05**

3.6.2

Realization of the program will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) 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 regular meetings to assess effectiveness. The following are examples of the realization by the certification unit in 2020, including:

- OHS committee meeting on 9 June 2020 which was attended by 20 administrators and members. The meeting agenda discusses the inspection of first aid kits where expired items are still found. The CH takes action by replacing items that have expired. The CH can show documentation and meeting minutes.
- OHS committee meeting on 3 July 2020 which was attended by 15 administrators and members. The meeting agenda discussed the examination of Fire Extinguisher whose position and location were not standard. The CH took action by making improvements related to the position of Fire Extinguisher. The CH can show documentation and meeting minutes.
- OHS committee meeting on 4 August 2020 which was attended by 18 administrators and members. The meeting agenda discusses the inappropriate filing of documents. The CH took action by making improvements. The CH can show documentation and meeting minutes.

Based on field observation and interview with pesticide applicator in Estate and process operators at Mill, The CH has been provide adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations. For example, Boilers Operators that has been provide PPE such as safety shoes, helmet, ear plug, & gloves. Aside from that safety induction for all auditors when audit in every unit (estate and mill).

3.6.1. Status: NCR No 2020.5 with Major/Critical category

3.7

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

3.7.1

Evidence observed:

- The CH has a training program in 2020, for example: plants, administration and general human resources, but there is no operator training program at the Mill.
- Based on field observations show that the CH has Generator Set with a capacity of 265 kVA/284.18 HP; turbine engine with a capacity of 800 kW/1072.38 HP.
- Based on field observations at Capstan Station show that there are lifting operators for the Crane Grapple type.
- Results of interviews with
 - a. Machine room operators note that the operator with the initials SG does not yet have a license and the operator with the initials SN has expired and is in the stage of extension.
 - b. License of boiler operator has expired.
 - c. The CH did not yet have a Electric OHS Expert and Crane Grapple Operator license.
- *Permenakertrans* No. 9/2010 concerning Lifting Operators.
- *Permenaker* Number 12 Year 2015 Article 7 reads as follows "For companies that have power plants of more than 200 (two hundred) kilo Volt-Ampere are required to have Electric OHS Expert".
- *Permenaker* No. 1 of 1988 concerning Qualifications and Requirements for Boiler Operators.

The CH has not been able to show sufficient evidence that it has identified the training needs of all employees according to the RSPO principles and criteria so this is a non conformity. **NCR 2020.06**

The CH has compiled training programs for contractor employees in the 2020 period as follows:

- Dissemination of OHS policies and procedures.
- Socializing the use of PPE and the risks of not using PPE.
- HIRAC socialization.

3.7.2

The CH shows the following documents for the realization of employee training in 2020:

1. The socialization of toxic and hazardous waste management on 15 June 2020 was attended by 20 managers, staff/assistants and implementing employees.
2. The socialization of the family cup ban & the prohibition on the use of underage labor on June 16, 2020, attended by 21 managers, staff/assistants and implementing employees.
3. The DLW socialization on 17 June 2020 was attended by 23 managers, staff/assistants and implementing employees.
4. The socialization of household domestic waste management on 18 June 2020 was attended by 36 managers, staff/assistants and implementation employees.

Based on interviews with CH workers and contractor workers show that the CH always provides training to all workers to maintain and improve worker competence at work in order to get good results.

3.7.3

The company shows documentation of SCCS training, as follows.

- The socialization of PIC of monitoring the source of FFB and the number of non-certified FFB held on June 15, 2020 which was attended by 15 participants.
- The RSPO SCCS implementation training held on June 13, 2020 and attended by 16 participants
- Socialization of the delivery of RSPO certified products held on June 15, 2020 and attended by 7 participants
- Socialization regarding the recording of Certified CPO and PK Shipment held on June 15, 2020 attended by 18 participants

Based on interview with weighbridge operator it is known that operator seems lack of understanding about supply chain. Company need to increase the understanding of weigh bridge operator regarding SCCS (OFI).

3.7.1. Status: NCR No 2020.6 with Major/Critical category

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2.

The management unit receives fruit from own estate and group plantation. The company apply a Mass Balance system. Because it receives FFB from non certified area (Berangir Estate, Pulu Raja Estate and Sei Kopas Estate).

3.8.3.

Estimates of CPO and PK produced by Air Batu POM obtained from the projection based on actual data of 12 months before audit activities.

Product	Last Year Projected Certified Volume (Ton) (24 May 2019 to 23 Nov 2020)	Realization from Oct 2019 until Sept 2020 (Ton)	Projection certified volume
FFB	201,035	143,303.56	150,000
CPO	48,103	33,810.05	34,500
PK	8,396	5,263.64	6,000

3.8.4.

The organization shows member ID RSPO_PO100004280 for Air Batu Palm Oil Mill, RSPO Member ID : 1-0082-09-000-00. Last License: CB86591 and status: active. Air Batu POM has reported on CSPO and CSPK shipments via palm trace. All sales have been registered into the palm trace, including the removal of CSPO stock that taken for conventional sales.

3.8.5.

Written procedure to ensure the implementation of all the requirement specified in the SCCS standard and system has been

set on documents of :

- SOP No. 07 A dated 2 January 2018 related handling of certified FFB
- SOP No. 07 B dated 2 January 2018 related handling of certified CPO and PK
- SOP No. 07 C dated 2 January 2018 related handling of certified PKO in kernel crushing plant

The procedures have covered the implementation of all the elements of the supply chain model requirements, including also related to SCCS training records, as well as the person responsible for implementing SCCS. For example the Planning Section is responsible for informing the excess production from certificate quota to the Certification Body. Chairman of the SCCS Chief Engineer registers a certified mill to RSPO PalmTrace and informs them through memos to the Marketing Department. The Chief Engineer is also responsible for sending CPO and certified PK mill.

The organization shows the procedure for handling FFB Certified products with document number 04.03 / Unit / Sus / P / 001 revision number 02 revision date May 1, 2019. In the procedure in point 7.2.2 regarding receipt of certified FFB at Mill. It was explained that the acceptance of FFB was identified based on the source, namely certified and un-certified plantation from own estate, group plantations and third party outgrowers.

3.8.6.

The site had a written procedure related annual internal audit of SCCS in SOP of RSPO Internal Audit (No. SPO 21 dated 2 January 2015). The company shows the results of an internal audit conducted on December 21, 2019 conducted by the PTPN IV Internal Auditor Team. There is 1 non-conformity regarding the latest Supply Chain SOP which has been fulfilled.

3.8.7.

The organization shows the procedure for handling Certified products with document number 04.03 / Unit / Sus / P / 001 revision number 02 revision date May 1, 2019. In the procedure in point 7.2.2 regarding receipt of certified FFB at Mill. It was explained that the acceptance of FFB was identified based on the source, namely certified and un-certified farms from own estate, group plantations and third party outgrowers.

Air Batu POM received FFB from own estates, namely Air Batu Estate and from others Estate but under PTPN IV (certified and noncertified FFB). The record of FFB received has separated between certified and non certified.

Month (2019-2020)	FFB (MT)		
	RSPO Certified	Non Certified	Total
Oct 2019	13,263.09	864.00	14,127.09
Nov 2019	11,739.22	680.10	12,419.32
Dec 2019	11,596.80	690.87	12,287.67
Jan 2020	9,484.25	481.55	9,965.80
Feb 2020	10,522.74	553.33	11,076.07
Mar 2020	11,732.42	575.45	12,307.87
Apr 2020	11,556.22	504.99	12,061.21
May 2020	10,801.93	1,651.47	12,453.40
June 2020	12,710.22	1,029.66	13,739.88
July 2020	12,453.16	2,114.69	14,567.85
August 2020	13,036.89	1,213.91	14,250.80
Sept 2020	14,406.62	752.08	15,158.70
Total	143,303.56	11,112.1	154,415.66

Based on palm trace, below is the volume of certified product from **24 May 2019 to 23 Nov 2020**

Palm Trace (Volume)	License Volume (24 May 2019 to 23 Nov 2020) Extension Volume (MT)
CSPK	8,396
CSPO	48,103
FFB	201,035

Based on tables above, there is no excess of FFB certified product.

3.8.8.

The organization has been able to show RSPO certified product documents (CSPO and CSPK), for example shipping records, evidence of delivery and specification documents (Buyer name and address; Seller name and address; Date of shipment / delivery; Date of issue of the document; RSPO certificate number; Product description, including the applicable supply chain model (Preservation of Identity or Mass Balance or its agreed abbreviation); Quantity of product shipped; All transport related documentation; and Unique identification number).

The company shows data on sales contracts and delivery orders for 2020 period of CSPO and CSPK, including:

- Sales contract number 0141 / HOLD / CPO-L / N-IV / IV / 2020 for mass balance CPO sales, the document explains buyer information by PT Multimas Nabati Asahan, Types of Mass balance CPO products, quantity of 1000 tons, price unit, method of submission, payment, time of payment, basic provisions and so on.
- Delivery order with DO number KM / 1B1 / 2192 / XII / 2019 for PK shipments, the document explains information on the delivery date of December 27, 2019, types of CSPK Mass Balance products, quantity of 507.58 tons, shipments to PPIS Pabatu, transporters PK, driver name and so on.

3.8.9.

The organization shows the CLA CPO Production Transportation for 2020 between PT Perkebunan Nusantara IV and PT Wahana Adidaya Pertiwi under number 04.05 / S.Perj / 10 / I / 2020 from 17 January 2020 to 31 December 2020 and the contractors address is located on *Jl. Letjend Suprpto No.2 Medan*. In point (p) it is explained that the Second Party runs an internal system for transporting CPO production to comply with all RSPO supply chain requirements and is willing to be audited at any time by the certification body appointed by the First party.

3.8.10.

The company shows a list of contractors for the physical handling of RSPO certified palm products for the period 2020, including:

Company name	Address	PIC	Note
PT Wahana Adidaya Pertiwi	<i>Jl. Putri Merak Jingga No. 02 A Medan</i>	Subur Utama	CPO Transporter
CV Karya Mandiri	<i>Dusun I Blok II No.38 Desa Sei Rampah Kecamatan Sei Rampah Kabupaten Serdang Bedagai Provinsi Sumatera Utara</i>	Edy	PK Transporter

Decree of the management Supply Chain for Air Batu unit which was set on November 6, 2019, consisting of a Management representative, Chairman, deputy chairman, secretary, Document Control, Auditor control, coordinator and members. In addition, socialization was provided to the PIC who was responsible for the implementation of the RSPO SCC implementation on June 17, 2020. This has been declared fulfilled.

3.8.11.

Based on interview with management representative there is no new contractors.

3.8.12.

Air Batu POM has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as presented in the Table belows:

Crude Palm Oil

Period	CPO Production (mt)		CSPO Delivery (mt)	
	Cert	Non-Cert	RSPO	Non-Cert
Period Oct 2019 to Sept 2020	34,192.56	2,690.46	3,155.71	30,497.31

*Note: for CPO sold as conventional and taken from sustainable stock has been removed from palm trace.

Palm Kernel

Period	PK Production (mt)		PCSK Dispatch (mt)	
	Cert	Non-Cert	RSPO	Non-Cert
Period Oct 2019 to Sept 2020	6,268.77	1,423.46	3,785.79	-

3.8.13 & 3.8.14.

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly, and yearly production. Based production data of Oct 2019 to Sept 2020, the OER is 23 % and KER is 4 %.

3.8.15.

The organization is using mass balance module.

Procedure to ensure the implementation of all the requirement specified in the SCCS standard and system has been set on documents of :

- SOP No. 07 A dated 2January 2018 related handling of certified FFB
- SOP No. 07 B dated 2January 2018 related handling of certified CPO and PK
- SOP No. 07 C dated 2January 2018 related handling of certified PKO in kernel crushing plant

The procedures have covered the implementation of all the elements of the supply chain model requirements, including also related to SCCS training records, as well as the person responsible for implementing SCCS. For example the Planning Section is responsible for informing the excess production from certificate quota to the Certification Body. Chairman of the SCCS Chief Engineer registers a certified mill to RSPO PalmTrace and informs them through memos to the Marketing Department. The Chief Engineer is also responsible for sending CPO and certified PK mill..

3.8.16.

Air Batu POM has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as presented in the Table bellows:

Crude Palm Oil

Period	CPO Production (mt)		CSPO Delivery (mt)	
	Cert	Non-Cert	RSPO	Non-Cert
Period Oct 2019 to Sept 2020	34,192.56	2,690.46	3,155.71	30,497.31

*Note: for CPO sold as conventional and taken from sustainable stock has been removed from palm trace.

Palm Kernel

Period	PK Production (mt)		PCSK Dispatch (mt)	
	Cert	Non-Cert	RSPO	Non-Cert
Period Oct 2019 to Sept 2020	6,268.77	1,423.46	3,785.79	-

Air Batu Mill also showed example of shipping announcement of CSPO and CSPK. Shipping announcement is made not more than 3 months from shipping date, for example:

- Transaction ID TR-cfb46e7c-e4a2 with shipping date on 19 May 2020 and announced on 30 May 2020
- Transaction ID TR-801be6ee-cc59 with shipping date on 1 May 2020 and announced on 8 May 2020

3.8.17.

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1
The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.
4.1.1 and 4.1.2

A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 2 January 2015. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. The company has socializing this policy to all workers and contractor on each unit.

The CH has carried out socialization related to respecting human rights on February 18, 2020 which was attended by mill employees, estates and stakeholders. The CH also shows proof of socialization to contractors on June 13, 2020.

Based on interview with local contractors, labor unions, employee and committee gender, known that they already understand the policy. Interview with a worker in estate and mill informed that there is no complaint related to violation of human rights.

Based on interviews with labor unions and gender committees known that so far there have never been cases of human rights violations committed by the company. This is also the same as the results of interviews with the surrounding village community, namely that there has never been a case of human rights violations committed by the company against the surrounding community.

Status: Comply
4.2
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.
4.2.1 and 4.2.2

There is no changes related documented system for dealing with complaints and grievance. Company have Procedure for conflicts, complaints, grievance has been maintained and contained in documents as follows:

- SOP for Internal Communication and Handling of Employee Complaints (No. 19 Rev. 2, effective from 02 January 2015). The procedure states that employee complaints are submitted verbally and in writing to the Labor Union. Then the Labor Union Management examines the problem being complained of and as far as possible the problem is resolved at the Labor Union level.
- SOP for Handling Customer and Environmental Complaints (No. 13 Rev. 01 dated January 2, 2015). Includes complaints from customers and the surrounding environment received by the head office, complaints received by business units, handling of social unrest in the community, securing demonstrations at the head office. A flow chart is available.

In addition, the CH has also regulated the secrecy of the information/whistle bower. The CH guarantees in full, the confidentiality of the identity of the information/whistle bower communicating confidential communications to the CH whether it is confidential/non-confidential.

The system enables resolution of disputes in an effective and appropriate manner by way of classifying complaints into internal and external, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution.

Where a resolution is not found mutually by means of deliberations between two parties, the problem can be resolved through third-party mediation/authorities, be resolved through the applicable law or brought the RSPO Complaints System.

The CH demonstrates Communication Procedures. The officer who is responsible for receiving complaints or complaints has been assigned to each unit. It is further explained in the procedure that the company also facilitates the delivery of information to affected parties including those who cannot read / write by submitting it through pictures, videos and posters.

Based on interview with village representatives known the company provides an access to all of their stakeholder to submit their complaint related to the company's operational activity. All complaint will be responded timely.

Based on field observation and interview with several workers and labor union board sighted that there is no complaint from workers to the CH. All workers also have understood about this mechanism. To ensure that the procedures can be understood by employees who can't reading and writing by regularly socialization on the morning briefing.

4.2.3 & 4.2.4

Based document review, there is no complaint from external stakeholders. The mechanism of complaint has been listed in website (Whistle blowing) www.ptpn4.co.id/wb/. Company also have mechanism of Conflict handling is stated in the SOP for Handling Land Conflicts No. SPO 04 dated January 2, 2017. It regulates that conflict handling can be handled by third party.

Status: Comply

4.3

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

4.3.1

The company has a CSR program for 2020, including the construction of a permanent trench stage III in Tanjung Alam Village, Sei Dadap District, for about 170 meters. The company also showed the documentation of CSR realization in 2019, namely assistance for the construction of phase II permanent trenches in Tanjung Alam Village, Sei Dadap District from March 2019 - May 2019 and the realization of CSR in 2020, namely the construction of stage III permanent trenches in Tanjung Alam Village, Sei Dadap District from May 2020 - July 2020.

Based on the results of interviews with Air Batu villages, it was found that the company had carried out CSR for the villages around the company.

Status: Comply

4.4

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

4.4.1

The history of land ownership was originally owned by the Dutch colonial company NV. RCMA (Rubber Cultuur Maatschapy Amsterdam) the Hengelo Plantation Unit since 1928. In 1958 nationalization was carried out by the Indonesian Government, undergoing several name changes, until 11 March 1996 to PTPN-IV (PT Perkebunan Nusantara) Air Batu unit.

The actual total management area based on the area statement of 2018 is **7,877.75 ha**, and all of them have legal land use title (*Hak Guna Usaha*/HGU) and plantation business permit (*Izin Usaha Perkebunan*/IUP) with the following explanation :

- Land use title / HGU Certificate No. 2 dated 17 July 2003 covering an area of **5,615.68 ha**, valid until 31 December 2026.

Notes: HGU No. 2 is used for Division I to VI.

- Land use title / HGU Certificate No. 41 dated 16 May 2013 covering an area of **381.36 ha**, valid until 1 January 2034.
- Land use title / HGU Certificate No. 42 dated 16 May 2013 covering an area of **1,155.25 ha**, valid until 1 January 2034.
- Land use title / HGU Certificate No. 43 dated 16 May 2013, covering an area of **725.65 ha**, valid until 1 January 2034.

Notes: HGU No. 41, 42, and 43 are used for Division VII, VIII, and IX.

- Plantation business permit (IUP) No. 503/IUP/BPPPM/1632/XJ/2012 dated 27 November 2012 for oil palm plantations covering an area of **8,030.41 ha** and palm oil mill with a capacity of **30 tons/hour**.

4.4.2- 4.4.6.

PTPN IV Air Batu is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erfpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU *Pokok Agraria* No. 5 tahun 1960). The following is a brief history of PTPN IV Air Batu.

Company history

- Air Batu Estate was owned by the Foreign Private NV.RCMA (Rubber Culture Maatschapy Amsterdam) Hengelo Plantation which was founded in 1928 and POM was operating in 1938
- In 1958, the Nationalization of Foreign Companies was held and ended up as PPN. Then in 1961 it was changed to PPN for Various Plants (Antan V), in 1968 it was changed to PNP-VI and in 1975 it was changed to PTP-VI and finally
- March 11, 1996 based on PP No.9 of 1996 there was a merger between PTP-VI, PTP-VII and PTP-VIII to become PTPN-IV (Persero)
- In October 2014 joined the holding company which is now headquartered at Jalan Suprpto No. 2 Medan, and one of its

Business Units is PTPN-IV Air Batu Plantation.

Based on interview with surrounding village, it is known that there is no land compensation and It is also known that there is no previous land owner or customary rights in surrounding village. Also, based on interview with plantation agency, it is known that there is no customary rights in PTPN IV Air Batu.

Status: Comply

4.5

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

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

There is no new land clearing in PTPN IV Air Batu. PTPN IV Air Batu is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU *Pokok Agraria* No. 5 tahun 1960). Based on interview with surrounding village, it is known that there is no land compensation and It is also known that there is no previous land owner or customary rights in surrounding village. Also, based on interview with plantation agency, it is known that there is no customary rights in PTPN IV Air Batu.

4.5.7

Based on document review and interviews with company representatives, it was found that there was no new land development after November 2018 by the company.

Status: Comply

4.6

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

4.6.1, 4.6.2, 4.6.3, 4.6.4

The company has a procedure for identifying legal rights, customary rights, or use rights in the SOP Handling Land Conflicts No. SPO 04 dated January 2, 2017. The procedure also regulates about calculation and land compensation. PTPN IV Air Batu is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU *Pokok Agraria* No. 5 tahun 1960). Based on interview with surrounding village, it is known that there is no land compensation and It is also known that there is no previous land owner or customary rights in surrounding village. Also, based on interview with plantation agency, it is known that there is no customary rights in PTPN IV Air Batu.

Status: Comply

4.7

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

4.7.1 – 4.7.3

The company has a procedure for identifying legal rights, customary rights, or use rights in the SOP Handling Land Conflicts No. SPO 04 dated January 2, 2017. The procedure also regulates about calculation and land compensation. PTPN IV Air Batu is one of the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Tittle based Basic Agrarian Law (UU *Pokok Agraria* No. 5 tahun 1960). Based on interview with surrounding village, it is known that there is no land compensation and It is also known that there is no previous land owner or customary rights in surrounding village. Also, based on interview with plantation agency, it is known that there is no customary rights in PTPN IV Air Batu.

Status: Comply

4.8

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

4.8.1 – 4.8.4

Based on interview with representative of surrounding village, it is known that there is no customary rights in PTPN IV Air Batu. Also there is no land conflict or land compensation or land occupation in PTPN IV Air Batu. PTPN IV Air Batu is one of

the Dutch colonial plantations were nationalized by Government of Indonesia on the basis Constitution Law (Undang Undang No: 86 Tahun 1958) about Erpacht Right, Then erpacht rights are converted to Land Use Title based Basic Agrarian Law (UU Pokok Agraria No. 5 tahun 1960).

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1 – 5.1.4

PTPN IV Air Batu does not have a smallholder scheme. The company receives FFB from its own estate and from other PTPN IV estates. However, the company has the opportunity to establish communication with all farmers (Independent Smallholders and Smallholders) and support farmers to carry out RSPO certification (OFI)

5.1.5

The company does not have a smallholder scheme, but the company has a cooperation with local contractors in the transportation of FFB. The company can show cooperation agreements with local contractors such as:

- Cooperation Agreement with the Contractor, namely CV Putra Mandiri for the transportation of Fresh Fruit Bunches (FFB) for the second quarter of 2020 with number GMD-IV / ABA / Transport TBS Afd-V / 23 / VI / 2020 on June 1, 2020. This agreement has been agreed and signed by both parties. This agreement has a term of 3 months. In the work agreement has explained the payment procedure and the price of transportation. Payment is made by transfer via Mandiri bank.
- Cooperation Agreement with the Contractor, namely CV Angurah Cahaya for the transportation of Fresh Fruit Bunches (FFB) for the second quarter of 2020 with number GMD-IV / ABA / Transport TBS Afd-VI / 29 / VI / 2020 on June 2, 2020. This agreement has been agreed and signed by both parties. This agreement has a term of 3 months. In the work agreement has explained the payment procedure and the price of transportation. Payment is made by transfer via Mandiri bank.

Based on the review of the Cooperation agreement document, it is known that the Cooperation agreement made is in accordance with applicable law and is made fairly, this is proven by having been agreed by both parties. In addition, based on interviews with local contractors, it is known that the work agreement that has been agreed upon has been understood by the contractor and there are no complaints related to the clauses stated in the agreement.

5.1.6

The company has made payments to local contractors. The company can show proof of payment for work with a local contractor, for example to CV Putra Mandiri. Based on the document review, it is known that the payment is in accordance with the cooperation agreement. Based on interviews with local contractors, it was found that there were no complaints regarding delays or withholding payments.

5.1.7

The company shows the results of testing the electronic bridge scales in 2020 as follows:

- Certificate of Test Results Number 320 / SKHP-MT / ASH.59 / 2020 for electronic bridge scales of 50,000 Kg capacity Type AD 4329 A Serial number N 152468. And will be retested again on March 11, 2021.
- Certificate of Test Results Number 321 / SKHP-MT / ASH.59 / 2020 for electronic bridge scales of 50,000 Kg capacity Type GST 9600 serial number 967852. And will be retested again on March 11, 2021.
- Certificate of Test Results Number 322 / SKHP-MT / ASH.59 / 2020 for electronic bridge scales of 50,000 Kg capacity Type GST 9600 serial number 966104. And will be retested again on March 12, 2021.

The test was conducted by the Legal Metrology UPT of the Asahan Regency Cooperative and Trade Office. The Test Result Certificate was endorsed by the Head of the Legal Metrology UPT of the Asahan Regency Cooperative and Trade Office on March 13, 2020.

5.1.8

PTPN IV Air Batu does not have a smallholder scheme. The company receives FFB from its own estate and from other PTPN

IV estates. However, the company has the opportunity to establish communication with all farmers (Independent Smallholders and Smallholders) and support farmers to carry out RSPO certification (OFI).

Status: Comply

5.2

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

5.2.1; 5.2.2 & 5.2.5

Based on interviews with Air Teluk Hesa Village and Sei Alim Ulu Village, it is known that some of the livelihoods of the village community are as oil palm farmers, the company has the opportunity to make improvements in the form of socialization and consultation with oil palm farmers in order to support the participation of oil palm farmers in the palm oil value chain. sustainable palm oil and report publicly on the progress of farmer support programs regularly.

5.2.3

PTPN IV Air Batu does not have a smallholder scheme. The company receives FFB from its own estate and from other PTPN IV estates. Even so, the company has the opportunity to provide support to farmers to fulfill the legality of FFB production (OFI).

5.2.4

The CH has carried out socialization related to RSPO, Agronomy, Code of Conduct, FFB Buying Process from outside parties to farmers including women on May 8, 2020 which was attended by: the surrounding village community.

The verification results of the socialization material document revealed that one of the materials provided was related to the handling of pesticides and how to apply it safely. During the audit, the CH shows the attendance list, documentation and training materials.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1 and 6.1.2

The CH policy towards non-discrimination and equal opportunity is presented in document of Job Opportunity Policy No. 04 (Rev. 02) dated 02 January 2015 and CLA 2020-2021 Chapter II Article 15 and 16. These policy has been communicated to worker. Implementation on policy has relected in several documents such as employees performance and evaluation, promotion letter and selection of process on job recruitment. However, implementation and worker understanding towards this matters will be verified through interview with representatives from Manpower Agency, Labour Union, Gender Committee, surrounding communities and employees, on the coming field visit assessment.

Based on document verification of employee registration documents for the September 2020 period reveal that the composition of workers varies in terms of sex, religion, educational background and ethnicity. Although dominated by local residents, every employee has the same opportunity to work with the CH as long as it meets the specified requirements.

Based on interviews with estate and mill employees, local village representatives, known that information about recruitment is transparent to the village community and delivered through the Village Head. There have never been any problems or conflicts related to discrimination and the diversity parameters of these employees. Local Work Promotion Letter available.

6.1.3.

Procedure of recruitment is presented document of CLA 2020-2021 Chapter II Article 11 to 13. Detail of requirement is also presented in the advertisement through Director of Human Resources and General Letter, as sighted to Letter No. 04/11/SE/20/V/2019 dated 29 May 2019. Recruitment has conducted through fair and transparent process. Job opportunities were communicated and informed to the surrounding villages as priority. In recruitment process, the company has set the standard of competence that required in the position offers. Selection has include evaluation towards skills, performance and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of

position. All workers are treated equally in accordance with company regulation including rights of worker as well.

Based on interviews with estate and mill workers, representatives from surrounding villages, and representatives from the Manpower Office, known that all workers have the same career opportunities, as long as they meet CH requirements. Furthermore, workers are dominated by local residents. In addition, in 2019/2020 estate management began a promotion program from temporary workers to permanent workers.

6.1.4

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

6.1.5

The CH has formed a Gender Committee in management unit. Based on interviews with the Gender Committee and female workers known that breastfeeding workers are not permitted to work using chemicals. Workers who are breastfeeding are also given the opportunity to breastfeed their children.

6.1.6

Payment of salary has verify to upkeep worker position in Air Batu Estate for period May 2020, for example to employee with NIK SAP No. 4014928. In general, the salary was in accordance with applicable regulation in 2020 (Decree of Sumatera Utara Governor No. 188.44/674/KPTS/2019 dated 01 November 2019), which was about IDR 2,499,423.06/month. Different amount of salary obtained is only affected by number of attendance, working period, work performance, premium and debt, without taking gender into consideration account.

Status: Comply

6.2

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

6.2.1

The CH has a CLA in 2020-2021 between the CH and the employees. The CLA has approved by Manpower Agency of Sumatera Utara through Decree No. 560/04-6/DTK/II/2020 dated 13 January 2020 with Registration No. 6/DFT/PKB/6/SU/II/2022 dated 13 January 2020. The CH regulation has explained the acknowledgment of the parties, acceptance of work, work assessment, appointment of employees, placement of employees, placement and the transfer of employees, working hours, work systems, overtime work, leave, permits, wages and assistance; official travel and mandah; amenities; work equipment; annual income allowances and bonuses; social security, discipline and violations, termination of employment, complaints, transition and the validity period of Company Regulations.

Based on interviews with estate and mill worker found that the CH had paid wages in accordance with applicable regulations.

Based on interviews with contractor workers revealed that workers were paid based on working days in accordance with applicable government regulations. Further explained that until now there has been no case in payment of contractor employee wages.

The CH shows a work agreement between PTPN IV and CV Agro Nusantara. The work agreement explains that the CH ensures that the actions of the contractor are in accordance with labor, OHS, environmental and other legal requirements as well as standard RSPO requirements including minimum wage payment requirements, prohibition on child labor, prohibition of forced labor, protection of health insurance and work accidents, protection reproductive rights of women workers and the right to access evaluations. CV Agro Nusantara shows a list of employee wage payments for the September 2020 period. From the document it is known that CV Agro Nusantara has paid employee wages in accordance with the Decree of the Governor of North Sumatra.

6.2.2

As verified to contract of employees documents, it was known that manpower right matters such as salary as refers to minimum wages regulation, leave, manpower insurance, health insurance, holiday allowance, bonus, premium, overtime

calculation etc., has included on the company regulation and policy. Furthermore, these matters have also been mentioned on the CLA. Those points mentioned in the Article of work contract have in accordance with manpower regulation in Indonesia. Actual implementation of the above, will be verified through interview with representatives from Labour Union, Gender Committee and several workers.

6.2.3

During the audit activity, several evidences are shown as follows:

- The CH shows the salary slip and attendance documents of security, engine room operators and boiler operator for the period of August 2020.
- The auditors simulate the calculation of overtime pay based on *Kepmenakertrans* No. 102/2004 with the following results:

Employee Initials	Unit	Overtime Paid	Auditor Simulation Results	Variance
AP	Boiler	IDR 2,773,411	IDR 2,718,759	+ IDR 54,651,62
SN	Engine Room	IDR 2,920,605	IDR 2,519,645	+ IDR 400,959,29
SK	Estate Security	IDR 2,690,249	IDR 2,578,489	+ IDR 111,759,79
MT	Mill Security	IDR 2,158,564	IDR 2,666,071	- IDR 507,507,56

The CH has not been able to show that the wages for employees who work over working hours are in accordance with applicable regulations so this is a non-conformity **NCR No. 2020.07**

6.2.4

The CH has provided facilities and infrastructure to support the worker welfare in each management unit, such as permanent housing, electricity sources through generator sets available in each housing, clean water through the provision of bore wells and the provision of clean water tanks in each unit, clinics available in each unit, there is a place for kindergarten and elementary school.

Based on field observations in employee housing show that the CH has provided adequate welfare facilities for workers such as housing, availability of clean water, availability of electricity (*PLN*), availability of health facilities in the form of clinics managed by doctors and paramedics (nurses and midwives), day care centers, worship facilities for workers. Apart from that, the CH also provides educational facilities in the form of kindergartens and elementary schools located within the company as well as school buses for transportation for the children of workers. All these facilities can be accessed easily by all workers and their families.

6.2.5

The CH has made it easier for workers and their families to get a source of food by providing an employee cooperative that sells workers' daily needs and providing vegetable traders with access to selling in the workers housing area. In addition, there are also workers who open small shops to sell daily needs in each housing.

Based on interviews with workers, labor unions and gender committees revealed that workers had no difficulty in obtaining food sources because the company had provided a cooperative that sold groceries and provided a vegetable seller who was given access to sell at home. In addition, workers can also buy these needs from markets located around the company area with easy access.

6.2.6

The CH has carried out prevailing wage calculations by including several components including: reference family size, full time equivalent per family, calorie fulfillment needs, housing cost, non food non housing, net living wage, total mandatory deduction, and gross living wage. The calculation results for estate area show that the lowest wage with a value of IDR 3,899,100 and the highest is IDR 3,900,054.

6.2.7

Based on document verification of the employee list document show that the main activities in estate and mill operations are carried out by permanent employees.

6.2.3. Status: NCR No 2020.7 with Major/Critical category

6.3

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

6.3.1

The CH policy towards recognising freedom of association right to collective bargaining is presented in document CLA Article 5. Director has recognize Plantation of Labour Union (*SP-BUN*) of PTPN-4 as the existence has in accordance with Law No. 21 in 2000. Approval of *SP-BUN* of Air Batu Unit for period 2019-2024 shows through several documents, as follows: Decree Number: 02/Kpts/SP.BUN-PTPN-IV/VII/2019 dated 8 July 2019 concerning Inauguration of the Management of SP-BUN Air Batu Unit Base for the Period 2019 - 2024.

Based on interviews with labor union management show that the CH strongly supports the formation of a workers union in the CH and that every worker is given the freedom to join in it. In the formation and activities of trade unions, so far there has been no intervention from the company, this is because all activities and the formation of labor unions are carried out independently of the workers without any interference from the CH.

Based on field observations and interviews with estate and mill worker revealed that the CH routinely socializes related freedom of association and the delivery of employee complaints.

6.3.2

The CH shows the minutes of the meeting of the *SP-Bun* Air Batu Management meeting as follows: the meeting on May 9, 2020 which took place in the meeting room of estate office. The meeting was attended by labor union officials and the Air Batu Estate. The topics of discussion at the meeting included: replacement for short working days. The CH can show attendance documents and minutes of the meeting.

6.3.3

Based on interview with labor union board sighted that management didn't intervention in the formation of labor union. In addition, the CH also has facilitated the labor unions If the union board is needed to attend the meeting on the other place.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1

The CH has a General Manager Internal Memo concerning the Prohibition of Employing Children Under the Age of 18 and a Sustainability Policy which explains the commitment to human rights with norms, no violence, harassment and sexual exploitation.

Based on document verification and field observations found no workers who were less than 18 years old at the time of hiring. This is also reinforced by the results of interviews with trade unions and gender committees which state that within the company scope there are no workers under 18 years of age.

6.4.2 and 6.4.3

Based on field observation known that there are no employees working under the age of 18 years old. Therefore based on list of employees document sighted that there are no employees which joint with the company under the age of 18 years old.

6.4.4

Based on interview with contractor sighted that for the 2020 contract, there are ban on child workers. The certification unit also has socialized the policy about ban on child workers in estate dated 1 December 2019 and 11 February 2020 respectively.

Status: Comply

6.5

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

6.5.1 and 6.5.2

The CH policy towards preventing sexual and other form of harassment and violence is presented in document Policy No. 06 dated 02 January 2015, issued by PTPN 4 Board of Director. Gender Committee has appointed to involved on this matters. Socialization on this matter has been conducted in 15 June 2020. Implementation towards any case related with sexual and other form of harassment and violence, will be verified through interview with Gender Committee and several workers on the coming on-site audit

Based on interviews with members of the Gender Committee show that policies related to gender and women's rights that have been established by the company become a reference for administrators to carry out activities and socialization to workers. During the past year, there were no incidents or issues related to sexual harassment, domestic violence, child labor or human rights violations.

6.5.3

Based on document verification and field observations show that currently in the CH environment there are no young mothers (mothers who have just given birth to their first child). However, the CH has identified the needs of young mothers by conducting interviews with employees in June 2020 with the following results:

- Providing menstrual leave
- Babysitting facilities
- Integrated Healthcare Center
- Health checks for pregnant women
- Providing time for breastfeeding children
- Special room for breastfeeding
- Counseling for women who have experienced acts of violence.

The CH can show the identification questionnaire to 33 mothers but not the category of young mothers.

6.5.4

Employees who experience or witness sexual harassment in the workplace can report it immediately to the HR and General Director. All allegations of sexual harassment will be immediately investigated. The confidentiality of employees, witnesses and perpetrators will be protected. When the investigation is completed, employees will be notified of the results of the investigation.

Until the audit activity took place, there had never been a report related to sexual harassment and violence against female employees.

Based on interviews with gender committee members stated that socialization had been carried out routinely to employees during informal gathering activities, based on interviews with female employees at the mill office and spray activities, it was stated that communication was carried out routinely by the female committee. In this regard, the CH need to improve the system for documenting women's committee activities

Based on interview with village representatives known that the CH provides an access to all of their stakeholder to submit their complaint related to the company's operational activity. All complaint will be responded timely.

Based on field observations and interviews with female worker and gender committees revealed that up to now there have never been cases of sexual harassment or violations of reproductive rights.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

Based on document verification sighted that there are no migrant workers on this certification unit, there are only permanent workers. In addition, based on interview with labor union board sighted that so far, there has never been a penalty for

termination of employment, bonded labor practices, withholding wages, and forced overtime.

6.6.2

Based on the employee list document verification show that the main activities in estate and mill operations are carried out by permanent employees.

Status: Comply

6.7

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

6.7.1

The CH has OSH Committee (*P2K3*) which already registered, as shows Decree of Manpower Agency of Sumatera Utara Province dated 24 July 2019. The OHS Expert Appointment Letter shows through Decree of Manpower Minister Kep.P.2367/NAKER-BINWASK3/IV/2018 dated 16 April 2018. The license valid for three years (or until 16 April 2021).

Furthermore, OSH Committee has consistently conducting monthly OSH meeting that presented in document No. FM-4.3.1-01, while the attendance is presented in document No. FM-4.3.1-02. The documentation of the meeting was recorded and stored well. Based on interviews to workers who are members of the *P2K3* organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident analysis, report, firefighting simulation, checking of emergency response equipment, OHS sign board, safety patrol, etc.

6.7.2

Evidence observed:

1. Hydrant

- a. Based on verification document of hydrant inspection on September 30, 2020, found that the tool was in good condition (there were no leaks) and ready for use.
- b. Based on field observations in the fire extinguisher simulation at the Seed Factory Station indicated that the hydrant was in an unusable condition.
- c. Verification document of procedures for handling emergency and post-emergency situations No. 4.3.16. December 14, 2013.

2. First aid kit.

- a. Based on verification document of first aid kit inspection show that all first aid kits are complete and ready to use
- b. Based on field observations at the Sterilizer Station revealed that the first aid kit was empty.
- c. Based on field observations at pump machine revealed that the first aid kit only contained alcohol.
- d. Based on field observations at Capstan Station showed that there was no monitoring of the completeness of the contents of the first aid kit.
- e. Based on field observations at Block 19M found that the contents of the first aid kit were incomplete (no aquadest and eye wash glasses)

3. Fire Extinguisher

Based on field observations in mill operational area show that the installation of Fire Extinguisher is not suitable in several places, for example (but not limited to):

- a. Seed Mill Station : 3 units.
- b. Clarification Stations : 2 units.
- c. Chain Station : 4 units.
- d. Warehouse : 1 unit.
- e. Workshop : 1 unit.

The CH has not been able to show evidence that emergency response procedures have been implemented, including monitoring of emergency response facilities and infrastructure. **NCR 2020.08**

6.7.3

Evidence observed:

- Based on field observations and interviews with mill employees (4 people) show that employees use PPE (shoes) that they buy themselves. It was further explained that the last PPE was given by the CH in 2019.
- Based on interviews with management show that the provision of PPE to employees is carried out once in 1 year (last 2019).
- Based on document verification of the 2019 PPE Distribution show that the last PPE was given on October 15, 2019.
- *Permenakertrans* No. 8/2010 Article 2 states that employers are required to provide PPE for workers/laborers in the workplace free of charge.

The CH has not been able to show evidence that it has provided PPE free of charge to all workers in the workplace which includes all operations. **NCR 2020.09**

6.7.4

Certification unit has registered all workers in the "*BPJS Kesehatan dan Ketenagakerjaan*" program in accordance with government regulations in force in Indonesia. The management unit show proof of payment of *BPJS*. Payments are made every month by percentage according to the regulation. The last payment that has been paid by CH is on 15 September 2020 for "*BPJS Ketenagakerjaan*" period of August 2020. In the past year, there have never been any accidents at work that cause accident claims, because accidents that occur do not result in loss of workdays and can still be handled by first aid.

Based on the interview with Mill and Estate workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health *BPJS* card, if they went to a company clinic there was no fee at all. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

6.7.5

Lost Time Accident (LTA) monitoring and calculation has still consistently conducted by the unit of certification, presented in document "*Rekapitulasi Kejadian Kecelakaan Kerja* (Estate or Mill). As per report dated 31 May 2020, it was informed that there were zero accident between April 2019 to May 2020, on the estate and mill. The report signed by Manager and EHS Officer.

6.7.2. Status: NCR No 2020.8 with minor/non-critical category

6.7.3. Status: NCR No 2020.9 with major/critical category

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

7.1

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

7.1.1.

The activity on the IPM program were consist of detection, census and monitoring (in PTPN IV its called Global Telling) of pests & diseases attack, biological control such as planting of beneficial plants. According to IPM activity records for January to Mei 2020 such as program and realization of detection, census and monitoring (in PTPN IV its called Global Telling) of pests & diseases attack, it could be concluded that all the census results were still under its economic threshold. There is no invasive species attack. This may lead to zero use of pesticides for pests and diseases control. It could be concluded that IPM techniques implemented by biological methods is effective to control pests and diseases, and also to minimize the use of chemicals. Furthermore, according to pesticides used record in 2020, agrochemical uses was only implemented for weeds control purposes. Based on field observation to the Air Batu Estate sighted that there are global telling activities to identified pest and disease on the oil palm plant.

7.1.2.

Identification and inventory of invasive species in the operational area of PTPN IV Air Batu Estate as of June 13, 2020, with the result that there are 4 types of plants invasive species, namely *Imperata cylindrica*, *Mimosa pudica*, *Lymnocharis aquatic*, and *Drycanopeteris ciliaris*. The document also describes the determination of existing risks along with the treatment for these species in order to control them.

The unit of certification was showing evidences:

- Program for the management and monitoring of invasive species in 2020 with 3 types of management and monitoring

activities carried out from 2 to 4 times a year.

- Decree No. ABA / MU / Kpts / 47 / VI / 2020 dated 13 June 2020 concerning Special Officers Responsible for Monitoring Invasive Species.

7.1.3.

Based on document verification, interview with workers and stakeholders sighted that there is no pest infestation outbreak during last year. Therefore, based on field observation to the Division II, III, VII, and VIII sighted that there is no pest infestation outbreak.

Status: Comply	
-----------------------	--

7.2

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

7.2.1 & 7.2.2.

The company has a Memo from the Plant Division of PTPN IV (No: 04.04 / District-Kebun / M.1238 / XII / 2018, dated 19 December 2018) signed by the Head of the Plant Division of PTPN IV regarding the Use of Chemicals With Active Paraquat Dichloride Materials) which explains that herbicides with active ingredients of paraquat dichloride should not be used except for special conditions (borders), for which the use of these chemicals can be used only for the control of pteridophyta broadleaf weeds (ferns / ferns).

In Procedure No. SPO.05 Part 5.10-12 mentioned that chemical application for pests and diseases population control has only allowed when the level of incidence has passed the threshold limit, as identified through census analysis. The certification unit was able to shows justification of pesticide usage, for example:

2019

- The use of 8,140.39 L of pesticides with the active ingredient Isopropyl amine glyphosate to control broad leaf weeds in 2019.
- The use of 6,994.00 L of pesticides with the active ingredient Isopropyl amine glyphosate to control woody growth in 2019.
- The use of 360.76 L of pesticides with the active ingredient Metil Metsulfuron to control broad leaf weeds in 2019.
- The use of 349.60 L of pesticides with the active ingredient Metil Metsulfuron to control woody growth in 2019.

2020

- The use of 5,643.22 L of pesticides with the active ingredient Isopropyl amine glyphosate to control broad leaf weeds until September 2020.
- The use of 3,969.20 L of pesticides with the active ingredient Isopropyl amine glyphosate to control woody growth until September 2020.
- The use of 160.79 L of pesticides with the active ingredient Metil Metsulfuron to control broad leaf weeds until September 2020.
- The use of 221.63 L of pesticides with the active ingredient Metil Metsulfuron to control woody growth until September 2020.
- The use of 79.5 L of pesticides with the active ingredient **Paraquat** to control woody growth until September 2020.

The company used *Isopropil amina glyphosate Triclopyr*, *Metil metsulfuron*, and Paraquat which have received permission from the government.

7.2.3.

The unit of certification has monitors the effectiveness of biological pest control such as the development of beneficial plants for nettles. There has been no chemical pest control in the last year. Based on data on pesticide use during the last year, it is known that the use of pesticides is only intended for weed control, there is no use of pesticides in pest control.

7.2.4.

Based on the results of the global telling documentation study and field observations to the chemical warehouses, it is known that during the last year there has been no pest control using chemicals. Biological control of nettle by planting the beneficial plants such as *Turnera subulata* and *Antigonon leptosus*.

7.2.5.

During the onsite audit activity, there are several evidences:

1. The certification unit was showing Director Letter number 04.04/SE/18/X/2016 dated 14 October 2016 about: prohibited active pesticide (Category WHO 1A&1B, paraquat). That letter was addressed to the group manager District I-IV) and all managers cc: Director, Internal Superintendent, and Planning Division.
2. Based on data from the pesticide used in 2020, it's known that there is the use of chemical with active ingredient paraquat amount 79.50 liter. Then based on field observation to the chemical warehouse, it's known that there is still paraquat stock, on the packaging information that the production date are July 30, 2020.

Based on the description above, it is known that the certification unit uses pesticides that are listed in the World Health Organization (WHO) Class 1A or 1B or are included in the Stockholm Conventions or Rotterdam, as well as paraquat, are not in exceptional circumstances, as validated by a due diligence process, or when authorized by government authorities for pest outbreaks. **It was raised as nonconformance number 2020.10.**

7.2.6.

During the onsite audit activity, there are several evidences:

1. Based on pesticide used data in 2020, it is known that there are 79.50 liters of chemicals with active ingredients of paraquat. Then based on the results of field observations to the chemical warehouse, it is known that there are still a number of paraquat, on the packaging there is information on the production date: July 30, 2020.
2. The unit of certification shows limited pesticide certificates for 8 people as follows: STN (Division VI), BOI (Division VIII), SPR (Division I foreman), MSM (Division IX foreman), ROS (Division V foreman), SRY (Division III foreman), SDR, MST (Division IV).
3. Based on the results of field visits to the nursery area, it was found that there was residual use of paraquat, where the results of the interview explained that the applicator was a contractor employee a.n. BDM (does not have a limited pesticide applicator certificate).
4. Based on the results of the employee list document review, it was found that there were > 20 pesticide applicators at Air Batu Estate.

The unit of certification has no been able to show evidence that the pesticide applicators been followed training from pesticide commissions. **It was raised as nonconformance number 2020.11.**

7.2.7.

There are procedure No 23 dated 2 January 2018 about chemical handling. Based on field observation to the chemical warehouse sighted that the air circulation once there is covered by the board, the unit of certification to be consider to re-circulating it. **(OFI)**

7.2.8.

The certification unit has SOP for the Management of hazardous and toxic waste with No. SPO 02 No. Revision 02 dated January 2, 2015. In the SOP it is explained that all hazardous and toxic waste and the former hazardous and toxic waste packaging that is produced cannot be reused for other purposes and must be immediately submitted to a licensed hazardous and toxic waste temporary storage.

7.2.9.

Based on a review of documents and interviews with surrounding village and workers sighted that the company did not perform the application of pesticides from the air.

7.2.10

The last medical examination carried out for pesticide and chemical handlers was carried out in 2019. From the results of the examination, there was a recommendation to control the CH doctor. In this regard, the auditor can show evidence of follow-up actions on the recommendation of the audit results.

Based on a letter from HR - Estate Air Baru dated May 29, 2020, it is known that re-examination of employees with a high risk level will be carried out on May 30, 2020 by PT Prima Medica Nusantara for 13 employees who have decreased health level, where 7 people will be subjected to repeat spirometry checks and 6 people will be re-examined audiometry.

Meanwhile, the 2020 employee health check will only be carried out in November 2020 based on a letter from the Air Batu Unit Manager with letter number ABA/04.07/S20/X/2020 concerning employee health check data. In the letter, the names of the pesticide handlers will be attached to the medical examination, totaling 43 employees.

7.2.11

During the audit, the pesticide application conducted at estate area to control weeds in the circle and path. Based on field observation and interview with pesticides applicator known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity.

7.2.5. Status: NCR No 2020.10 with Minor/Non Critical category

7.2.6. Status: NCR No 2020.11 with Major/Critical category

7.3

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

7.3.1

The company has a waste management plan consisting of:

- Solid waste
Solid waste is reused by the certification unit. The solid waste that is reused is EFB which is used back to the land as fertilizer. Meanwhile, shells and fiber are reused as boiler fuel. The amount of EFB usage for the period January - September 2020 was 23,536 tons. As for the use of shells up to August 2020 as many as 6,920 tons and fiber as much as 16,147 tons.
- Mill Effluent
Mill Effluent management, namely by reusing it with land applications. Before being distributed to the Land Application, first the mill effluent is managed in the WWTP pond. The company has a land application permit in accordance with the Decree of the Regent of Asahan Number: 503 / IPAL / DPMPTSP / 0006 / VI / 2020 on June 4, 2020 and is valid for 5 years. Companies can show records of utilization of mill effluent, for example in the period of September 2020 as much as 9,158 M3.
- Domestic waste
SOP for household domestic waste management document No.SPO-20, second revision, effective January 2, 2015, in the procedures described relating to waste management from offices and housing, provision of trash bins (trash cans) in offices and housing, making temporary garbage dumps , making a final dumpsite with a size of 1.5 x 2 x 9 meters with a minimum distance of 1 KM from the housing.
- Waste Hazardous and toxic materials.
The company has a standard operating procedure for hazardous and toxic waste management with No. SPO 02, revision 3, issued on January 2, 2017, which describes the management of hazardous and toxic waste from the time it is produced until it is submitted to the waste carrier. The company also has a hazardous waste TPS permit based on the Decree of the Regent of Asahan number 503 / LB3 / DPMPTSP / 0010 / XI / 2018 dated 13 November 2018 and is valid for 5 years. The company has also handed over hazardous and toxic waste to the waste carrier, namely PT Jagar Prima Nusantara which was carried out on October 22, 2020. The waste submitted includes used chemical jerry cans, used chemical bottles, used oil, used lamps and used paint cans. In addition, the company keeps records of hazardous and toxic waste which is stored in temporary storage. The records carried out until the period of October 2020 are as follows:
 - Jerry cans of used chemicals as much as 152 Kg
 - Used chemical bottles as much as 66 Kg
 - Used Oil as much as 36 Liters
 - Used lamps as much as 55 Kg
 - Used paint cans as much as 55 Kg

Based on document review, interviews and field visits, the following evidence is obtained:

- SOP for the management of hazardous and toxic waste no. SPO 02, revision 3, published date January 2, 2017, which states that all hazardous and toxic waste and former hazardous and toxic packaging produced cannot be used for other purposes and must be immediately (maximum 1 week) submitted to the Temporary Storage of Hazardous and Toxic Waste with the permission.
- The company has a permit for the Temporary Storage of Hazardous and Toxic Waste based on the Decree of the Regent

of Asahan number 503 / LB3 / DPMPTSP / 0010 / XI / 2018 dated November 13, 2018 and is valid for 5 years.

- The results of the field visit to the WWTP pond found that there were jerry cans of pesticide packaging in a damaged condition that had been stored in the pump room for a long time and there were jerry cans of pesticide packaging used as trash cans.
- The results of the field visit to the Air Batu PKS Workshop contained used lamps, used paint packages and containers contaminated with hazardous and toxic materials that had not been submitted to the Temporary Storage for Hazardous and Toxic Wastes and there was the use of used chemical packaging used as used oil storage containers.
- The results of the field visit to the Nursery Warehouse revealed that there were used paint cans and used Knapsack that had not been submitted to the Temporary Storage for Hazardous and Toxic Wastes and there were used Pertamina drums which were used for mixing chemicals.
- The results of the field visit to the Final Garbage Disposal Site in Block 09 AR Afdeling VIII showed that there were traces of "Mesran" oil packaging at the Inorganic landfills.

Based on this evidence, the company has not carried out hazardous and toxic waste management according to its procedures. This becomes **NCR 2020.12 indicator 7.3.1 with minor / non critical category.**

7.3.2

Based on document review, interviews and field visits, the following evidence is obtained:

- SOP for Household Domestic waste Management with No.SPO 20 No. Revision 02 dated January 2, 2015, which states that each employee collects his / her trash in the trash can provided and cleans the surrounding yard. Waste disposal by sorting organic and inorganic waste.
- The results of the field visit to the Afdeling III housing note that there are trash bins provided and have separated organic and inorganic waste.
- The results of the field visit to the Afdeling III Housing showed that there were piles of domestic waste and burn marks.
- Based on the results of interviews with residents of Afdeling VII housing, it is known that domestic waste is collected next to the house by making holes and then burning it.
- Based on the results of field visits to the Block 06 A Afdeling IX river border area, it was found that there were piles of domestic waste in the riverbank area and in the river flow.

Based on this explanation, the company has not been able to show evidence that the waste disposal is in accordance with procedures that are fully understood by workers. This becomes **NCR 2020.13 indicator 7.3.2 with minor / non critical category.**

7.3.3

Based on document review, interviews and field visits, the following evidence is obtained:

- The results of a field visit to the final waste disposal area in Block 08 M Afdeling III, it is known that domestic waste management carried out by the company is by separating organic and inorganic waste.
- The results of the field visit to Afdeling III Housing show that the company has provided trash bins for employee housing, namely organic and inorganic bins.
- The results of the field visit to the Afdeling III Housing found that there were piles of domestic waste and burn marks behind the employee's housing.
- The results of the field visit to the Air Batu POM area revealed that there were 2 waste burning spots behind the TPS LB3 warehouse and around the WTP station.
- The results of the field visit to Afdeling VII revealed that there were burn marks behind the Fertilizer Warehouse.
- The results of the field visit to Landfills Afdeling VII found traces of burning waste at inorganic landfills.
- The results of the field visit to the Afdeling VII housing estate show that there are 2 spots where the waste was burned.

Based on this evidence, the company has not been able to show evidence of not using open burning for waste disposal. This becomes **NCR 2020.14 indicator 7.3.3 with minor / non critical category.**

7.3.1.	Status: NCR No 2020.12 with minor/non-critical category	
7.3.2.	Status: NCR No 2020.13 with minor/non-critical category	
7.3.3.	Status: NCR No 2020.14 with minor/non-critical category	

7.4

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

7.4.1.

The certification unit 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. 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. In 2019 the company has achieved a production target of 138,358 tons with an average yield of 21.84 tons/ha, for the realization of fertilization is NPK 5.12 kg/stand, Dolomite 1.5 kg/stand, and MOP 0.88 kg/stand. To prove that the entire system is running, further verification will be carried out when the onsite audit is carried out.

7.4.2.

The company has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit (LSU) analysis to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely and it's supported by well-trained census officer in each unit. SSU is conducted every 3-5 year, meanwhile LSU is conducted annually. The latest Soil Sampling Unit was conducted on 28 December 2017. While The last LSU result was issued on 22 July 2019. 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.

7.4.3.

The company's nutrient recycling strategy is to use empty baskets and liquid waste as nutrient enhancers in the planting area. The company can show 23,536 tons of empty bed usage records for the period January-September 2020. Meanwhile, the utilization of liquid waste for the period of September 2020 was 9,158 M3.

7.4.4.

There are record of fertilizer usage during year of 2020, such as: Dolomite and NPK. The realization of NPK 14,7, 25+1 TE until September 2020 are 2,611,379 Kg for example. The average of fertilizer usage per ton of FFB are 0.023 MT.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1.

The company has a soil suitability map report which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. There is no peat soil or steep slope area in PTPN IV – Air Batu.

7.5.2. to 7.5.3.

Based on interview and observation results sight that there are new development on the Air Batu Estate.

Status: Comply

7.6

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

7.6.1 to 7.6.3.

Based on the PTPN IV – Air Batu area statement, it is known that the youngest planting year was in 1994. There was no new planting since previous assessment.

Status: Comply

7.7

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

7.7.1. to 7.7.6.

The unit of certification has a soil suitability map report which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. There is no peat

soil or steep slope area in PTPN IV – Air Batu.

Based on the PTPN IV – Air Batu area statement, it is known that the youngest planting year was in 1994. There was no new planting since previous assessment.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1 & 7.8.2

The company has a water management plan to support continuous use of water sources and availability, the plans are as follows:

- To test the quality of river water, spring water and well water, monitor it regularly. The company has tested the water quality of the Upstream and Downstream rivers in the Hesa river. The test results in semester 1 of 2020 are in accordance with the established Quality Standards, namely PP No. 82 of 2001 Class II.
- Supervise and afforestation in watersheds and springs. Based on the results of a field visit to the Sei Kampak river border in Block 06 A Afdeling 9, it was found that there were bamboo and mahogany plants that had been planted by the company.
- Making a signboard related to river border protection. Based on the results of field visits to the Sei Kampak Riverbank, it is known that there is a signboard for the prohibition of poisoning and electrocuting fish in the riverbank area.
- Outreach to employees and the community. Based on interviews with Air Batu 1/2 Plantation Village and Air Teluk Hesa Village, it was found that the company had carried out socialization of the river border area and the community understood that the company protected the river by prohibiting poisoning fish and polluting the river.

In addition, the company also has a river border management mechanism with document number SPO 05 revision 02 effective January 2, 2015. This procedure explains the determination of the riverbank area as a protected area. Based on field visits and interviews with residents of employee housing at Afdeling 3 Employee Housing and mills, it is known that the company has provided drilled wells for clean water that can be accessed by employees.

Based on document review, interviews and field visits, the following evidence is obtained:

- The company has a River Border Management Mechanism with No.SPO 05 revision 02 effective date 02 January 2015 which explains that on riverbanks that have been planted with oil palm, the vegetation should be maintained by striving for vegetation growth in the riparian area by prohibiting spraying with chemicals.
- Based on interviews with management representatives, it is known that the management of the riverbank area carried out by the company includes making spraying boundary marks on the riverbank area and prohibiting spraying of chemicals.
- Berdasarkan hasil kunjungan lapangan ke areal sempadan sungai Sei Kampak di Blok 06 A Afdeling IX diketahui bahwa telah terdapat bekas penyemprotan bahan kimia di areal sempadan sungai.

Based on this evidence, the company has not carried out river border management in accordance with its procedures. This becomes **NCR No 2020.15 indicator 7.8.1 with Minor / Non Critical category.**

7.8.3

The company has monitored the quality of mill effluent periodically in accordance with applicable regulations and the company has a land application permit in accordance with the Decree of the Regent of Asahan Number: 503 / IPAL / DPMPTSP / 0006 / VI / 2020 on June 4, 2020 with a validity period of 5 years.

The results of testing the quality of mill effluent for the period July 2019 - September 2020, where the pH and BOD parameters were still below the quality standard. The following are the results of testing of mill effluent for the period July 2019 - September 2020 conducted by a KAN accredited laboratory (LP-1284-IDN):

Month	Parameter		Threshold	
	pH	BOD (mg/l)	pH	BOD (mg/l)
Jul-19	6.41	396	6-9	5000
Aug-19	6.30	380		

Sep-19	6.79	218
Oct-19	7.44	247
Nov-19	6.22	227
Dec-19	7.23	230
Jan-20	7.93	328
Feb-20	7.88	237
Mar-20	7.50	349
Apr-20	7.61	278
May-20	8.03	290
Jun-20	8.22	315
Jul-20	7.72	394
Aug-20	7.46	429
Sep-20	7.81	361

The company has also reported the results of mill effluent management and monitoring to the Regional Government of Asahan Regency, for example evidence of reporting of monitoring Mill effluent for the 3rd quarter of 2020 to the Asahan Regency Environmental Service on October 13, 2020.

Based on the results of field visits to the WWTP pond, it is known that there are no leaks in the WWTP pond that can pollute the environment, there is a flow meter in good condition, there is a record of liquid waste that is flowed into the application area, there are 9 WWTP pond and it is in accordance with the WWTP layout that is owned. company.

7.8.4

The company has a surface water extraction and utilization permit in accordance with the Governor of North Sumatra decree number 610/115 / DPMPTSP / 5 / XII.1 / II / 2017, issued on 28 Feb 2017, valid for 3 years, water utilization is carried out from the Hesa river. The company has applied for a water resources exploitation permit on February 13, 2020 to the Governor of North Sumatra Cq. Head of the Office of Investment and One Stop Integrated Licensing service, North Sumatra Province. Until the ASA 1 assessment, the extension of the permit for surface water extraction and utilization has not been completed. Then this becomes OFI (OFI Number 1).

The company has recorded the use of water for processing FFB. The company can show records of water use for processing FFB for the period July 2019-September 2020. Based on the document review, it is known that the water use by the company is still below the water use budget set by the company. In addition, the company has also made water retribution payments for the September 2020 period which were paid to the Regional Tax and Retribution Management Agency.

Based on the results of field visits and document reviews, the following evidences are obtained:

- The company shows the recorded data on water use for processing FFB in the period of July 2020 as much as 23,381 M3; August 2020 as many as 23,077 M3 and September 2020 as many as 24,518 M3.
- The results of the field visit to the WTP station show that there are 3 water pump machines. 1 pump for housing and the flow meter is functioning properly. Meanwhile, the 2 pumps for the flow meter processing process are damaged and not functioning.
- Based on a field visit to the Hesa pump engine room (water inlet), it was found that there were 4 pump engines. 3 pumps for PKS and 2 flow meters are damaged. 1 pump for the flow meter housing is damaged.

Based on this evidence, the company has not been able to show evidence of the amount of calculation of water use for processing accurately. This became **NCR No 2020.16 indicator 7.8.4 with minor / non critical category.**

7.8.1. Status: NCR No 2020.15 with minor/non-critical category

7.8.4. Status: NCR No 2020.16 with minor/non-critical category

7.9

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

7.9.1

The company improves the efficiency of non-fossil fuels such as shells and fiber as boiler fuel. The company can show

records of shell and fiber utilization as boiler fuel for the period July 2019-September 2020. FFB production was 115,342 tons with the use of shells as much as 4,839.29 tons and the use of fiber as much as 9,109.73 tons. As for the efficiency of using shells and fiber up to September 2020, shells are 0.05 ton / ton FFB and Fiber 0.13 ton / ton FFB.

Status: Comply

7.10

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

7.10.1.

The company shows the Palm GHG Version 4.0.1 calculations, the period is for January – December 2019 that have been reported to the RSPO GHG with the following details:

Source	Association	RSPO Certified	FFB supplied to this mill (t/yr)	Action
Kebun Air Batu	Own estate/plantation	Yes	150,646	View
Kebun Berangir	Own estate/plantation	Yes	763	View
Kebun Pulu Raja	Own estate/plantation	Yes	214	View
Kebun Sei Kopas	Own estate/plantation	No	564	View

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	4	152,187	19,942.14
Group Plantation	0	0.00	0.00
3rd Party	0.00	0.00	0.00
Total	4.00	152,187.00	19,942.14

Summary Emission

Product	tCO ₂ e / tProduct	Action
CPO	1.59	View
PK	1.59	View
PKO	0.00	View
PKE	0.00	View

Description	Unit	Value	Action
Oil palm planted on mineral soil	Ha	19942.14	View <input checked="" type="checkbox"/>
Oil palm planted area on peat	Ha	0.00	View <input checked="" type="checkbox"/>
Total oil palm planted area	Ha	19942.14	View <input checked="" type="checkbox"/>
Conservation area (Forested)	Ha	0.00	View <input checked="" type="checkbox"/>
Conservation area (Non-Forested)	Ha	337.48	View <input checked="" type="checkbox"/>
FFB Production per hectare	t/ha	7.63	View <input checked="" type="checkbox"/>
OER	%	22.39	View <input checked="" type="checkbox"/>
KER	%	3.56	View <input checked="" type="checkbox"/>

Mill Emissions and Credits

Description	tCO2	tCO2e/t FFB	Action
Emission Sources			
POME	17641.06	0.12	📄
Fuel Consumption	173.69	0.00	📄
Grid Electricity Utilisation	0.00	0.00	📄
Credits			
Export of Excess Electricity to Housing & Grid	0.00	0.00	📄
Sale of PKS	0.00	0.00	📄
Sale of EFB	0.00	0.00	📄
Total	17814.75	0.12	📄

Estate/Plantation field emissions and sinks

	Own			Group			3rd Party				
Description	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	Total	
Emission Source											
Land Conversion	189645.69	9.51	1.25	0.00	0.00	0.00	0.00	0.00	0.00	189645.69	📄
CO2 Emissions from Fertiliser	20962.97	1.05	0.14	0.00	0.00	0.00	0.00	0.00	0.00	20962.97	📄
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	📄
N2O Emissions from Fertiliser	11099.28	0.56	0.07	0.00	0.00	0.00	0.00	0.00	0.00	11099.28	📄
Fuel Consumption	2833.71	0.14	0.02	0.00	0.00	0.00	0.00	0.00	0.00	2833.71	📄
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	📄
Sinks											
Crop Sequestration	-179758.95	-9.01	-1.18	0.00	0.00	0.00	0.00	0.00	0.00	-179758.95	📄
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	📄
Total	44782.69	2.25	0.29	0.00	0.00	0.00	0.00	0.00	0.00	44782.69	📄

7.10.2 & 7.10.3

PTPN IV Air Batu did not clear any new land after November 2015. Based on interviews with management and document review, it was found that the operational area of the Air Batu business unit had been managed since 1928 and is currently entering its third planting cycle.

List of pollutant identification includes listed in the RKL / RPL and SOP for GHG Mitigation. The emission sources cited include fertilization and spray, use of diesel, transportation, processing of FFB, POME.

To reduce or minimize GHG emissions listed in the GHG Mitigation document, for example the use of fertilizers and agrochemicals in the right dosage, application of empty lengths on the soil, utilization of fiber and shells as boiler fuel, utilization of factory wastewater on the ground and conducting regular emission testing. Based on the results of testing ambient emissions, generator set emissions and boiler emissions for semester 1 of 2020, it is known that the test results are still in accordance with the established quality standards.

Status: Comply

7.11

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

7.11.2

Efforts made by the CH to prevent, monitor and control fire incidents include:

- The existence of a land fire control SOP.
- There is a fire fighting team.
- Socialization of land fires to employees.
- Conduct regular monitoring of fire prone areas. This is indicated by the routine monitoring records.
- Conducted a fire fighting team simulation.
- Routinely inspect fire fighting equipment on a monthly basis

The CH routinely reports the results of fire monitoring, for example Land Fire Monitoring Report of PTPN IV Air Batu POM to the Asahan Regency Agriculture Office on 6 July 2020 (proof of receipt from the relevant agencies is available).

The CH can show the monitoring results of the fire prevention and control facilities in the Air Batu Estate for the semester I 2020. The monitoring results state that the infrastructure owned is in good condition and can be used if necessary.

Based on the explanation above, it is concluded that the CH has documents on the implementation of fire prevention and control, fire monitoring and maintenance of facilities and infrastructure as well as reporting.

7.11.3

The CH has not been able to show evidence that it has involved neighboring stakeholders in fire prevention and control efforts. **NCR 2020.17**

7.11.3.	Status: NCR No 2020.17 with minor/non-critical category
---------	---

7.12

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

7.12.1 & 7.12.8

PTPN IV Air Batu did not clear land after November 2005. Based on interviews with management and document review, it was found that the operational area of the water stone business unit had been managed since 1928 and is currently entering the third planting cycle. Furthermore disclosure has reported to the RSPO on August 2nd 2018.

7.12.2

The company did not clear any new land after 15 November 2018 so the HCV assessment carried out in 2011 is still valid. The company has documented the results of the identification of high conservation value areas carried out by PT Surveyor Indonesia in 2011. The scope of this is PTPN IV Air Batu with an area of 8030.41 ha. The total HCV area of Unit Air Batu is 337.48 Ha consisting of:

- Areas that have an important level of biodiversity (existing and potential) / HCV 1
- Areas providing environmental services / HCV 4
- Traditional cultural identity / HCV 6 (Public graves).

HCV identification involved the surrounding community with a public consultation held on September 3, 2011 at the Air Batu meeting house which was attended by a team of HCV experts, representatives of PT Surveyor Indonesia, office staff, PTPN IV Center, Air Batu estate manager, community leaders, NGOs, the media, *Muspika* officials as well as sub-district and District, Forestry Service, Environmental Agency and Air Batu estate staff.

Based on the study of HCV identification documents, it is known that there are several wild animals, for example: *Bangau Hitam* (Ciconia episcopus), *Gagak* (Corvus enca), *Elang Bondol* (Haliastur indus), *Jalak* (Acridotheres javanicus), *Kacer* (Enicurus velatus), *Kuntul* (Egretta intermedia), *Cangak Abu* (Ardea cinerea), *Pelutuk* (Picoides macei), *Ruak-ruak* (Gallicrex gallicrex), *Tengkek* (Halycon step), *Musang* (Pardoxurus hermaphrodites), *Tupai* (Tupaia javanica), *Trenggiling* (Manis javanica), *Tupai terbang* (Iomys horsfieldi), and cobra (Ophiophagus hanah).

7.12.3

Indonesia, especially the part of North Sumatra, is not a High Forest Cover Landscape (HFCL), so this indicator is not applicable.

7.12.4

The company has compiled a 2020 HCV management and monitoring program based on the results of a management review conducted on 18 June 2020. The company has implemented a HCV management and monitoring plan for 2020 for example:

- Identification and maintenance of warning boards related to HCV protection. Based on the results of the identification of the condition of the warning board / signboard carried out in semester 1 of 2020, it is known that there are 2 conditions for the signboard in a damaged condition and repair has been made in July 2020.
- Maintain forest / protected / HCV areas. The company has carried out the maintenance of the HCV area by installing a

- signboard and disseminating information to the surrounding community about the presence of HCV in the company area.
- Socializing flora and fauna to the surrounding community. The company has conducted outreach to the surrounding community regarding the HCV area and the presence of flora and fauna in the company's area on December 3, 2019. In addition, based on interviews with Assistant Afdeling VIII, it was found that the company also carried out direct socialization of HCV areas and the presence of flora and fauna to the community. meet the people passing through the estate area. Based on the results of interviews with Air Batu I / II Plantation Village and Air Teluk Hesa Village, it was found that the company had conducted HCV socialization and the village understood the HCV area and the protection of flora and fauna.
 - Monitoring the presence of wild wildlife species carried out in June 2020 includes:
 - a. 7 types of birds, for example: *Gagak* (*Corvus enca*), *Kacer* (*Enicurus velatus*), *Ruak-Ruak* (*Gallicrex gallicrex*), and *Tengkek* (*Halcyon Pileata*).
 - b. 4 types of mammals such as: *Musang* (*Paradoxurus hermaphroditus*), *Tupai* (*Tupaia javanica*), *Monyet Ekor Panjang* (*Macaca fascicularis*), and *Trenggiling* (*Manis javanica*).
 - c. 4 types of reptiles such as: *Kura-kura* (*Geochelone elegans*), *Biawak* (*Varanus salvator*), *Kadal* (*Mabouja multifasciata*), and *Cobra* (*Naja sp.*).
 - d. 33 Types of plants such as *Gelaga* (*Panicum maximum*), *Durian* (*Durio zibetinnus*), *Mahoni* (*Switenia mahagoni*), and *Waru* (*Habiscus tilaceus*).
 - The company has also carried out monitoring / monitoring of the HCV area which was carried out in July 2020. Based on the results of monitoring the HCV area, it is known that there is no disturbance to the HCV area such as animal fishing, hunting, and animal trapping.
 - The company has conducted socialization on HCV and the existence of flora and fauna to workers which was carried out on 18 June 2020 to 10 Afdeling 1 harvest employees.
 - The company has also managed the planting of *Mahoni*, *Gelaga* and Bamboo trees in the river border area. Based on the results of a field visit to the Sei Kampak river border in Block 06 A Afdeling 9, it was found that there were bamboo and *Mahoni* plants that had been planted by the company.

In the minutes of the meeting on the results of the review conducted on June 18, 2020, it was stated that in connection with the monitoring results it was found that there were several missing and damaged signboards, then this would be followed up with the implementation of a program for making and installing an HCV signboard in Afdeling 1 and the company would create a plant planting program. soil reinforcement and reforestation plan with tree / woody plants on riverbanks and afdeling huts.

7.12.5

There are no HCVs that overlap with community areas, all identified HCVs are in the company's HGU including HCV 6 in the form of graves.

7.12.6 & 7.12.7

The company has a procedure for identification and protection of flora and fauna with No. SPO 09 Revision No 02 dated 01 August 2017 which states that it is not allowed to capture, maintain or kill protected or unprotected animals, not allowed to trade wild animals, the company conducts surveillance in the form of periodic monitoring once a year, if there are still employees or non-employees Those who catch, keep or kill animals, whether protected or not protected by state regulations, will be reported to the competent authority.

The company also monitors the presence of flora and fauna around the company's area. Based on the results of flora and fauna monitoring carried out in the June 2020 period, it is known that there are several types of flora and fauna, namely:

- 7 types of birds, for example: *Gagak* (*Corvus enca*), *Kacer* (*Enicurus velatus*), *Ruak-Ruak* (*Gallicrex gallicrex*), and *Tengkek* (*Halcyon Pileata*).
- 4 types of mammals such as: *Musang* (*Paradoxurus hermaphroditus*), *Tupai* (*Tupaia javanica*), *Monyet Ekor Panjang* (*Macaca fascicularis*), and *Trenggiling* (*Manis javanica*).
- 4 types of reptiles such as: *Kura-kura* (*Geochelone elegans*), *Biawak* (*Varanus salvator*), *Kadal* (*Mabouja multifasciata*), and *Cobra* (*Naja sp.*).
- 33 Types of plants such as *Gelaga* (*Panicum maximum*), *Durian* (*Durio zibetinnus*), *Mahoni* (*Switenia mahagoni*), and *Waru* (*Habiscus tilaceus*).

The company has also carried out monitoring / monitoring of the HCV area which was carried out in July 2020. Based on the results of monitoring the HCV area, it is known that there is no disturbance to the HCV area such as animal fishing, hunting, and animal trapping.

The company has also created a signboard for prohibiting hunting of animals and poisoning fish in HCV areas. Based on the results of a field visit to the riverbank of the Sei Kampak Block 06 A Afdeling 9, it is known that there is already a warning board / signboard for the prohibition of hunting and the prohibition of poisoning / electrocuting fish.

Based on the results of interviews with Harvest Workers in Block 09 AU Afdeling VII, it was found that the workers understood that it was forbidden to catch or hunt animals. The company has carried out socialization about the presence of flora and fauna around the plantation with direct socialization or with a signboard for the species of animals around the estate area.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1	The company has no logo license.	√
	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-1	The company does not use RSPO logo on products.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1	The company does not use RSPO logo on products.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1	The company does not use RSPO logo on products.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of PT Perkebunan Nusantara (PTPN) IV against the rules for partial certification was determined through external assessment conducted by RSPO Accredited Certification Body in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

PT Perkebunan Nusantara (PTPN) IV Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) IV has informed the TBP progress, MUTU has considered that PTPN IV is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PTPN IV on November 2020.

MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. There is three (3) uncertified mills and eleven (11) uncertified estates of PTPN IV, MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

1. Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
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 internal audit that has been conducted for management units of Bah Birung Ulu Estate, Bukit Lima Estate, Timur Estate, Balap Estate, Panai Jaya Estate, Sosa Estate, PT Agro Sinergi Nusantara and PT Sinergi Perkebunan Nusantara.</p> <p>Positive assurance is produced for these units.</p>
2.	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>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 which is PT Sinergi Perkebunan Nusantara.</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.
3.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>There is new planting/ land clearing after 1st January 2010 in subsidiary of PTPN IV (SPN, Timur Estate, ASN, Panai Jaya Estate, Balap Estate, Bah Birung Ulu Estate).</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 seven (7) unit that has non-compliant land clearance without NPP and this unit is become object of sanction.</p>
4.	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>There are land conflicts in Bukit Lima Estate, Balap Estate, Sosa Estate and PT SPN. To resolve the land conflict, company use legal manner, mediation with local government or negotiate with complainant.</p> <p>Auditor verification The company has procedure of conflict area management No. 4 (revise 3) January 2, 2017 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>
5.	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>There is no labor disputes.</p> <p>Auditor verification There is no information from public source and RSPO website on any labor 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 Rev 3 on 6 November 2018), SOP Handling Customer Complaints and Environment (external) (No. 13 Rev. 1 on 2 January 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, Rev. 02, on 2 January 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint</p>

		Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection for Reporter.
6.	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>Yes, there is legal non-compliance is being processed i.e. HGU, consist of:</p> <p>Marjandi Estate: 30 Ha</p> <p>Dolok Sinumbah Estate: 35.94 Ha</p> <p>Air Batu Estate: 459.02 Ha</p> <p>Berangir Estate: 10 Ha</p> <p>Sawit Langkat Estate: 301.50 Ha</p> <p>Sei Kopas Estate: 763 Ha</p> <p>Panai Jaya Estate</p> <p>Auditor verification</p> <p>The company has a complete list of regulations in 2020 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 Human Resources. The company has kept a list of rules and regulations in 2020 at the Head of General Affairs and Human Resources Department and has distributed to each division office in hardcopy and softcopy. The</p>

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

3.4.1. Identification of Findings, Corrective Actions and Observations at Initial Assessment

NCR No.	: 2018. 01	Issued by	: Sofyan Hadi Lubis
Date Issued	: 8 June 2018	Time Limit	: 23 August 2020
NC Grade	: Minor upgrade to Critical	Date of Closing	: 14 August 2020
Standard Ref. & Requirement	: 1.1.1. List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): The company has a list of information that is accessible by the stakeholders, but based on document review and interviews with stakeholders, it is known that there is no evidence of socialization for a list of company information that accessible by stakeholders including mechanisms to access the information.			
Root Cause Analysis (filled by organization audited): Lack of understanding of officers in disseminating the list of company information that can be accessed by stakeholders and their mechanisms			
Correction (filled by organization audited): Providing socialization of Directors Decree Number 04.03 / Kpts / 02 / II / 2018 concerning Publication of Company Documents of PT Perkebunan Nusantara IV to Stakeholders			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">Monitoring the socialization of company policies every year to internal and external stakeholdersAppoint a PIC who is responsible for disseminating information and disseminating company policies			
Assessor Evaluation and Conclusion (filled by auditor): 12 June 2020 Until the Remote Audit activity was carried out, the company had not shown any evidence of improvement related to this non-conformity. Therefore, this will be a non-conformity in Indicator 1.1.2 (Critical) on Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. 26 June 2020 The company has determined the root cause, corrective and corrective actions along with evidence of improvement to resolve non-conformities above, such as: <ul style="list-style-type: none">Decree No. ABA / MU / Kpts / 02 / VI / 2020 dated 13 June 2020 concerning Officers Responsible for Consultation and Communication with Stakeholders. In the decree, the appointed officer is Assistant for Plantation Personnel and Human Resources, General & Security Clerks.Decree No. 04.03 / Kpts / 02 / II / 2018 dated 05 February 2018 concerning Publication of Company Documents of PT Perkebunan Nusantara IV to Stakeholders. The decree describes which documents can be accessed in general, specific and inaccessible.Socialization to internal stakeholders regarding open and closed document policies along with the PIC in charge on June 13, 2020 which was attended by 19 participants.Socialization to external stakeholders regarding open and closed document policies along with the PIC in charge			

on June 15, 2020 which was attended by 22 participants.

From the evidence of improvement, there is still a lack of evidence / information related to the results of monitoring the socialization of company policies for internal and external stakeholders in accordance with the corrective actions given. Based on this, this non-conformity is declared unfulfilled.

Verification on 14 August 2020

The company has shown additional evidence in the form of monitoring the socialization of policies owned by the company, as many as 33 policies related to the RSPO have been scheduled for monitoring for one year (2020) for stakeholders. From the evidence of improvement, this non-conformity is declared to have been fulfilled.

Verified by : Trismadi N

NCR No.	: 2018. 02	Issued by	: Arif Faisal Simatupang
Date Issued	: 8 June 2018	Time Limit	: ASA 1
NC Grade	: Minor	Date of Closing	: 12 June 2020
Standard Ref. & Requirement	: 2.1.4 A system for tracking any changes in the law shall be available and implemented		
Non-Conformance Description & Evidence observed (filled by auditor): Based on a review of the List of Regulations Regarding the Implementation of RSPO-ISPO dated 20 March 2018, it is known that not yet fully legal regulations have been identified, namely not yet containing but not limited to : <ul style="list-style-type: none">- Government Regulation No. 37 of 2014 concerning soil and water conservation.- Government Regulation No. 44 of 2015 concerning the implementation of accident insurance programs and death insurance.- Government Regulation No. 45 of 2015 concerning the implementation of a pension guarantee program.- Government Regulation No. 46 of 2015 concerning old age insurance.- Minister of Agrarian and Spatial Planning Regulation No. 7 of 2017 concerning procedures for determining HGU.- Minister of Manpower Regulation No. 38 of 2016 concerning OHS of power and production machinery.- Minister of Manpower Regulation No. 5 of 2018 regarding OHS on the work environment.- Minister of Health Regulation No. 416 of 1990 concerning water quality requirements and supervision.- Decree of the Governor of North Sumatra No. 188.44/575/KPTS concerning the North Sumatra Province minimum wage in 2018.			
Root cause: The company doesn't have a PIC to renew / update the list of existing regulations in Indonesia.			
Corretion: <ul style="list-style-type: none">• Adding nine (9) regulations that have not been included in the list of regulations owned by PTPN IV.• Preparing the Basic Work Guidelines (<i>PDK</i>) which states that the staff of the strategic planning division is responsible for updating the applicable regulations in all PTPN IV Units.			
Correction action: <ul style="list-style-type: none">• Creating a monitoring update of the list of regulations that is carried out once a year by the PIC concerned.• Determine the PIC who is responsible for updating the list of regulations in each unit.			

Assessor Evaluation and Conclusion (filled by auditor):
Verification, 12 June 2020.

- The company shows an evaluation report of compliance laws and regulations for 2020 period, example:
 1. Decree of the Governor of North Sumatra with the number 188.44 / 674 / KPTS / 2019 regarding the stipulation of the minimum wage in North Sumatra province in 2020.
 2. Decree of the Governor of North Sumatra with the number 188.44 / 752 / KPTS / 2019 regarding the stipulation of the minimum wage in Asahan province in 2020.
 3. And others.
- Basic Work Guidance Documents (PDK) which state that strategic planning staff are responsible for updating the regulations that apply in all PTPN IV Units.
- Internal Letter No. ABA / SE / Intrn / ... / 2020 in January 2020 regarding the appointment of officers responsible for updating the list of regulations in PTPN IV Air Batu Unit are the General Human Resources Assistant and the RSPO / ISPO PPD Team.

Based on that explanation, it has been closed.

Verified by : **Brigitta Prita**

NCR No.	: 2018. 03	Issued by	: Asystasya Aishah Silalahi/Trismadi N
Date Issued	: 8 June 2018	Time Limit	: 23 August 2020
NC Grade	: Minor upgrade to Critical	Date of Closing	: 18 August 2020
Standard Ref. & Requirement	: 4.4.1 A water management plan must be provided.		
Non-Conformance Description & Evidence observed (filled by auditor): Can be shown the report of surface water quality test (upstream and downstream of river Hesa), for example test report of semester 2 year 2017 done by accredited laboratory, the reference used is Permenkes RI No. 416 / MENKES / PER / IX / 1990 (has been expired), its not yet appropriate where the surface water quality testing shall be conducted in accordance with Government Regulation 82/2001 (class 1 standard - water utilized by the community), and there were some of paremeter not tested such as TDS, TSS, total coliform and fecal coliform, besides there are test results that are not in accordance with the quality threshold such as BOD in upstream of 4.25 and downstream of 7.12 (BOD quality standard is 2).			
Root Cause Analysis (filled by organization audited): Lack of understanding of officers in the preparation of the RKL-RPL Report, especially in following up on the results of the indicator test that passed the threshold and the appointment of identification documents and their management.			
Correction (filled by organization audited): <ul style="list-style-type: none">• Evaluating the test results that exceed the threshold• Enter the parameters of TDS, TSS, Total Coliform and Fecal Coliform into the surface water quality test.• Show documents of identification of water sources and their management.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">• Provide training or socialization of the preparation of the RKL-RPL Report in accordance with the Minister of Environment Decree Number 45 of 2005• Make an evaluation of the socialization of the RKL-RPL report preparation to measure the understanding of the			

socialization participants

- Provide outreach to PICs regarding their duties and responsibilities.

Assessor Evaluation and Conclusion (filled by auditor):

12 June 2020

Until the Remote Audit activity was carried out, the company had not shown any evidence of improvement related to this non-conformity. Therefore, this will be a non-conformity in Indicator 7.8.1 (Critical) on Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.

Non-Conformity in ASA-1

The company has not been able to show the results of water source identification and water source management to avoid negative impacts.

14 August 2020

The company has determined the root cause, corrective and corrective actions along with evidence of improvement to resolve non-conformities above, such as:

- Identification of water sources in the operational area of PTPN IV in 2020 which states that there are 2 rivers (Hesa and Piasa Rivers) and residential wells that are used to meet the water use needs of workers and their families.
- The 2020 water source and quality management program, which has 4 management activities that have been scheduled along with the PIC who is responsible for implementing them.

Auditor Conclusion:

- There is no evidence in accordance with the root of the problem, corrective and corrective actions given.
- There is no indicated the root cause of corrective and corrective action for findings at the time of the ASA-1 assessment.

18 August 2020

The company has shown additional evidence of improvement, namely:

- The results of river water testing on November 12, 2019 (semester 2 of 2019) using a Testing Laboratory with test No. 4808 / MDN / XI / 19 for the water of the Upper Hesa River with as many as 35 parameters according to PP. 82 of 2001 and the result is that there are no parameters that exceed the quality standard.
- The results of river water testing on November 12, 2019 (semester 2 of 2019) using a Testing Laboratory with test No. 4809 / MDN / XI / 19 for Hesa Hilir River water with as many as 35 parameters according to PP. 82 of 2001 and the result is that there are no parameters that exceed the quality standard.
- Outreach to workers and communities around the company area on June 13, 2020 regarding the management of domestic waste and the use of chemicals around the watershed (watershed) to reduce BOD levels in the Hesa River water.
- Socialization of the preparation of the RKL-RPL report, the preparation of an RKL-RPL evaluation, and understanding of the respective PIC's responsibilities on June 16, 2020 which was attended by 17 participants.
- The results of the socialization evaluation of the preparation of the RKL-RPL report, the making of an RKL-RPL evaluation, and understanding of the PIC's responsibilities on June 16, 2020 to 15 participants with the results of all workers' understanding related to the material being socialized getting an average value of B (Good) .

Based on this explanation, this non-conformity is declared to have been fulfilled.

Verified by : **Trismadi N**

NCR No.	: 2018. 06	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 8 June 2018	Time Limit	: 23 August 2020
NC Grade	: Minor upgrade to Critical	Date of Closing	: 18 August 2020
Standard Ref. & Requirement	: 4.7.5 Emergency response and work accident procedures must be available in Indonesian and there are workers who have received Accident First Aid (P3K) training in the work area.		
Non-Conformance Description & Evidence observed (filled by auditor): Company has provides emergency response and first aid facilities in workplace accidents and has been monitored every month. However, based on field observation, it is known that <ul style="list-style-type: none">• In hazardous waste storage and general workshops, there are items that have expired, namely Povidon Iodine and Alcohol.• The contents of the First Aid Box at Water Treatment Plant Station and Afdeling 3 office are incomplete, for example there is no first aid guide, plaster, mitela. <p>In this regard, the company has not been able to show the effectiveness of periodic supervision on emergency response facilities in the form of first aid equipment.</p>			
Root Cause Analysis (filled by organization audited): Lack of understanding of officers on the first aid contents monitoring.			
Correction (filled by organization audited): The CH has completed the first aid contents with 21 items.			
Corrective Action (filled by organization audited): <ol style="list-style-type: none">1. Conducted first aid contents socialization to all officer and evaluate the efficiency of its training.2. Appoint a PIC who is responsible for routine monitoring of the first aid. <p>Monitoring the first aid contents.</p>			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 12 June 2020 Until the remote ASA-1 conducted, there are no correction evidence. It was raised as major/critical conformity indicator 6.7.2; on the Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. There are also new nonconformity on the remote ASA-1 activity, as follows: <ul style="list-style-type: none">- There are no first aid training record and also the responsible on the mill and estate.- There are no first aid inspection record on the mill and estate.- There are no regularly work accident evaluation on the year of 2019. Verification on 1 July 2020. The certification unit was shown several evidence, such as: <ol style="list-style-type: none">1. First aid monitoring record since January till December 2019 on the several places: General Division, Civil Engineering Division, Mill, Office, Engine Room, Laboratory, Workshop that all contents is completed.2. First aid monitoring record since January till May 2020 on the several places: General Division, Civil Engineering Division, Mill, Office, Engine Room, Laboratory, Workshop that all contents is completed.			

3. Air Batu Manager No ABA/MU/Kpts/03/VII/2019 dated 1 July 2019 about appointment of PIC to monitor first aid contents.

Auditor conclusion:

Based on the results of the audit team verification, there is a difference in the number of accidents (on the work accident recapitulation) year of 2019 with the LTI metric, in addition that there has been no follow-up evaluation of accident's to prevent the same accident on the future.

Verification on 22 July 2020

The certification unit was shown several evidences, such as:

1. Minute of filling of first aid dated 3 March 2020 on the mill and estate, for example: first aid on the engine room, foreman on division I to IX.
2. Evaluation of first aid training to 25 staf, foreman, and workers dated 3 March 2020.
3. Minute of filling of first aid on the mill dated 13 June 2020.

Verification 18 August 2020

The certification unit was showing thirty work accident investigation on the year of 2019, in which the evaluation column has been completely filled in. For example: an accident that occurred on May 24, 2019. Is by following the applicable work instructions and before work to check the work location.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : **Trismadi N**

NCR No.	:	2018. 08	Issued by	:	Sandra Purba / Trismadi Nurbayuto
Date Issued	:	8 June 2018	Time Limit	:	23 August 2020
NC Grade	:	Minor upgrade to Critical	Date of Closing	:	20 August 2020
Standard Ref. & Requirement	:	5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.			
Non-Conformance Description & Evidence observed (filled by auditor): The company has compiled and sent a report on the implementation of Environmental Management and Monitoring Plan (RKL-RPL) to relevant agencies, for example the 2nd semester 2018 report. The report has discussed the implementation of environmental management and environmental monitoring based on the matrix in the Environmental Management and Monitoring Plan (RKL-RPL) documents, but there are a number of things that are not appropriate, namely : - The company has not carried out discussions and evaluations related to monitoring tested river water, and the reference for quality standards is not in accordance with the direction of environmental documents (PP No. 82 of 2001) - The company has discussed the aspects of the social and community health components, but has not shown evidence of the implementation of monitoring the aspects of the social and community health components (questionnaires, interview results, secondary data from the village community health center).					
Root Cause Analysis (filled by organization audited): Lack of understanding of officers in the preparation of Environmental Management and Monitoring Plan (RKL-RPL) Report in accordance with the Minister of Environment Decree Number 45 of 2005.					

Correction *(filled by organization audited):*

1. Evaluating the test results that exceed the threshold
2. Enter the parameters of TDS, TSS, Total Coliform and Fecal Coliform into the surface water quality test
3. Show evidence of implementation of monitoring aspects of the social and public health components

Corrective Action *(filled by organization audited):*

1. Provide training or socialization for the preparation of Environmental Management and Monitoring Plan (RKL-RPL) report in accordance with the Minister of Environment Decree Number 45 of 2005
2. Make an evaluation of the socialization of Environmental Management and Monitoring Plan (RKL-RPL) report preparation to measure the understanding of the socialization participants
3. Appoint PIC who is responsible for monitoring the Environmental Management and Monitoring Plan (RKL-RPL) Report
4. Monitoring of Environmental Management and Monitoring Plan (RKL-RPL) Report

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 12 June 2020

Until the Remote Audit activities have not shown any improvements related to the non-conformity, this remains a discrepancy in indicator 3.4.3 Critical to the 2018 Principles and Criteria for Sustainable Palm Oil Production, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.

Non-conformities at the time of ASA-1 assessment
Evidence observed *(filled by auditor):*

The company shows the Environmental Management and Monitoring Plan (RKL-RPL) report for Semester II 2019. The environmental monitoring plans carried out in semester II 2019 are:

1. Decrease in air quality
2. Increased noise
3. Ground water
4. Decreasing quality of receiving water bodies
5. Liquid waste
6. Aquatic biota
7. Social Economy
 - Regional economy
 - Job opportunities and endeavors
 - Public facilities
8. Socio-Culture
 - Social Process
 - Public Perception
 - Security and order
9. Public Health

The report has no been contain the results of management and monitoring as follows:

1. Monitoring flora and fauna
2. Ambient air quality test results, emissions and noise
3. Socio-economic and cultural aspects
4. Public health component
5. Other environmental components (disturbance of safety and order, increased potential for fire and increased waste / hazardous and toxic waste)

Based on what is stated in the Decree of the Head of the Environmental Service of Asahan Regency Number 660.1 / 786 / LH / 2019 concerning the environmental feasibility of oil palm plantation and mill activities in Air Batu and Tinggi Raja Districts, Asahan Regency, North Sumatra Province by PTPN IV Air Batu Unit dated 21 May 2019 that

one of the company's obligations that must be fulfilled is to carry out environmental management and environmental monitoring as stated in the Environmental Management and Monitoring Plan (*RKL-RPL*), in accordance with the provisions of laws and regulations.

Non-Conformance Description (filled by auditor):

Based on the description, the certification unit has not carried out environmental management and monitoring and evaluation in accordance with the established Environmental Management and Monitoring Plan (*RKL-RPL*) matrix.

Verification dated June 26, 2020,

The company has sent several evidences:

- Revised Environmental Management and Monitoring Plan (*RKL-RPL*) report for semester 2 of 2019
- Receipt of the report dated 17 June 2020 by the Asahan Regency Environmental Service
- Results of surface water quality testing upstream and downstream of the Hesa River which was conducted on November 12, 2019.
- Minutes of socialization of household domestic waste management and use of chemicals in watersheds on June 13, 2020, attended by 14 people consisting of company and community representatives.

Based on a review of the revised document for the Environmental Monitoring and Management Plan (*RKL-RPL*) for semester 2 of 2019, the contents of the report are as follows:

1. Plans & Realization of environmental management carried out in semester 2 of 2019 as follows:
 - Air quality and noise
 - Groundwater quality
 - Decrease in surface water quality
 - Soil
 - Regional Economic
 - Job opportunities and business opportunities
 - Increase in community income
 - Security and order
 - Public perceptions and attitudes
 - Vector of disease
 - Prevalence of disease
2. Plans & Realization of environmental monitoring carried out in semester 2 of 2019 are:
 - Air quality, dust and noise
 - Decrease in the quality of water bodies
 - Decreasing groundwater quality
 - Soil
 - Regional economy
 - Job opportunities and business opportunities
 - Public and social facilities
3. Evaluations contained in the report are trend evaluation, critical level evaluation and compliance evaluation.

Auditor Conclusion:

Based on the report on the implementation of the Environmental Management and Monitoring Plan (*RKL-RPL*) that has been shown, there are several parameters in management and monitoring that have not been informed in the report, including:

- Management of the environment:
 - Decreased diversity of flora and fauna
 - Increased potential for land fires
 - Increase in domestic waste and Hazardous and Toxic waste
- Environmental Monitoring:
 - Decreased diversity of flora and fauna
 - Changes in people's perceptions and attitudes

- Public health problems
- Disruption of security and order
- Increased potential for land fires
- Increase in domestic waste and hazardous and toxic waste
- The report does not contain the results of the tests that have been carried out in the contents of the results of monitoring activities.
- There is no evaluation that informs the comparison of results in the previous semester, and included in the trend evaluation section only air quality, noise and water quality.

Based on the evidence of improvement, the root causes and the corrective actions that have been shown, it is concluded that the discrepancies in this indicator have not been fulfilled.

Verification date 29 June 2020,

The company shows the following improvements:

1. Minutes of socialization of the preparation of environmental management and monitoring reports, procedures for program development and evaluation of social impact management programs, and fulfillment of document requirements in accordance with the RSPO principles and criteria. This activity was carried out on June 16, 2020, which was attended by the Assistant of the Sustainability Sub Division, document control officer, processing assistant, plant crew, HR crew and administrative crew.
2. Attachment to Decree number ABA / MU / Kpts / / VI / 2020 concerning the Officer who is responsible for monitoring the Environmental Monitoring and Management Plan (*RKL-RPL*) report. The responsible officer is the Plantation Personnel Assistant and Human Resources, General and Security Personnel with the following job descriptions:
 - Checking the accuracy of the RKL-RPL report and ensuring that the report is in accordance with the Decree of the Minister of Environment Number 45 of 2005 concerning Guidelines for Preparation of Reports on the Implementation of Environmental Monitoring and Management Plan (*RKL-RPL*)
 - Ensure that the Environmental Monitoring and Management Plan (*RKL-RPL*) reports that have been previously checked are submitted to the relevant agencies according to schedule.
3. Report Evaluation Table

Auditor Conclusion:

Based on the evidence of improvement that has been shown, the Company has taken preventive measures in the preparation and reporting of the Environmental Monitoring and Management Plan (*RKL-RPL*) in accordance with the established guidelines. However, the Company has not shown any improvements in the Environmental Monitoring and Management Plan (*RKL-RPL*) report document in semester 2 of 2019 so that the discrepancies in this indicator not been fulfilled.

Verification dated 20 August 2020

The company was showing environment monitoring and management report on Semester 2 2019, dated 20 January 2020 to the relevant agency. There are several parameter which managed and monitor by the company, such as:

1. Physical and chemical: air quality and odor quality, high noise level, surface water quality, groundwater.
2. Biological: biodiversity.
3. Social, economic, and culture: job opportunities, business opportunities, community income, local economy, and public perceptions.
4. Public health
5. Others: forest fire, hazardous waste and domestic waste, disturbance of security.

The company also has conducted evaluation this report in accordance to regulations.

Auditor conclusions:

Based on above explanation, this nonconformance has been closed out.

Verified by	: Trismadi Nurbayuto
--------------------	-----------------------------

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment (Remote)

NCR No.	: 2020.01	Issued by	: Trismadi N
Date Issued	: 12 June 2020	Time Limit	: ASA-2
NC Grade	: Non-Critical	Date of Closing	: 18 August 2020
Standard Ref. & Requirement	: 1.1.5 An up-to-date list of contacts and detailed stakeholder information is available along with designated representatives.		
Evidence observed (filled by auditor): The results of the document review obtained the following information: <ul style="list-style-type: none">• The company has a list of stakeholders that was made in January 2015 with a total of 49 stakeholders consisting of District, Sub-District, Village Governments and Contractors.• The company has a list of stakeholders that was made in May 2018 with a total of 14 stakeholders consisting of District and Village Governments.• There are several stakeholders who have not been listed in the list, such as: worker unions, Plantation Agency and National Land Agency.			
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the list of stakeholders has covered all existing stakeholders.			
Root Cause Analysis (filled by organization audited): Officer negligence to update the list of stakeholders			
Correction (filled by organization audited): Shows an updated list of Stakeholders			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">• Make monitoring of all documents related to the Plantation Management System• Provide re-socialization to PICs related to their duties and responsibilities			
Assessor Evaluation and Conclusion (filled by auditor): 26 June 2020 The company has determined the root cause, corrective and corrective actions along with evidence of improvement to resolve the above non-conformities, such as the PTPN IV Air Batu Plantation stakeholder list updated on 13 June 2020 with a total of 7 stakeholders for the district level government, 18 stakeholders for the government District / Village level, 5 internal stakeholders, 13 stakeholders for work partners / partners / contractors and 6 stakeholders for journalists / NGOs. From the evidence of improvement, there is still a lack of evidence / information related to the results of monitoring the socialization of company policies for internal and external stakeholders in accordance with the corrective actions given. Based on this, this non-conformity is declared unfulfilled. 22 July 2020 The certification unit shows the Decree of the Manager Number ABA / MU / Kpts / 464 / VI / 2020 dated June 15, 2020, regarding: a special officer who is responsible for updating or updating the stakeholder data of Air Batu Plantation / Factory: a.n. Zainul Azhar Siregar (Assistant Plantation Personnel) and A. Salbani (Krani SDM, General, and Security).			

Auditor Conclusion:

The corrective action documentation lacks sufficient documentation, this non-conformity has not been fulfilled.

14 August 2020

The company shows evidence of improvement as follows:

- List of stakeholders update in 2020 for PTPN IV - Air Batu Plantation Unit and Mill with details of 7 stakeholders from the Regency Government, 18 stakeholders from the District / Village Government, 5 internal stakeholders, 15 stakeholders from Work Partners, and 6 stakeholders from journalists / NGO.
- Monitoring documents to update the list of owned stakeholders listed in the 2020 Plantation Management System Monitoring, which has 35 types of documents that must be monitored by the company during 2020.

Auditor Conclusion

The corrective action documentation lacks sufficient documentation, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The company has shown additional evidence in the form of re-socialization results to the PIC who is responsible for monitoring the existence of stakeholders and plantation management system documents that were included in the RSPO P&C on August 8, 2020.

Based on the above, this non-conformity is declared to have been fulfilled.

Verified by : **Brigitta Prita**

NCR No.	: 2020.02	Issued by	: Trismadi Nurbayuto
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020
NC Grade	: Critical	Date of Closing	: 15 August 2020
Standard Ref. & Requirement	2.1.1. The unit of certification complies to relevant regulations		
Evidence observed (filled by auditor): During the audit activity, the auditor team was verified several evidences as follows: <ol style="list-style-type: none">1. Based on previous report there are four turbine operators with initials MSR, SFT, SRN, HRN that license expired on 4 June 2019.2. The certification unit has surface water extraction and utilization permit in accordance to the Sumatera Utara Governor number 610/115/DPMPPTSP/5/XII.1/II/2013 dated 28 February 2017 valide for three years. The water utilization from Hesa River. This permit has been expired on 28 February 2020.			
Non-Conformance Description (filled by auditor): The certification unit has no been able to show that all applicable regulations been fulfilled.			
Root Cause Analysis (filled by organization audited): There is lack of monitoring of license validity period on the mill and estates. While the operator with initial MSR was pension on the last year.			
Correction (filled by organization audited): The certification unit has been register all operator training and extension of validity period. Showing submission of surface water utilization licenses to the relevant agency.			

Corrective Action (filled by organization audited):

Validity period monitoring of existing permits and operator license on the mill and estate.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 26 June 2020

The certification unit was shown several evidence as follows:

1. Letter of statement from OHS provider PT Emcotama number B.16/EMCOTAM-SK/VI/2020 dated 16 June 2020 with initials HRN & SRN has been training for turbine operator and the license is on process in the Man Power Ministry.
2. Circular Letter of Director of Inspection of OHS Norm from Manpower Ministry number 5/966/AS.02/II/2020 dated 30 March 2020 about pending of all OHS license extension during Covid-19 pandemic.

The certification unit has not been able to show evidences of submission of a surface water permit and a statement regarding the list of Operator License.

Verification on 1 June 2020

The certification unit was showing the License validity period monitoring form on the mill and estate which inform of name, registration number and dated of issued, expire date.

The certification unit has not been able to show evidences of submission of a surface water permit.

Verification on 15 August 2020

The certification unit was showing receipt document for the online application for surface water utilization permits on June 29, 2020 from the investment service and one stop integrated licensing service.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out. And it will be re-verified onsite audit.

Verified by : **Trismadi N**

NCR No.	:	2020.03	Issued by	:	Brigitta Prita
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non Critical	Date of Closing	:	20 August 2020
Standard Ref. & Requirement	:	2.2.3. All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labor ¹² . Where young workers are employed, the contracts include a clause for their protection.			

Evidence observed:

- Based on list document for 2020 period, there are 10 contractors.
- Available CLA for Transportation of CPO Production in 2020 between PT Perkebunan Nusantara IV and PT Wahana Adidaya Pertiwi with the number 04.05 / S.Perj / 10 / I / 2020 from January 17, 2020 to December 31, 2020.
- Available CLA No. 04.10 / S.Per / 07 / III / 2020 with PT Jaya Wira Manggala on March 11, 2020, the validity period of April 1, 2020 until January 31, 2021 regarding Service Provider Security in PTPN IV Business Unit.

Non-Conformance Description :

Based on the explanation above, the company has not been able to show evidence that the CLA has a clause regarding the prohibition of practices involving child labor, forced labor and workers from human trafficking.

Root Cause Analysis:

Lack of understanding of the Functional Section in drafting contracts related to the addition of clauses in accordance with Memo Number 04.03 / Kol / M-09 / XI / 2019 dated November 6, 2019 concerning Addition of Clauses in *RKS* and Contracts or Letter of Agreement

Correction:

Socializing Memo Number 04.03 / Kol / M-09 / XI / 2019 dated November 6, 2019 concerning Addition of Clauses in *RKS* and Contracts or Agreements in Districts and Functional Sections.

Corrective Action:

Monitoring contracts from the Functional and District Divisions.

Assessor Evaluation and Conclusion:
Verification, June 26 2020.

The company demonstrated the socialization of the additional clause in the CLA on June 13, 2020 to the Head of Subdivision, General Staff, Contractor Director of PT Wahana Adidaya Pertiwi and others that every work plan and terms (*RKS*), contract, vendor / contractor work agreement providing or use labor services to add the following clause:

1. Not employing children who are minors or who are not yet adults.
2. Do not practice forced labor
3. Do not employ labor resulting from human trafficking
4. Do not discriminate against workers
5. Must provide PPE for high-risk work.
6. Mandatory health check of workers every 1 year.
7. And others.

The certification unit has no been able to show evidence of revisions or additions to the work contract with all contractors regarding the points above. There are no also the statement / memorandum from all contractors that has been signed by the contractor regarding the points above (Not employing children who are underage or immature, do not practice forced labor, do not employ labor from human trafficking and does not discriminate against workers).

Based on the explanation above, this has not been fulfilled.

Verification, 29 June 2020.

The company demonstrated the socialization of the addition of clauses at the *RKS* and CLA contractors in Air Batu unit on June 15, 2020 attended by Unit Managers, Assistant Head of Administration, Assistant Head of Plants, Assistant for General and Security HR, Human Resources Administration, Administration Officer and Assistant Plant. This is stated not yet fulfilled.

Verification, 14 August 2020.

The company indicated the addition of a clause in the agreement letter between PT PN IV - and PT Wahana Adidaya Pertiwi regarding the transportation of CPO production in 2020 number 04.05 / S.Perj / 10 / I / 2020 dated January 17, 2020 on the clause of the technical requirements for transporting CPO number 04.09 / PPABE / MS / 02 / XI / 2019 point (f) as a form of compliance with applicable laws and regulations Work partners are required to comply with the provisions not to employ children who are underage according to Law No.13 of 2003 concerning labor, not discriminate against workers , respecting human rights, not practicing forced labor, not employing labor from human trafficking and so on. Based on the explanation above, please show evidence of additional clauses for other contractors (9 Contractors) according to the contractor list for

the 2020 period. This is stated not yet fulfilled.

Verification, 20 August 2020.

The company has shown 9 letters of agreement between the company and the contractor, for example:

1. CV Agro Nusantara
2. CV Anugerah Cahaya
3. CV Bella Contractor
4. CV Citra Karya Pratama
5. CV Dunia Harapan
6. CV Mitra Faiz Abadi
7. CV Muara Rajawali
8. CV TS Brother
9. Cooperative for air batu unit employees.

In the clause of the technical requirements for the transportation of CPO number 04.09 / PPABE / MS / 02 / XI / 2019 point (f) as a form of compliance with applicable laws and regulations Work partners are required to comply with the provisions not to employ children who are underage according to Law No.13 of 2003 concerning labor, not discriminate against workers , respecting human rights, not practicing forced labor, not employing labor from human trafficking and so on. Based on the explanation above, this non-conformity is declared to have been fulfilled.

Verified by : **Brigitta Prita**

NCR No.	:	2020.04	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	23 August 2020
NC Grade	:	Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	3.6.1. All Operational activities risks assessed to Identify the H&S Issues. Mitigation plans and procedures are documented and implemented.			
Evidence observed (filled by auditor): The certification unit was showing HIRAC of mill and estate year of 2020 signed on 14 March 2020 about Activity, Hazard, Risk, Effect, and Risk Control.					
Non-Conformance Description (filled by auditor): The certification unit has not been able to show procedure of HIRAC to mitigate that the work accident is documented and implemented.					
Root Cause Analysis (filled by organization audited): Air Batu Unit has had the HIRAC procedure since 2 January 2016, however during the remote audit it could not be shown due to irregular filing.					
Correction (filled by organization audited): Showing Risk Management procedure number 4.2.1. revision 02 dated 2 January 2016.					
Corrective Action (filled by organization audited):					

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 1 July 2020

The certification units was shown risk management procedure number 4.2.1. revision 02 dated 2 January 2016, that explain about several things, for example: types of risks, type of accidents, HIRAC method ranking systems and others. However the corrective action evidence is insufficient. This NCR not yet closed.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	: 2020.05	Issued by	: Trismadi Nurbayuto
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020
NC Grade	: Critical	Date of Closing	: 18 August 2020
Standard Ref. & Requirement	: 3.7.1. A documented programme that provides training is in place, which is accessible to all staff, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training		
Evidence observed (filled by auditor): 1. The certification unit shows document of training need analysis year of 2019 dated 17 January 2019, such as: a. Public, HR and Security: legislation concerning social insurance, legislation concerning environment and HIRAC. b. Plantation: replanting, immature, administration, and fertilizer. c. Processing: pressure vessels, mill quality analysis. d. Engineering: lathe, scarf, drill, welding, mains panel electricity, leader management. e. Administration: online data submissions, and others.			
Non-Conformance Description (filled by auditor): However, the identification of the training need analysis has not been shown including training programs related to all RSPO aspects, for example: HCV, DLW, SCCS, prohibition of family gang using, and others.			
Root Cause Analysis (filled by organization audited): The sites have been sent training need analysis to the Human Resources division. However during the remote audit it could not be shown due to irregular filing.			
Correction (filled by organization audited):			

Showing the training need analysis year of 2020.

Corrective Action (filled by organization audited):

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 26 June 2020

The certification unit showing several evidence:

1. The certification unit shows document of training need analysis year of 2019 dated 17 January 2019, such as:
 - a. Public, HR and Security: OHS officer, fire drill, regulation and system about social insurance.
 - b. Plantation: replanting, immature, administration, IPM, chemical and fertilizer.
 - c. Processing: pressure vessels, mill quality analysis, hoisting crane, boiler, and clarification.
 - d. Engineering: engine maintenance, welding operator, and others.
 - e. Administration: online data submissions, and others.
 - f. RSPO/ISPO/PROPER: awareness of RSPO & ISPO criteria, principles and requirements.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	:	2020.06	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non-Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	3.7.2. Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the tasks performed.			
Evidence observed (filled by auditor): -					
Non-Conformance Description (filled by auditor): The certification unit has not been able to show records of training related to all aspects of the RSPO for each individual.					
Root Cause Analysis (filled by organization audited): Training record are not well documented and there is no monitoring of training documents.					

Correction (filled by organization audited):

Make documentation of all training consisting of minutes, attendances list, documentation photos and evaluation of training for each worker. Each training is documented to the personnel folder of each employee.

Corrective Action (filled by organization audited):

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 26 June 2020

The certification unit showing minute of training spraying and manuring on the estate dated 14 November 2019 with 11 members.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 1 July 2020

The certification unit showing documentation/filing training record of each workers on grade IA-IID, for example: initials SPR been training by external parties.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification 15 August 2020

The certification unit was showing several evidences, such as:

1. Minute of socialization of hazardous waste management dated 15 June 2020 with 20 members (staff and workers).
2. Minute of socialization of prohibition of family gang, child labour dated 16 June 2020 with 21 members (staff and workers).
3. Minute of socialization of DLW dated 17 June 2020 with 23 members (staff and workers).
4. Minute of socialization domestic waste management dated 18 June 2020 with 36 members (staff and workers).

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	: 2020.07	Issued by	: Brigitta Prita
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020

NC Grade	: Critical	Date of Closing	: 29 June 2020																																																			
Standard Ref. & Requirement	3.8.7. Purchasing and Goods in i. The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii. The mill shall inform the CB immediately if there is a projected overproduction of certified volume. iii. The mill shall have a mechanism in place for handling of nonconforming FFB and/or documents.																																																					
Evidence observed: <ul style="list-style-type: none">The company has a mechanism for handling FFB and or not appropriate documents.Production data documents for 1 year certified FFB, but do not yet have non-certified FFB production, total CPO and PK production (certificates and non certificates).																																																						
Non-Conformance Description: The organozation has not been able to show documents recording the number of tonnages and sources of non-certified FFB for the period of 1 year (1 June 2019 - 31 May 2020) and mill must immediately notify CB if there is an estimated excess volume of certified production.																																																						
Root Cause Analysis: <ul style="list-style-type: none">Lack of understanding of officers in monitoring the tonnage of products from non-certified FFB sources.Determinants of PIC who are responsible for making monitoring.																																																						
Correction: Show documents related to the amount of tonnage and sources of non-certified FFB for a period of 1 year (1 June 2019 - 31 May 2020).																																																						
Corrective Action: <ul style="list-style-type: none">Supervise the monitoring of the amount of FFB tonnage and non-certified FFB sources.Conducting socialization/training to the PIC who is tasked with monitoring the source of non-certified FFB and the amount of tonnage of non-certified FFB.																																																						
Assessor Evaluation and Conclusion: Verification, 26 June 2020. The company shows production data for RSPO certified and non-certified FFB for the period June 2019 - May 2020 with details:																																																						
<table><tr><th rowspan="2">Month (2019-2020)</th><th colspan="3">FFB</th></tr><tr><th>RSPO Certified</th><th>Non Certified</th><th>Total</th></tr><tr><td>Opening stock</td><td></td><td></td><td>-</td></tr><tr><td>June</td><td>10,838.90</td><td>607.49</td><td>11,446.38</td></tr><tr><td>July</td><td>13,753.69</td><td>595.96</td><td>14,349.65</td></tr><tr><td>Aug</td><td>13,639.32</td><td>766.03</td><td>14,405.35</td></tr><tr><td>Sept</td><td>12,614.20</td><td>648.90</td><td>13,263.10</td></tr><tr><td>Oct</td><td>13,263.09</td><td>864.00</td><td>14,127.09</td></tr><tr><td>Nov</td><td>11,739.22</td><td>680.10</td><td>12,419.32</td></tr><tr><td>Dec</td><td>11,596.80</td><td>690.87</td><td>12,287.67</td></tr><tr><td>Jan</td><td>9,484.25</td><td>481.55</td><td>9,965.80</td></tr><tr><td>Feb</td><td>10,522.74</td><td>553.33</td><td>11,076.07</td></tr><tr><td>Mar</td><td>11,732.42</td><td>575.45</td><td>12,307.87</td></tr></table>				Month (2019-2020)	FFB			RSPO Certified	Non Certified	Total	Opening stock			-	June	10,838.90	607.49	11,446.38	July	13,753.69	595.96	14,349.65	Aug	13,639.32	766.03	14,405.35	Sept	12,614.20	648.90	13,263.10	Oct	13,263.09	864.00	14,127.09	Nov	11,739.22	680.10	12,419.32	Dec	11,596.80	690.87	12,287.67	Jan	9,484.25	481.55	9,965.80	Feb	10,522.74	553.33	11,076.07	Mar	11,732.42	575.45	12,307.87
Month (2019-2020)	FFB																																																					
	RSPO Certified	Non Certified	Total																																																			
Opening stock			-																																																			
June	10,838.90	607.49	11,446.38																																																			
July	13,753.69	595.96	14,349.65																																																			
Aug	13,639.32	766.03	14,405.35																																																			
Sept	12,614.20	648.90	13,263.10																																																			
Oct	13,263.09	864.00	14,127.09																																																			
Nov	11,739.22	680.10	12,419.32																																																			
Dec	11,596.80	690.87	12,287.67																																																			
Jan	9,484.25	481.55	9,965.80																																																			
Feb	10,522.74	553.33	11,076.07																																																			
Mar	11,732.42	575.45	12,307.87																																																			

Apr	11,556.22	504.99	12,061.21
May	10,801.93	1,651.47	12,453.40
Total	141,542.78	8,620.13	150,162.91

Palm Trace (Volume)	License Volume (24 May 2019 to 23 May 2020) Extension Volume (MT)
CSPK	8,396
CSPO	48,103
FFB	201,035

Based on the document review, there was no excess of certified production for FFB of amount 141,542.78 tonnes.

In addition, there is a decree of the Supply Chain management unit of the Air Batu unit which was set on November 6, 2019 consisting of Management representatives, Chairpersons, Deputy Heads, Secretaries, Document Control, Auditor control, coordinators and members. Based on the explanation above, please show documentary evidence of Supply Chain socialization and training to the relevant PIC. This is stated not yet fulfilled.

Verification, 29 June 2020.

There is an socialization to the PIC who is responsible for the implementation of the RSPO SCC implementation on June 17, 2020. This has been declared fulfilled.

Verified by	:	Brigitta Prita
--------------------	----------	-----------------------

NCR No.	:	2020.08	Issued by	:	Brigitta Prita
Date Issued	:	12 June 2020	Time Limit	:	23 August 2020
NC Grade	:	Critical	Date of Closing	:	14 August 2020
Standard Ref. & Requirement	:	<p>3.8.8. Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <p>a) The name and address of the buyer;</p> <p>b) The name and address of the seller;</p> <p>c) The loading or shipment / delivery date;</p> <p>d) The date on which the documents were issued;</p> <p>e) RSPO certificate number;</p> <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</p> <p>g) The quantity of the products delivered;</p> <p>h) Any related transport documentation;</p> <p>i) A unique identification number.</p>			
Evidence observed:	-				

Non-Conformance Description:

The organization has not been able to show RSPO certified product documents (CSPO and CSPK), for example shipping records, evidence of delivery and specification documents (Buyer name and address; Seller name and address; Date of shipment / delivery; Date of issue of the document; RSPO certificate number; Product description, including the applicable supply chain model (Preservation of Identity or Mass Balance or its agreed abbreviation); Quantity of product shipped; All transport related documentation; and Unique identification number).

Root Cause Analysis:

Lack of understanding of Officer in providing the document in question.

Correction:

1. Show documents related to information on RSPO certified products. The document has been contained in the *SPB* delivery (model PB-30)
2. Show documents for shipping palm kernel for the last 1-year period.
3. Conduct socialization again to officers who are responsible for the delivery of RSPO certified products.

Corrective Action:

Evaluating the socialization that has been carried out for a maximum of 1 month to measure employee understanding.

Assessor Evaluation and Conclusion:
Verification, June 26, 2020.

The company shows the receipt of delivery of palm kernel commodity (PK) with document number 01 / ABA / PAB / IS / KM / I / 2020 dated January 7, 2020 informing PK products, quantity of 29,930 kg, vehicle number, DO number, driver name, transportation by, and others. Please show examples of evidence of delivery of CSPO orders within the 12 months of the audit (June 2019 - May 2020). In addition, please send samples of RSPO product sales contracts (CSPO & CSPK) within the 12 months of the audit (June 2019 - May 2020) as well as evidence of socialization to the PIC who is responsible for RSPO certified delivery / sales. This is stated not yet fulfilled.

Verification, 20 July 2020.

The company showed the socialization of the implementation of the RSPO Supply Chain on June 13, 2020 and the delivery of RSPO certified products to the QHSE sustainability sub-division staff, the Head Foreman, HR assistant, General, Processing Assistant, Processing Officer, Weighing Officer and Document Controllers. However, no examples of evidence of CSPO delivery orders have been shown within the 12 months of the audit (June 2019 - May 2020). In addition, please send samples of RSPO product sales contracts (CSPO & CSPK) within the 12 months of the audit (June 2019 - May 2020). This is stated not yet fulfilled.

Verification, 14 August 2020.

The company shows data on sales contracts and delivery orders for 2020 period of CSPO and CSPK, including:

- Sales contract number 0141 / HOLD / CPO-L / N-IV / IV / 2020 for mass balance CPO sales, the document explains buyer information by PT Multimas Nabati Asahan, Types of Mass balance CPO products, quantity of 1000 tons, price unit, method of submission, payment, time of payment, basic provisions and so on.
- Delivery order with DO number KM / 1B1 / 2192 / XII / 2019 for PK shipments, the document explains information on the delivery date of December 27, 2019, types of CSPK Mass Balance products, quantity of 507.58 tons, shipments to PPIS Pabatu, transporters PK, driver name and so on.

Based on the explanation above, this non-conformity is declared fulfilled.

Verified by : **Brigitta Prita**

NCR No.	: 2020.09	Issued by	: Brigitta Prita												
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020												
NC Grade	: Critical	Date of Closing	: 29 June 2020												
Standard Ref. & Requirement	: 3.8.10. The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.														
Evidence observed: <ul style="list-style-type: none"> There are 10 contractor list documents for 2020 period for mature & immature maintenance and EFB & bunch transportation. Available CLA for Transportation of CPO Production in 2020 between PT Perkebunan Nusantara IV and PT Wahana Adidaya Pertiwi with the number 04.05 / S.Perj / 10 / I / 2020 from 17 January 2020 to 31 December 2020. 															
Non-Conformance Description: The organization has not been able to show names and contact details for all contractors used for the physical handling of RSPO certified palm products, especially for palm oil (CPO) & Core kernel (PK).															
Root Cause Analysis: <ol style="list-style-type: none"> Document archiving related to the implementation of Supply Chain is not prepare well. So that the documents at the remote auditee cannot be shown. There has been no stipulation of a PIC that is responsible for implementing the RSPO Supply Chain implementation. 															
Correction: Show detailed documents of all contractors related to the physical handling of certified palm products.															
Corrective Action: <ol style="list-style-type: none"> Conducting socialization related to good and correct filing methods. Determination of the PIC responsible for implementing the RSPO Supply Chain implementation. 															
Assessor Evaluation and Conclusion: Verification, 26 June 2020. Based on the document submitted dated June 22, 2020 (file name SCCS ABA), there are no documents regarding the names and details of all contractors used for physical handling of RSPO certified palm products, especially for palm oil (CPO) & Kernel (PK) . So that this is stated not yet fulfilled.															
Verification, 29 June 2020. The company shows a list of contractors for the physical handling of RSPO certified palm products for the period 2020, including:															
<table border="1"> <thead> <tr> <th>Company name</th><th>Address</th><th>PIC</th><th>Note</th></tr> </thead> <tbody> <tr> <td>PT Wahana Adidaya Pertiwi</td><td>Jl. Putri Merak Jingga No. 02 A Medan</td><td>Subur Utama</td><td>CPO Transporter</td></tr> <tr> <td>CV Karya Mandiri</td><td>Dusun I Blok II No.38 Desa Sei Rampah Kecamatan Sei Rampah Kabupaten Serdang Bedagai Provinsi Sumatera Utara</td><td>Edy</td><td>PK Transporter</td></tr> </tbody> </table>				Company name	Address	PIC	Note	PT Wahana Adidaya Pertiwi	Jl. Putri Merak Jingga No. 02 A Medan	Subur Utama	CPO Transporter	CV Karya Mandiri	Dusun I Blok II No.38 Desa Sei Rampah Kecamatan Sei Rampah Kabupaten Serdang Bedagai Provinsi Sumatera Utara	Edy	PK Transporter
Company name	Address	PIC	Note												
PT Wahana Adidaya Pertiwi	Jl. Putri Merak Jingga No. 02 A Medan	Subur Utama	CPO Transporter												
CV Karya Mandiri	Dusun I Blok II No.38 Desa Sei Rampah Kecamatan Sei Rampah Kabupaten Serdang Bedagai Provinsi Sumatera Utara	Edy	PK Transporter												

Decree of the management Supply Chain for Air Batu unit which was set on November 6, 2019, consisting of a Management representative, Chairman, deputy chairman, secretary, Document Control, Auditor control, coordinator and members. In addition, socialization was provided to the PIC who was responsible for the implementation of the RSPO SCC implementation on June 17, 2020. This has been declared fulfilled.

Verified by : **Brigitta Prita**

NCR No.	:	2020.10	Issued by	:	Brigitta Prita
Date Issued	:	12 June 2020	Time Limit	:	23 August 2020
NC Grade	:	Critical	Date of Closing	:	29 June 2020
Standard Ref. & Requirement	:	3.8.12. Record keeping i. The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii. Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii. For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).			
Evidence observed: There is no evidence during this assessment.					
Non-Conformance Description: The organization has not been able to show including: 1. Record all shipments of CPO & PK RSPO certified immediately (real time or every 3 months). 2. All records and reports must be kept for at least 2 (two) years and comply with legal requirements as regulated in legislation and be able to ensure the certified status of raw materials or products that are in storage.					
Root Cause Analysis (filled by organization audited): Employees still lack understanding of the implementation of RSPO Supply Chain monitoring.					
Correction (filled by organization audited): Show records of shipments of RSPO certified CPO and PK.					
Corrective Action (filled by organization audited): Socialization was carried out by the Planning & Sustainability Division regarding the monitoring of the RSPO Supply Chain					

regarding the recording of certified CPO and PK shipments.

Assessor Evaluation and Conclusion:
Verification, 26 June 2020.

The company shows monitoring data on all production and delivery of SCC for the period June 2019 - May 2020 with details:

Month (2019-2020)	CPO			PK		Total
	RSPO Certified	Non Certified	Total	RSPO Certified	Non Certified	
June	2,415.38	136.84	2,552.22	362.37	20.53	382.90
July	3,072.43	138.86	3,211.29	490.17	22.15	512.32
Aug	2,955.76	177.87	3,133.63	505.17	30.40	535.57
Sept	2,941.28	149.64	3,090.92	490.29	24.94	515.23
Oct	3,081.22	196.36	3,277.58	536.60	34.20	570.80
Nov	2,718.74	155.90	2,874.64	411.18	23.58	434.76
Dec	2,674.13	155.36	2,829.50	431.24	25.06	456.30
Jan	2,064.36	111.34	2,175.70	306.09	16.51	322.59
Feb	2,394.21	126.88	2,521.09	340.30	18.03	358.33
Mar	2,765.04	132.47	2,897.51	447.15	21.42	468.57
Apr	2,640.65	117.53	2,758.17	384.52	17.11	401.64
May	2,373.34	362.86	2,736.20	335.34	51.63	386.97
Total	32,096.55	1,961.90	34,058.45	5,040.42	305.57	5,345.98

Verification, 29 June 2020.

There is a socialization to the PIC who is responsible for the implementation of the RSPO SCC implementation on June 17, 2020. This has been declared fulfilled.

Verified by : **Brigitta Prita**

NCR No.	:	2020.11	Issued by	:	Brigitta Prita
Date Issued	:	12 June 2020	Time Limit	:	23 August 2020
NC Grade	:	Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	3.8.16. Registration of Transactions i. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.			
Evidence observed: In the palmtrace data of 10 June 2020 it was found that:					
Palm Trace (Volume)	License Volume (24 May 2019 to 23 May 2020) Extension Volume (MT)		Volume Sold as Physical (MT)	Credit Allocation (MT)	Remaining Volume (MT)

CSPK	8,396	4,109.46	0	4,286.54
CSPO	48,103	4,555.71	13,000	30,547.29
FFB	201,035	0	0	201,035

Non-Conformance Description:

Based on the explanation above, the company has not been able to show the sales documents (Trading) listed in the Mass Balance data for period June 1 2019 - May 31, 2020, so it can not be known sales & Non RSPO certified.

Root Cause Analysis:

1. Lack of understanding by officials regarding the implementation of the RSPO SCC.
2. There has been no stipulation of a PIC that is responsible for implementing the RSPO SCC implementation.

Correction:

Show the RSPO SCC sales document.

Corrective Action:

1. Socialization of the implementation of the RSPO SCC implementation.
2. Determination a PIC that is responsible for implementing the RSPO SCC implementation.

Assessor Evaluation and Conclusion (filled by auditor):
Verification, 26 June 2020.

The company has shown monitoring of SCC for the period June 2019 - May 2020 with details:

Months (June 2019- May 2020)	CPO Sales			PK Sales		
	RSPO Certified	Non Certified/Conventional	Total	RSPO Certified	Non Certified/Conventional	Total
Total	4,555.71	27,395.91	31,951.62	4,109,460	0	4,109,460

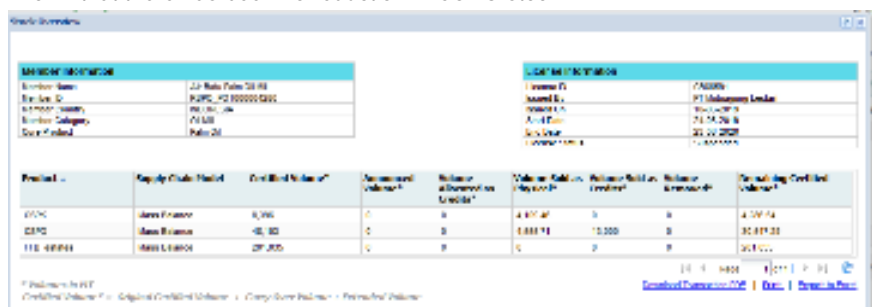
Based on the explanation above, there are still 14,395.91 MT (27,395.91 MT - 13,000 MT = 14,395.91 MT) that have not been removed. In addition, please show about socialization or training to the PIC Supply Chain in the Air Batu Unit carried out by the Planning & Sustainability Division regarding RSPO SCCS monitoring. So that this is stated not yet fulfilled.

Verification, June 29, 2020.

There is socialization to the PIC who is responsible for implementing the implementation of the RSPO SCC on June 17, 2020. Based on the explanation above, there are still 14,395.91 MT (27,395.91 MT - 13,000 MT = 14,395.91 MT) that have not been removed. So that this is stated not yet fulfilled.

Verification, August 13, 2020.

Please show evidence of reduced CSPO stock of 14,395.91 MT. Based on IT palm trace data dated August 13, 2020, it is known that there has been no reduction in CSPO stock.



Product	Supply Chain Method	Certified Volume	Non-Certified Volume	Total Volume	RSPO Certified	Non-Certified	Total
CPO	Mass Balance	4,555.71	27,395.91	31,951.62	4,109,460	0	4,109,460
PK	Mass Balance	4,109,460	0	4,109,460	4,109,460	0	4,109,460

Verification, August 18, 2020.

The company shows a Statement Letter from the Head of Section Number 04.03 / X / 146 / VIII / 2020 dated August 18, 2020, that PTPN IV hereby declares and conveys a commitment to remove immediately after the suspension of the RSPO certificate for the Air Batu unit is repealed or reactivated. Based on the explanation above, this non-conformity is declared fulfilled and will be observed during the next surveillance.

Verified by : **Brigitta Prita**

NCR No.	: 2020.12	Issued by	: Trismadi Nurbayuto
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020
NC Grade	: Critical	Date of Closing	: 19 August 2020
Standard Ref. & Requirement	: 4.1.1. A Policy to respect human rights, including prohibiting relation against Human Rights Defenders (HRDs), prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. This policy is documented and ommunicated to all levels of the workforce, operations, supply chain and local communities.		
Evidence observed (filled by auditor): 1. The certification unit has a policy number 07 to respecting Human Rights contained in the RSPO & ISPO documents, which was approved by the President Director on January 2, 2015. 2. Currently there are security services in the Air Batu unit in accordance with agreement number 04.10/S.Per/07/III/2020 with PT Jaya Wira Manggala dated 11 March 2020 with validity period is 1 April 2020 till 31 January 2021 regarding security service provider. However, the agreement doesn't contain information regarding the prohibition of intimidation and violence.			
Non-Conformance Description (filled by auditor): The certification unit has not been able to show evidence that the policy to respect Human Rights has been socialized to all levels of the workforce, operations, supply chain and local communities.			
Root Cause Analysis (filled by organization audited): 1. The negligence in disseminating all company policies to stakeholders. 2. Lack of understanding of the functional section in the preparation of contracts related to the addition of clause in accordance with memo number 04.03/Kol/M-09/XI/2019 dated November 6, 2019 concerning addition of clause in the contracts or agreement.			
Correction (filled by organization audited): Socialization of human rights policies to all internal and external stakeholders.			
Corrective Action (filled by organization audited): 1. Monitoring the socialization of company policies every year to all internal and external stakeholders. 2. Socializing memo number 04.03/Kol/M-09/XI/2019 dated 6 November 2019 concerning addition of clauses in the contracts or agreement.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 1 July 2020			

The certification unit shows documentation of the socialization of human rights policies to management employees, implementing employees, and external stakeholders dated 17 June 2020 (government, community leaders, NGOs, etc). However, there is no evidence that the human rights protection policy has been added to the employment agreement with third parties. This non-conformity has not been fulfilled.

Verification on 19 August 2020

The certification unit was showing several evidences, such as:

1. Agreement letter number GMD-IV/ABA/Angkut TBS Afd-VI/07/XII/2019 dated 30 December 2019 till 30 March 2020 with CV Anugerah Cahaya for FFB transports activities from Afdeling I to the mill. There is integrity pact chapter IV Technical requirement that also contain clauses regarding the obligation to respect human right and prioritize preventive and persuasive rather than violence in every job.
2. Agreement letter number 04.04/SPKP/ANGKUT-MUAT-BONGKAR TBS/43/I/2020 dated 2 January till 2 April 2020 with CV TS Brother for FFB transports activities from Afdeling IX to the mill. There is integrity pact chapter IV Technical requirement that also contain clauses regarding the obligation to respect human right and prioritize preventive and persuasive rather than violence in every job.
3. Agreement letter number GMD-IV/S.Perk-Py/ATBS ABA/30 TAN/VII/2019 dated 26 July till 26 October 2019 with Cooperation of Air Batu workers for FFB transports activities from Afdeling I to the mill. There is integrity pact chapter IV Technical requirement that also contain clauses regarding the obligation to respect human right and prioritize preventive and persuasive rather than violence in every job.
4. Agreement letter number 04.10/S.Per/07/III/2020 with PT Jaya Wira Manggala dated 11 March 2020 with validity period is 1 April 2020 till 31 January 2021 regarding security service provider. There is integrity pact chapter IV Technical requirement that also contain clauses regarding the obligation to respect human right and prioritize preventive and persuasive rather than violence in every job.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : **Trismadi N**

NCR No.	:	2020.13	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non-Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	4.2.2. Procedures are in place to ensure the system is understood by affected parties including by literate parties.			
Evidence observed (filled by auditor): There is no evidence during this assessment.					
Non-Conformance Description (filled by auditor): The certification unit has no been able to show procedure to ensure the system is understood by affected parties, including by illiterate parties.					
Root Cause Analysis (filled by organization audited): PTPN IV already has procedure number 03 dated 7 January 2017, however during the remote audit the Air Batu unit has no been shown that documents due to poorly organized filing.					

Correction (filled by organization audited):

Showing SPO number 03 dated 2 January 2017 revision 04 and also Director Decree Letter number 04.12/Kpts/52/V/2012. Conducted the human right policy to the all affected parties.

Corrective Action (filled by organization audited):

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 26 June 2020

The certification unit showing communication and consultation procedure with the communities' number 03 dated 2 January 2017 revision 04. Point 5.1.one of communication and consultation method is orally. Socialization is carried out face to face to making it easier for speakers to convey their intentions and goals. Especially for communication participants by illiterate parties.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	:	2020.14	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non-Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	6.4.1. A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.			
Evidence observed (filled by auditor): During the audit was conducted, there are several evidences: <ol style="list-style-type: none">1. Policy number 03 dated 2 January 2015 on prohibition of child labour, the certification unit is committed to implementing a policy in accordance to the law (minimum 18 years old).2. There are several agreements with third parties, for example: transport FFB agreement with Worker Cooperation (KEKAR) and also security services with PT Jaya Wira Manggala. However there are no clause about child protection and prohibition of child labor.					
Non-Conformance Description (filled by auditor): The certification unit has no been able to show that prohibition of child labour and the protection of children has included into service contract and supplier agreements.					

Root Cause Analysis (filled by organization audited):

1. Lack of understanding of the functional section in the preparation of contracts related to the addition of clause in accordance with Memo number 04.03/Kol/M-09/XI/2019 dated 6 November 2019 concerning addition of clauses in contract or agreement.
2. During the remote audit the Air Batu unit has no been shown that documents due to poorly organized filing.

Correction (filled by organization audited):

Socialized the policy of protection of child and prohibition of child labour to the internal and external parties.

Corrective Action (filled by organization audited):

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 15 August 2020

The certification unit showing minute of socialization the Policy number 03 dated 2 January 2015 on prohibition of child labour, the certification unit is committed to implementing a policy in accordance to the law (minimum 18 years old) to the all of internal and external stakeholders dated 13 June 2020 with 37 members.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	:	2020.15	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	23 August 2020
NC Grade	:	Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	6.5.1. A Policy to prevent sexual and all other form of harassment and violence is documented, implemented and communicated to all levels of the workforces			
Evidence observed (filled by auditor): The certification unit has a sexual harassment policy number 06 revision 02 dated 2 January 2015. The policy states that PTPN IV is committed to giving all employees the opportunity to work without sexual harassment.					
Non-Conformance Description (filled by auditor): The certification unit has no been able to show that a policy to prevent sexual and all other form of harassment and violence communicated to all levels of the workforce.					

Root Cause Analysis (filled by organization audited):

There has been a change of managerial level, so there are several thing that have not been done.

Correction (filled by organization audited):

Socializing the policy to the all of affected parties.

Corrective Action (filled by organization audited):

Air Batu Manager Decree Letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 26 June 2020

The certification unit showing minute of a sexual harassment policy number 06 socialization to the all level of workers dated 15 June 2020, such as: staff, workers, worker union board, gender committee and others.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 18 August 2020

The certification unit showing document of Air Batu Manager decree letter number ABA/MU/Kpts/03/VIII/2020 dated 3 August 2020, about: appointment of document control monitoring, such as: Human Resources Assistant, administration assistant, and document system clerk. It has been socialized to the relevant PIC on 8 August 2020.

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	:	2020.16	Issued by	:	Trismadi Nurbayuto
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non-Critical	Date of Closing	:	15 August 2020
Standard Ref. & Requirement	:	6.7.5. Occupational injuries are recorded using Lost Time Accident (LTA) metrics.			
Evidence observed (filled by auditor): The certification unit shows a recapitulation of work accidents during year of 2019 with total of 30 work accident cases.					
Non-Conformance Description (filled by auditor): The certification unit has not been able to show that occupational injuries are recorded using Lost Time Accident (LTA) metrics.					
Root Cause Analysis (filled by organization audited): Lack of understanding the officer regarding to LTA.					
Correction (filled by organization audited): Calculation the LTA metric year of 2019.					

Corrective Action (filled by organization audited):

1. LTA metrics calculation method training to the officers.
2. Evaluating the socialization of LTA metrics to measure the understanding level of participants.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 26 June 2020

The certification unit showing record of LTA training on 15 June 2020 with 23 members of staf and officer. And evaluation result of this training. And also LTA metric period of January to December 2019 with result working hours 13,091 hours and FR: 0; SR: 0. However there is variance between LTA metric with recapitulation of work accident.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification on 15 August 2020

The certification unit was showing LTA record year of 2020, as follows:

Month	FR	SR
January	0.009	0.020
February	0.009	0.205
March	0.009	0.019
April	0.009	0.009
May	0.042	0.084
June	0	0
July	0.030	0.103
August	0.008	0.009
September	0.047	0.132
October	0.036	0.080
November	0.048	0.135
December	0.019	0.019
Total	0.026	0.076

Auditor conclusions:

Based on above evidences, this nonconformity has been closed out.

Verified by : Trismadi N

NCR No.	:	2020.17	Issued by	:	Trismadi N
Date Issued	:	12 June 2020	Time Limit	:	ASA-2
NC Grade	:	Non-Critical	Date of Closing	:	18 August 2020
Standard Ref. & Requirement	:	7.1.2 Invasive species are not to be used according to applicabe regulation in managed areas, unless plans to prevent and monitor their spread are implemented.			
Evidence observed (filled by auditor): There is no evidence during this assessment.					
Non-Conformance Description (filled by auditor):					

The company has not been able to prove that in the company's operational location there are / no invasive species introduced in accordance with the Regulation of the Minister of Environment and Forestry No. 94 of 2016.

Root Cause Analysis (filled by organization audited):

Lack of understanding of the Air Batu Plantation / Factory towards invasive species

Correction (filled by organization audited):

Demonstrate program documents and realization of management and monitoring of invasive species

Corrective Action (filled by organization audited):

- Provide socialization about invasive species in accordance with Minister of Environment and Forestry Regulation Number 94 of 2016
- Conduct evaluation on socialization to measure the level of understanding

Assessor Evaluation and Conclusion (filled by auditor):

26 June 2020

The company has determined the root of the problem, corrective and corrective actions along with evidence of improvement to resolve the above non-conformities, namely the results of the identification and inventory of invasive species in the operational area of PTPN IV Kebun Air Batu as of June 13, 2020, with the result that there are 4 types of plants invasive species, namely Imperata cylindrica, Mimosa pudica, Lymnocharis aquatic, and Drycanopeteris ciliaris. The document also describes the determination of existing risks along with the treatment for these species in order to control them.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

26 June 2020

The company has sent additional proof of improvement, namely socialization records about invasive species to workers in afdeling VII on June 13, 2020 with a total of 25 participants.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

14 August 2020

The company has shown evidence of improvement in the form of:

- Program for the management and monitoring of invasive species in 2020 with 3 types of management and monitoring activities carried out from 2 to 4 times a year.
- Decree No. ABA / MU / Kpts / 47 / VI / 2020 dated 13 June 2020 concerning Special Officers Responsible for Monitoring Invasive Species.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

18 August 2020

The company has shown evidence of additional improvements in the form of:

- Minutes of socialization of invasive species monitoring to PICs concerned along with workers in the plantation unit on August 15, 2020. This is done so that responsible PICs and workers understand matters related to invasive species.

- Evaluation results of invasive species monitoring dissemination to related PICs on August 15, 2020 to find out the understanding of the duties and responsibilities of the PIC. The result is that all PICs who were given the socialization understood this and received a B (Good) score.

Based on the above, this discrepancy is declared to have been fulfilled.

Verified by : **Trismadi N**

NCR No.	: 2020.18	Issued by	: Trismadi N
Date Issued	: 12 June 2020	Time Limit	: ASA-2
NC Grade	: Non Critical	Date of Closing	: 18 August 2020
Standard Ref. & Requirement	7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent(POME),palm residues and optimal use of inorganic fertilisers.		
Evidence observed (filled by auditor): The solid waste management plan is described in the SPO of palm oil mill waste utilization No SPO 17 revision 2 dated 2 Jan 2015. It is explained that the factory waste will be recycled and used as nutrient enhancers in the planting area. Types of Palm Oil Mill waste used: EFB, shell and solid. The company cannot show documents on the utilization of liquid waste and EFB.			
Non-Conformance Description (filled by auditor): The Certification Unit cannot show documentary evidence of the implementation of the utilization of POME and EFB.			
Root Cause Analysis (filled by organization audited): Negligence of officers to record plantation operational activities			
Correction (filled by organization audited): Show documents recording the EFB application and POME that is flowed into the Land Application area			
Corrective Action (filled by organization audited): Demonstrate monitoring of documents related to plantation operations. Decree of the Plantation / Mill Manager No ABA / MU / Kpts / 02 / VIII / 2020 dated 3 August 2020, Regarding: Special officer who is responsible for recording and collecting operational data on the Air Batu plantation / mill. Namely: Plant Clerk, Technique Clerk, Production Clerk, Processing Clerk, Administrative Clerk, Personnel Clerk. With a job description: record all plantation operational data in each division periodically.			
Assessor Evaluation and Conclusion (filled by auditor): Verification, 26 June 2020 The company has sent proof of improvement, namely documents on production and utilization of EFB and Palm Oil Mill Effluent for the period January 2019 - May 2020 with the following details: - EFB utilization in the January - December 2019 period is 34,212 tonnes - EFB utilization in the January - May 2020 period is 13,604 tons			

- Utilization of Palm Oil Mill Effluent in the period January - December 2019 is 75,360 m³
- Utilization of Palm Oil Mill Effluent in the period January - May 2020 amounting to 31,650 m³

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification 18 August 2020

Decree of the Plantation /Mill Manager No ABA / MU / Kpts / 02 / VIII / 2020 dated 3 August 2020, regarding: Special officer who is responsible for recording and collecting operational data on the Air Batu Plantation / Mill. Namely: Plant Clerk, Technique Clerk, Production Clerk, Processing Clerk, Administrative Clerk, Personnel Clerk. With a job description: record all plantation operational data in each division periodically. As well as a copy of the socialization of the Decree and to all related PICs on August 8, 2020.

Auditor Conclusion:

Based on the corrective efforts sent by the Company, this nonconformity has been closed.

Verified by : **Trismadi N**





NCR No.	: 2020.19	Issued by	: Brigitta Prita
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020
NC Grade	: Critical	Date of Closing	: 14 August 2020
Standard Ref. & Requirement	: 7.10.1 GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.		









Evidence observed:

The company shows the Palm GHG Version 4.0.1 calculations, the period is for January – December 2019 that have been reported to the RSPO GHS with the results:

Source of Fresh Fruit Bunch (FFB) ⓘ				
<div> <input type="text"/> Search </div>				
Source	Association	RSPO Certified	FFB supplied to this mill (t/yr)	Action
Kebun Air Batu	Own estate/plantation	Yes	150,646	View
Kebun Berangir	Own estate/plantation	Yes	763	View
Kebun Pulu Raja	Own estate/plantation	Yes	214	View
Kebun Sei Kopas	Own estate/plantation	No	564	View
<< 1 >>				
Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)	
Own Plantation	4	152,187	19,942.14	
Group Plantation	0	0.00	0.00	
3rd Party	0.00	0.00	0.00	
Total	4.00	152,187.00	19,942.14	

.rspo.org/dashboard/mills/429/assessments/528/input/summary

Product	tCO ₂ e / tProduct	Action	
CPO	447.83		
PK	447.83		
PKO	0.00		
PKE	0.00		

Description	Unit	Value	Action	
Oil palm planted on mineral soil	Ha	19942.14		<input type="checkbox"/>
Oil palm planted area on peat	Ha	0.00		<input type="checkbox"/>
Total oil palm planted area	Ha	19942.14		<input type="checkbox"/>
Conservation area (Forested)	Ha	0.00		<input type="checkbox"/>
Conservation area (Non-Forested)	Ha	1240.24		<input type="checkbox"/>
FFB Production per hectare	t/ha	7.63		<input type="checkbox"/>
OER	%	22.39		<input type="checkbox"/>
KER	%	3.56		<input type="checkbox"/>

The company has not been able to show :

- OER & KER (%) for 2019.
- PK & CPO data for 2019.
- FFB production data for 2019 period for supply plantations (Berangir Estate, Pulu Raja Estate and Sei Kopas Estate).

Non-Conformance Description:

Based on the explanation above, there is no PK, CPO, OER, KER data, 2019 FFB production data for supplier plantations so that the RSPO GHG palm data cannot be verified properly.

Root Cause Analysis:

Unit management do not understand how to calculate the RSPO GHG.

Correction:

Shows FFB data from the Berangir estate, Pulu Raja estate and Sei Kopas estate processed in Air Batu from January to December 2019.

Corrective Action:

1. Socialize RSPO GHG calculations.
2. Conduct an evaluation of the socialization of the RSPO GHG calculation.

Assessor Evaluation and Conclusion:

Verification, June 26, 2020.

Based on document review, the FFB data from the Berangir estate, Pulu Raja estate and Sei Kopas estate processed at Air Batu is the data for the period June 2019 - May 2020. In addition, the Palm GHG data has not been revised by the company according to the Auditor comment. Please check the RSPO Palm GHG data and make sure that the CPO & PK

product emissions are 447.83 tCO₂e / t product. In addition, please show socialization or RSPO Palm GHG training to the relevant PIC. Based on the explanation above, it is stated that this has not been fulfilled.

Verification, 20 July 2020.

The company demonstrated the socialization regarding the RSPO Palm GHG calculation on June 16, 2020 which was attended by QHSE sustainability sub-division staff, the Head foreman, HR assistant, General, Processing Assistant, Processing Officer, Weighing Officer and document controllers. Evaluation of the socialization which informed the name, Mill / Estate section, position, results of the socialization and information, it was known that 17 employees had known about the socialization of GHG calculations. However, no evidence of improvement has been shown to the RSPO Palm GHG, please show the revision in accordance with the auditor's comments and double check for CPO & PK product emissions totaling 447.83 tCO₂e / t product. This is stated not yet fulfilled.

Verification, 14 August 2020.

The company shows the improvement of RSPO Palm GHG calculation for the January - December 2019 period with the following details:

Summary Emission		
Product	tCO ₂ e / tProduct	Action
CPO	1.59	☹
PK	1.59	☹
PKO	0.00	☹
PKE	0.00	☹

Description	Unit	Value	Action	
Oil palm planted on mineral soil	Ha	19942.14	☹	☑
Oil palm planted area on peat	Ha	0.00	☹	☑
Total oil palm planted area	Ha	19942.14	☹	☑
Conservation area (Forested)	Ha	0.00	☹	☑
Conservation area (Non-Forested)	Ha	337.48	☹	☑
FFB Production per hectare	t/ha	7.63	☹	☑
OCR	%	22.39	☹	☑
KER	%	3.56	☹	☑

Mill Emissions and Credits			
Description	tCO ₂	tCO ₂ e/t FFB	Action
Emission Sources			
POME	17641.06	0.12	☹
Fuel Consumption	173.69	0.00	☹
Grid Electricity Utilisation	0.00	0.00	☹
Credits			
Export of Excess Electricity to Housing & Grid	0.00	0.00	☹
Sale of PKS	0.00	0.00	☹
Sale of EFB	0.00	0.00	☹
Total	17814.75	0.12	☹

[illegible]

Based on the explanation above, this non-conformity is declared to have been fulfilled.

Verified by	:	Brigitta Prita
-------------	---	----------------

NCR No.	: 2020.20	Issued by	: Trismadi Nurbayuto
Date Issued	: 12 June 2020	Time Limit	: 23 August 2020
NC Grade	: Critical	Date of Closing	: 19 August 2020
Standard Ref. & Requirement	<p>7.12.4</p> <p>Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p>		
<p>Evidence observed (filled by auditor):</p> <p>The company shows the following evidence:</p> <ul style="list-style-type: none"> - PT PN IV Air Batu did not open any new land after November 2005 - The HCV Assessment Document was carried out in 2011 by PT Surveyor Indonesia, for PTPN IV Air Batu Unit, covering an area of 8,030.41 Ha. The assessment was carried out using the 2008 HCV toolkit led by a lead assessor who has been approved by the RSPO. - The report contains recommendations for HCV management and monitoring: <ul style="list-style-type: none"> • Preparation for sign board construction and installation of each designated HCV location • Planting of soil strengthening plants (verifier / reeds), bamboo on the edge of ravines and river riparian. • Reforestation with tree / woody plants on river riparian, emplacements, afdeling huts • Documentation of activities - Documentation of plans and program realization in 2019, for example the company identifies the HCV sign board in Afdeling 1, HCV locations 1, 4 and 6 (blocks 92 M, 05.A and 94 F) with 2 damaged sign boards and 1 sign board is missing. - The company has shown absence from consultations with the surrounding community regarding the monitoring and management program for HCV areas on December 3, 2019. - The certification unit has not been able to demonstrate the implementation of river riparian management monitoring, for example evaluating the number of woody plants, following up on improving the identification of conditions on the HCV sign board. 			

Non-Conformance Description (filled by auditor):

The company cannot show the results of the management review regarding the management and monitoring program for the HCV area and its implementation.

Root Cause Analysis (filled by organization audited):

1. There is no PIC who is directly responsible for conducting HCV monitoring
2. Lack of understanding regarding HCV monitoring

Correction (filled by organization audited):

1. Designate a PIC who is responsible for conducting HCV monitoring
2. Carry out HCV monitoring in accordance with the program or plan

Corrective Action (filled by organization audited):

1. Socialization of HCV management and monitoring
2. Evaluating the socialization of HCV management and monitoring

Assessor Evaluation and Conclusion (filled by auditor):
Verification, 26 June 2020

The company sent proof of improvement, namely the Decree of the Air Batu Unit Manager Number: ABA / MU / Kpts / 04 / VI / 2020 dated 13 June 2020 regarding the formation of field officers in the implementation of management and monitoring of the HCV sign board related to the RSPO / ISPO assigned to the Air Batu Unit.

Based on the evidence of improvement shown, the Company has not been able to show a management review regarding the HCV area management and monitoring program and its implementation.

Auditor Conclusion

The corrective action documentation is still insufficient, this non-conformity has not been fulfilled.

Verification 13 August 2020

The company sent the HCV area monitoring program document for the 2020 period. The document was informed that in the January-June 2020 period all monitoring programs had been carried out in accordance with the program. However, the company has not shown any evidence that the HCV monitoring program for the January-June 2020 period has been implemented.

Based on the evidence of improvement, the Company has not been able to demonstrate that a management review has been carried out regarding the management and monitoring program for the HCV area and its implementation. Non-conformity to this indicator has not been fulfilled.

Verification 17 August 2020

The company sends plans and the realization of the results of the evaluation of the HCV management and monitoring program during 2019 and the 2020 HCV management and monitoring program.

Based on this evidence of improvement, the Company has shown the results of the evaluation of the implementation of the HCV management and monitoring program in 2019. However, the Company has not been able to show evidence of a management review of the HCV management and monitoring program and evidence of its implementation and Non-conformity to this indicator has not been fulfilled.

Verification 19 August 2020

The company sent a Management Review Meeting related to the 2019 HCV monitoring management program on June 16, 2020. In the minutes of the review meeting it was stated that in connection with the monitoring results it was found that several signboards were missing and damaged, this will be followed up with the implementation of the manufacturing and installation program. The HCV signboard in Afdeling 1 and the company will create a soil strengthening plant planting program and a tree / woody planting plan on the river riparian and afdeling huts.

On evidence of improvement previously verified, the company has sent a HCV management and monitoring program and it has been realized in 2019 as follows:

- Maintenance of signboard
- Maintenance of forest / protected areas by monitoring the state of wild animal species and the intensity of disturbances such as hunting for wild animals
- Socialization of forest conservation areas to workers and the community
- Maintenance and planting of bamboo or trees on cliffs or ravines
- Monitoring the presence of HCV 6 which has an important function for cultural identity and monitoring the condition of the vegetation that has been planted

Auditor Conclusion:

Based on the corrective efforts sent by the Company, this nonconformity has been closed.

Verified by	:	Trismadi Nurbayuto
--------------------	----------	---------------------------

3.4.3. Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment (Onsite)

NCR No.	:	2020.1	Issued by	:	Trismadi N
Date Issued	:	26 October 2020	Time Limit	:	25 January 2021
NC Grade	:	Major / Critical	Date of Closing	:	15 February 2021
Standard Ref. & Requirement	:	1.1.1. Management documents that are specified in the RSPO P&C are made publicly available.			
Evidence observed (filled by auditor): During onsite audit activity sighted that the unit of certification is able to shows several public-available documents as follows: <ul style="list-style-type: none">- Fire fighting simulation on the first semester 2020 to the <i>Satuan Polisi Pamong Praja</i> Asahan Regency dated 2 October 2020.- Manpower online report period of 2020 with number 21272.20201023.0001 dated 23 October 2020.- OHS report on the third quarter 2020 to the Manpower of North Sumatera dated 6 October 2020.- Environment monitoring and management plan realization on the first Semester 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 6 August 2020.- Hazardous and toxic waste management on the third quarter 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 13 October 2020.- Effluent Management on the third quarter 2020 to the Environment Agency of Asahan Regency and North Sumatera Province dated 13 October 2020.- On the OHS report period of I-III quarter 2020 there were no work accident cases reported. While on the work accident record there are 19 work accident cases. However, during the onsite audit there are several compolsury reports that had not been submitted, such as: <ul style="list-style-type: none">- Fire fighting report on the first semester 2020 to the Agriculture Agency of Asahan Regency.- Land use/utilities report year of 2020 to the National Land Agency.- Work accident report year of 2020 to the Manpower and Transmigration Agency of Asahan Regency.					
Non-Conformance Description (filled by auditor): The unit of certification has no been able to show evidence that all reports are publicly available.					
Root Cause Analysis (filled by organization audited): The HR department doesn't understand the requirement for mandatory reporting to the agencies.					
Correction (filled by organization audited): Submit the mandatory reports to the relevant agencies. Conducting the socialization the mandatory reports to the relevant agency.					
Corrective Action (filled by organization audited): Make a reporting schedule for one year.					
Assessor Evaluation and Conclusion (filled by auditor): Verification on 25 January 2021 The management unit shown some evidences, as follows: <ul style="list-style-type: none">• Hazardous waste management and effluent management report on the 3rd quarter of 2019 dated 24 October 2019 to the Environment Agency.• However there is no evidence of land use reporting period of 2020, fire fighting monitoring report, and work accident report.					

This NCR has not been closed.

Verification on 15 February 2021

The management unit shown several evidences as follows:

- Air Batu Estate Manager letter number ABA/MU/Kpts/14/I/2021 dated 25 January 2021 about PIC to conducted mandatory report monitoring.
- Socialization of RKL-RPL reporting to the 5 members dated 27 January 2021.
- Fire fighting monitoring on semester I of 2020 dated 7 July 2020, and also Semester II of 2020 dated 20 January 2021 to the Plantation Agency of Asahan Regency.
- Land use report on semester II of 2020 dated 20 January 2021 to the Land Agency of Asahan Regency.
- Work Accident recapitulation of 2020 report to the Man Power Agency dated 20 January 2021.
- Mandatory report matrix to the relevant agency for period of 2021, such as: Manpower report, fire fighting monitoring, land use report, etc.

Based on above explanation, this NCR has been closed.

Verified by : **Trismadi N**

NCR No.	:	2020.2	Issued by	:	Asystasya Aishah Silalahi
Date Issued	:	26 October 2020	Time Limit	:	ASA-2
NC Grade	:	Minor / Non Critical	Date of Closing	:	
Standard Ref. & Requirement	:	2.1.2 There is a documented system in place to ensure legal compliance. This system has a means to track changes to applicable regulations, and includes a list and evidence of evaluation of legal compliance by all contracted third parties, including: recruitment agencies, service providers and workers			
Evidence observed (filled by auditor): Company uses a third party to carry out several operational activities, such as the transportation of CPO and maintenance in the nursery area. Then, the company shows the evaluation for the contracted third party. Matters that become the criteria for assessment include standard work quality, work completion, and payment to workers. However, the company does not yet have a list and proof of legal compliance by the contracted third parties.					
Non-Conformance Description (filled by auditor): In this regard, the company has not been able to demonstrate a system to ensure legal compliance, including by all contracted third parties.					
Root Cause Analysis (filled by organization audited): The third party has not showed the regulation compliance related to operational activities.					
Correction (filled by organization audited): Third Parties have not been able to demonstrate the consequences and legal compliance.					
Corrective Action (filled by organization audited): Will ensure all third parties comply with applicable laws in the company.					
Assessor Evaluation and Conclusion (filled by auditor): Verification on 22 January 2021 The company shows proof of improvement in the form of an Agreement Letter between PTPN IV and PT Wahana Adidaya Pertiwi with agreement number 04.05 / S.Perj / 10 / I / 2020 issued on January 17, 2020. In addition, there is also a document on the technical requirements for the transportation of CPO No. 04.09 / PPABE / MS / 02 / XI / 2019					

which describes the transporter's obligations, sanctions, and other requirements including to comply with applicable government regulations.

However, companies need to answer the auditor's questions contained in the root cause analysis, corrections, and corrective actions section. Thus, the nonconformity No. 2020. 2 has not been fulfilled.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	: 2020.3	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 26 October 2020	Time Limit	: ASA-2
NC Grade	: Minor / Non Critical	Date of Closing	:
Standard Ref. & Requirement	2.2.2 All contracts, including contracts with FFB suppliers, have separate clauses regarding the fulfillment of relevant legal obligations, and can be proven by the third party concerned		
Evidence observed (filled by auditor): Based on field observation to nursery area, it is known that there are 5 contractor workers. Based on interviews with maintenance workers in the nursery area, it is known that workers do not have a work agreement with the vendor, the monthly wage is Rp. 2,200,000 (below the provincial minimum wage. Minimum wage of North Sumatera Province year 2020 is Rp. 2,499,031), and has not been included in the social insurance program. Third parties through the company have also not been able to show proof of compliance with regulations, for example: payment of contractor workers' wages, examples of work agreements, and BPJS membership.			
Non-Conformance Description (filled by auditor): Based on this explanation, it is known that the contractor has not been able to show evidence of fulfilling the relevant legal obligations, for example regarding the fulfillment of wages according to the minimum wage, has been included in the BPJS program, contractor workers have work agreements, and other relevant regulations.			
Root Cause Analysis (filled by organization audited): Workers in the nursery area have not been included in the BPJS program by a third party (contractor).			
Correction (filled by organization audited): There is no proof of payment related to participation in the BPJS for workers in the nursery area			
Corrective Action (filled by organization audited): Maintenance workers in the nursery area have been included in the BPJS program by a third party, accompanied by proof of payment.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 22 January 2021 The company provides proof of improvement in the form of proof of payment of Worker Insurance of Tri Bina Karya for the November 2020 period and Worker Insurance of Angkasa payment for the December 2020 period. However, there are still further questions for the evidence correction that have been sent, namely: <ul style="list-style-type: none"> - Please explain what activities Tri Bina Karya BHL works for. - Please explain what BHL "Angkasa" works for. In addition, companies need to answer auditors' questions contained in the root cause analysis, corrections, and corrective actions section. Thus, the nonconformity No. 2020. 3 has not been fulfilled.			
Verified by	: Asystasya Aishah Silalahi		

NCR No.	: 2020.4	Issued by	: Trismadi N
Date Issued	: 26 October 2020	Time Limit	: 25 January 2021
NC Grade	: Major /Critical	Date of Closing	:
Standard Ref. & Requirement	: 3.4.3 The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.		
<p>Non-Conformance Description & Evidence observed (filled by auditor):</p> <ul style="list-style-type: none"> • The company already has an Environmental Evaluation Document (DELH) for the activities of the Plantation and Palm Oil Mill of PT. Perkebunan Nusantara IV Unit Air Batu with an area of 7,877.75 hectares with locations in Air Batu and Tinggi Raja Districts, Asahan District, North Sumatera Province. • Based on the Decree of the Head of the Environmental Service of Asahan Regency Number 660.1 / 786 / LH / 2019 concerning the Environmental feasibility of oil palm plantation and mill activities in Air Batu and Tinggi Raja Districts, Asahan Regency, North Sumatera Province by PTPN IV Air Batu Business Unit on May 21, 2019 It is known that one of the company's obligations that must be fulfilled is to carry out environmental management and environmental monitoring as stated in the approved environmental documents (RKL-RPL), in accordance with the provisions of laws and regulations. • Based on the DELH document, the matrix of PTPN IV PT Air Batu's plantation environmental management and monitoring plans for business / activities and palm oil mill that must be carried out includes: <ul style="list-style-type: none"> a. Air quality and odor b. Increased noise c. Decreased surface water quality d. Decreased groundwater quality e. Decreased diversity of flora and fauna f. Open job opportunities and business opportunities g. Increase in people's income and local economy h. Changes in community perceptions and attitudes i. Public health disorders. j. Disruption of security and order k. Increased potential for land fires l. Increased waste and toxic and hazardous waste • Based on the results of the study on the implementation documents of the RKL / RPL of the s Unit Semester I of 2020, it is known that there are several types of environmental impacts that have not been carried out environmental monitoring, such as: <ul style="list-style-type: none"> a. Decreased diversity of flora and fauna b. Changes in community perceptions and attitudes c. Public health disorders. d. Disruption of security and order e. Increased potential for land fires f. Increased waste and toxic and hazardous waste. <p>Non-Conformance Description (filled by auditor): Based on this, the company has not carried out environmental monitoring in accordance with the established RKL-RPL matrix.</p> <p>Root Cause Analysis (filled by organization audited): The officers still do not understand that the preparation of environmental monitoring in the RKL-RPL must refer to a predetermined matrix.</p>			

Correction *(filled by organization audited):*

Send the revised RKL-RPL implementation report to the Environment Agency.

Corrective Action *(filled by organization audited):*

- Socialization of RKL-RPL Preparation and Reporting in Accordance with PERMEN LHK NO. 45 Year 2005.
- Evaluation of the socialization of the RKL RPL report
- Monitoring SDM Assistant reports on each RKL RPL Report from PPD.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification Auditor on 21 January 2021

The company has sent proof of improvement as follows:

- Report on the implementation of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) Semester 1 of 2020. Based on the results of auditor verification, all aspects that are managed and monitored are in accordance with the Environmental Document Matrix, namely the Environmental Evaluation Document (DELH).
- Root cause analysis, correction and corrective action.

However, there are still auditors' notes related to root cause analysis, corrections and corrective actions, so that the Non-Conformance in this indicator are declared Unfulfilled.

Verification Auditor on 15 February 2021

The company has sent proof of improvement as follows:

- Root cause analysis, corrections and corrective actions that have been corrected.
- Evidence of Reporting Revision of the RKL / RPL Report for Semester 1 of 2020 to the Asahan Regency Environmental Service on November 24, 2020.
- Minutes of Socialization of the reporting system, environmental monitoring and identification of training needs to 5 participants consisting of Plantation Personnel Assistants, APK Clerk, and 3 Document Control Officers which were conducted on January 27, 2021.
- Recapitulation of training evaluation / socialization of the reporting system, environmental monitoring and identification of training needs with the conclusion that participants are successful in understanding the socialization of the environmental monitoring reporting system.
- Decree of the Manager of the Plantation / Mill Air Batu Number ABA / MU / Kpts / 01 / VI / 2020 regarding a special officer who is responsible for monitoring the RKL-RPL report related to the RSPO-ISPO Kebun / Air Batu Factory on 13 June 2020 which assigns officers specifically responsible for monitoring the RKL-RPL report is the Plantation Personnel Assistant.
- The results of monitoring the RKL-RPL report for Semester 1 of 2020 by the Plantation Personnel Assistant. Based on the results of monitoring the RKL-RPL Semester 1 2020 report is in accordance with the RKL-RPL matrix.

Based on the evidence of improvement that has been sent, the non-conformity on this indicator is declared to have been fulfilled and will be re-observed in the next assessment.

Verified by : **Trismadi N**

NCR No.	: 2020.5	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 26 October 2020	Time Limit	: 25 January 2021
NC Grade	: Major/ Critical	Date of Closing	: 15 February 2021
Standard Ref. & Requirement	: 3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		

Evidence observed (filled by auditor):

1. The certification unit has compiled a HIRAC Form for agronomy aspect which includes activities for harvesting FFB, budding, fertilizing, chemical dishes, loading FFB, handling people with symptoms of COVID-19, preventing transmission of COVID-19, uprooting wood tiller, harvesting under the electricity grid, road maintenance, operation of a water pump machine, load FFB into baskets, transfer FFB, unload FFB, transfer FFB using along - along.
2. Based on field observations and verification of the HIRAC Form documents for Estate and Mill locations show that there are still activities that have not identified potential hazards and risks but are not limited to activities: pruning and global telling under the power grid, activities in rinse houses, work tools storage in employees' houses, loading CPO into CPO hauling trucks and protection of rotating parts of machines.

Non-Conformance Description (filled by auditor):

The certification unit has not been able to show sufficient evidence that it has carried out a comprehensive identification of risks and hazards to OHS problems in the operational area.

Root Cause Analysis (filled by organization audited):

OHS experts do not yet understand the entire work risk identification process.

Correction (filled by organization audited):

- Performing Risk Identification of All Work
- Socializing risk identification to all jobs

Corrective Action (filled by organization audited):

- Provide understanding to officers on how to prepare documents of potential risks and hazards in the work area.
- HIRAC monitoring.
- Annual evaluation of HIRAC documents to ensure that all operational activities have identified potential hazards and risks.

Assessor Evaluation and Conclusion (filled by auditor):
Verification on January 25, 2021

The certification unit has shown evidence of improvement in the form of a HIRAC document which was evaluated on November 11, 2020. Several points were evaluated, including: pruning and global telling under the power grid, activities in rinse houses, work tools storage in employees' houses, loading CPO into CPO hauling trucks and protection of rotating parts of machines.

Based on the foregoing, the non-conformity is declared unfulfilled because the certification unit must first revise the root cause analysis, corrective action and corrective action.

Verification on February 15, 2021

The certification unit has carried out an evaluation of the root cause analysis, corrective action and corrective action so that non-conformities are declared fulfilled by the observation notes in the next assessment.

Verified by : Yudhi Yuniarto Tallutondok

NCR No.	:	2020.6	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	26 October 2020	Time Limit	:	25 January 2021
NC Grade	:	Major/ Critical	Date of Closing	:	15 February 2021
Standard Ref. & Requirement	:	3.7.1 A documented programme that provides training is in place, which is accessible to all staff, workers, scheme smallholders, and outgrowers taking into account gender-			

	specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training
Evidence observed (filled by auditor): <ol style="list-style-type: none"> 1. The certification unit already has a training program in 2020, for example: plants, administration and general human resources, but there is no operator training program for mill. 2. Based of field observations known that the certification unit has a generator engine with a capacity of 265 kVA/284.18 HP and a turbine engine with a capacity of 800 kW/1072.38 HP. 3. Based on field observations at Capstan Station show that there are lifting operators for the Crane Grapple type. 4. Based on interviews with <ol style="list-style-type: none"> a. Engine room operator with the initials SG does not yet have a license and the operator with the initials SN has expired and is in the extension stage at the <i>Dirjen Binwasnaker dan Kementerian Ketenagakerjaan R. I.</i> b. The boiler operator's license has expired. c. The management acknowledged that the company did not yet have an OHS Electric Expert and Grapple Crane Operator license. 5. <i>Permenaker</i> No. 12 of 2015 Article 7 states that companies that have power plants of more than 200 (two hundred) kilo Volt-Ampere are required to have an OHS Expert in the Field of Electricity. 6. <i>Permenaker</i> No. 1 of 1988 concerning Qualifications and Requirements for Boiler Operators. Annex 1 explains that a company that has a boiler with a capacity of > 20 tons / hour - <40 tons / hour is required to have class I operator and class II operator. 7. <i>Permenakertrans</i> No. 9 of 2010 concerning Operators and Officers of Lifting Equipment. Article 5 states that lifting equipment must be operated by operator who has an OHS license and a workbook according to its type and qualifications. 	
Non-Conformance Description (filled by auditor): Certification unit has not been able to show sufficient evidence that it has identified the training needs for all employees according to the RSPO principles and criteria.	
Root Cause Analysis (filled by organization audited): The HR department does not yet understand the identification and preparation of employee training needs.	
Correction (filled by organization audited): Identify training needs in 2021 with No: ABA / 04.07 / 8 / I / 2021 dated January 28, 2021 by adding training for OHS Electrical experts and Crane Grapple operators	
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Conducting socialization / re-education to officers regarding the procedures for identifying training needs for employees. • Monitor and evaluate employees who have a license as an operator and also for employees who do not have an operator license and OHS Electricity. 	
Assessor Evaluation and Conclusion (filled by auditor): Auditor Verification January 25, 2021 The company sends proof of repair as follows: <ol style="list-style-type: none"> 1. Letter from the Air Batu Unit Manager with number ABA / 04.11 / 40 / I / 2020 dated January 10, 2020 regarding Employee Training Needs in 2020. 2. 2020 Training Priogram covering several aspects, including: General HR, Processing, Plants, Administration, Workshop, Warehouse, RSPO and ISPO. <p>Based on the foregoing, the non-conformity is declared unfulfilled because the company must first:</p> <ol style="list-style-type: none"> 1. Revise root cause analysis, corrective action and corrective action 2. Revise the training program because what is being provided is the 2020 training program. 	

3. Provide evidence and explain related machine room operators with the initials SG do not have a license, machine room operators with the initials SN have expired their license, boiler operators have expired their licenses, as well as Crane Grapple operator licenses and K3 Electricity Experts that are not yet owned by company.

Based on the foregoing, the non-conformity is declared unfulfilled.

Auditor Verification February 15, 2021

Certification unit shows evidence of improvement as follows:

- Memo from the Head of Human Resources with number 04.07 / ABA / M-228 / I / 2021 regarding the implementation of training in 2021.
- Letter from the Air Batu Unit Manager with number ABA / 04.07 / 8 / I / 2021 dated January 28, 2021 regarding Employee Training Needs in 2021.
- Letter from the Director General of Labor Inspection and OHS number 5/966 / AS.02 / III / 2020 dated 30 March 2020 concerning suppression of OHS guidance activities (until an undetermined time limit).
- Monitoring training in 2021 Air Batu Business Unit.
- Socialization of the Identification of Air Batu Unit Training Needs.
- Monitoring of operators and/Employee Expertise Certificate for the first semester of 2021. The document explains that there are 5 employees who are still in the process of extension and training proposal.

Based on the foregoing, the non-conformity is declared fulfilled by observation notes in the next assessment.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2020.7	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 26 October 2020	Time Limit	: 25 January 2021
NC Grade	: Major/ Critical	Date of Closing	: 15 February 2021
Standard Ref. & Requirement	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.		

Evidence observed (filled by auditor):

During the audit activity, several evidences are shown as follows:

- Certification Unit shows the salary slip and attendance documents of boiler operator, engine room operator and security for the period of August 2020.
- The auditors simulate the calculation of overtime pay based on *Kepmenakertrans* No. 102/2004 with the following results

Employee Initials	Section	Overtime Paid	Auditor Simulation Results	Variance
AP	Boiler	IDR 2,773,411	IDR 2,718,759	+ IDR 54,651.62
SN	Engine Room	IDR 2,920,605	IDR 2,519,645	+ IDR 400,959.29
SK	Estate Security	IDR 2,690,249	IDR 2,578,489	+ IDR 111,759.79
MT	Mill Security	IDR 2,158,564	IDR 2,666,071	- IDR 507,507.56

Non-Conformance Description (filled by auditor):

The CH has not been able to show that the wages for employees who work over working hours are in accordance with applicable regulations.

Root Cause Analysis (filled by organization audited):

The unit does not understand the procedures for calculating overtime, premiums and performance incentives.

Correction (filled by organization audited):

Conducting outreach on the procedure for calculating and providing overtime, premiums and performance incentives to the first administration in all divisions

Corrective Action (filled by organization audited):

Monitor the calculation of overtime, premiums and performance incentives by the HR, General and Security Division (the PIC is the Plantation Personnel Assistant and Administrative Assistant).

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification January 25, 2021

Certification unit sends proof of improvement, among others: Decree of the Governor of North Sumatra number 188.44 / 674 / KPTS / 2019 concerning the Determination of the Minimum Wage for the Province of North Sumatra.

Based on the foregoing, the non-conformity has not been fulfilled because there is not enough evidence shown by the company to fulfill the non-conformity. In addition, the company must first revise the root cause analysis, corrective actions and corrective actions in accordance with the auditor's comments.

Auditor Evaluation February 15, 2021

Certification unit sends proof of repairs, including:

1. Minutes of dissemination of calculation and provision of overtime as well as work / attendance incentives which will be held on November 17, 2020 at the Taman Air Batu meeting room.
2. Mill security salary slip with the initials MT for the period November and December 2020.
3. Calculation results for mill security overtime for the period November and December 2020.
4. Attendance and working hours of mill security for the period November and December 2020.

Based on the simulation results of employee overtime calculations for the period November and December 2020, it is known that the calculation of overtime is in accordance with the applicable regulations so that the discrepancy is declared to have been fulfilled with the observation note in the next assessment

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2020.8	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 26October 2020	Time Limit	: ASA-2
NC Grade	: Minor/Non Critical	Date of Closing	:
Standard Ref. & Requirement	6.7.2. Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed		
Evidence observed (filled by auditor):			
1. Hydrant			
a. Based on document verification of the Hydrant Inspection documents on September 30, 2020, found that the equipment was in good condition (there were no leaks) and ready for use.			
b. Based on field observations in the fire extinguisher simulation activities at the Seed Station indicated that the Hydrant was in an unusable condition.			
c. The unit of certification shows the procedures for handling emergency and post-emergency situations No. 4.3.16. December 14, 2013.			
2. First aid kit			
a. Based on verification of document first aid kit inspection show that all first aid kits are complete and ready to use			

b. Based on field observations at the Sterilizer Station revealed that the first aid kit was empty. c. Based on field observations at the pump machine show that the first aid kit only contains alcohol. d. Based on field observations at Capstan Station showed that there was no monitoring of the completeness of the contents of the first aid kit. e. Based on field observations on Block 19M found that the contents of the first aid kit were incomplete (no aquadest and eye wash glasses)	
3. Fire Extinguisher Based on field observations in the mill operational area show that the installation of fire extinguisher is not suitable in several places, for example (but not limited to):	
a. Seed Mill Station : 3 units. b. Clarification Stations : 2 units. c. Chain Station : 4 units. d. Core Warehouse : 1 unit. e. Workshop : 1 unit.	
Non-Conformance Description (filled by auditor): 1. The certification unit has not been able to demonstrate that fire control facilities are available in accordance with applicable regulations. 2. The certification unit has not been able to show evidence that it has provided adequate first aid facilities in the operational area	
Root Cause Analysis (filled by organization audited):	
Correction (filled by organization audited):	
Corrective Action (filled by organization audited):	
Assessor Evaluation and Conclusion (filled by auditor):	
Verified by :	

NCR No. :	2020.9	Issued by :	Yudhi Yuniarto Tallutondok
Date Issued :	26 October 2020	Time Limit :	25 January 2021
NC Grade :	Major/Critical	Date of Closing :	15 February 2021
Standard Ref. & Requirement :	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		
Evidence observed (filled by auditor): a. The results of field observations and interviews with mill employees (4 people) and estate employees (4 people) revealed that the employees used PPE (shoes) that they bought themselves. It was further explained that the last PPE was given by the company in 2019. b. The results of the verification of the PPE Handover show that the last PPE was given on October 15, 2020. c. Manpower Ministry Regulation No. 8/2010 Article 2 states that company are required to provide PPE for workers / laborers in the workplace free of charge.			
Non-Conformance Description (filled by auditor): The CH has not been able to show evidence that it has provided PPE free of charge to all workers in the workplace			

which includes all operations.

Root Cause Analysis (filled by organization audited):

- There are still employees and related officers who do not understand the mechanism for replacing damaged PPE.
- Has not checked / inspected the appropriateness of the PPE used by employees.

Correction (filled by organization audited):

- Establish procedures for PPE eligibility checks and PPE replacement and appoint a PIC who is responsible for conducting PPE eligibility checks.
- The company provided replacement PPE to employees in January 2021
- The company socialized the mechanism for checking and replacing PPE on January 28, 2021

Corrective Action (filled by organization audited):

- Make PPE monitoring routinely
- Ensuring the availability of PPE stock in the warehouse as a replacement for PPE that has been damaged due to work.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification January 25, 2021

Certification unit shows evidence of improvement as follows:

1. Recapitulation of the need for personal protective equipment (PPE) in 2019 Air Batu.
2. Goods Cover Letter with number ABA / 34 / X / 2019 dated 12 October 2019 with the types of goods including 119 pairs of safety shoes.
3. Goods Cover Letter with number ABA / 35 / X / 2019 dated 12 October 2019 with the types of goods including safety helmets, masks, welding masks, and rubber gloves.
4. Goods Cover Letter with number ABA / 36 / X / 2019 dated 12 October 2019 with the types of goods including leather gloves, sunglasses, and welding glasses.
5. Receipt of PPE 2019 in each division on October 15, 2019.

Based on the foregoing, the non-conformity has not been fulfilled because there is not enough evidence shown by the company to fulfill the non-conformity. In addition, the company must first revise the root cause analysis, corrective actions and corrective actions in accordance with the auditor's comments. The company is also in order to explain the actions taken if the PPE given to employees has been damaged before the PPE is given back.

Auditor Verification February 15, 2021

Certification unit shows evidence of improvement as follows:

- Mechanism for changing personal protective equipment number ABA / SE / 01 / I / 2021 dated January 29, 2021.
- Letter from the Unit Manager with number ABA / M / 01 / I / 2021 dated January 29, 2021 concerning Request for Personal Protective Equipment (PPE).
- Socialization of the PPS Replacement Mechanism which will be held on January 28, 2021 at the Air Batu PKS Area.
- Memo from the Manager of Air Batu with number ABA / M- / 5/01/2021 dated 29 January 2021 regarding the distribution PIC and the mechanism for changing PPE.
- Receipt of PPE for 2021 in each office.

Based on the foregoing, the non-conformity is declared fulfilled by observation notes in the next assessment.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No. : **2020.10**

Issued by : **Trismadi N**

Date Issued	: 26 October 2020	Time Limit	: ASA-2
NC Grade	: Minor/Non Critical	Date of Closing	:
Standard Ref. & Requirement	7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and paraquat, are not to be used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: a. Judgment of the threat and verify why this is a major threat. b. Why there is no other alternative which can be used. c. Which process was applied to verify why there is no other less hazardous alternative. d. Process to limit the negative impacts of the application. Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.		
Non-Conformance Description & Evidence observed (filled by auditor): 1. The certification unit was showing Director Letter number 04.04/SE/18/X/2016 dated 14 October 2016 about: prohibited active pesticide (Category WHO 1A&1B, paraquat). That letter was addressed to the group manager District I-IV) and all managers cc: Director, Internal Superintendent, and Planning Division. 2. Based on data from the pesticide used in 2020, it's known that there is the use of chemical with active ingredient paraquat amount 79.50 liter. Then based on field observation to the chemical warehouse, it's known that there is still paraquat stock, on the packaging information that the production date are July 30, 2020.			
Non-Conformance Description (filled by auditor): Based on the description above, it is known that the certification unit uses pesticides that are listed in the World Health Organization (WHO) Class 1A or 1B or are included in the Stockholm Conventions or Rotterdam, as well as paraquat, are not in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2020.11.	Issued by	: Trismadi N
Date Issued	: 26 October 2020	Time Limit	: 25 January 2021
NC Grade	: Major/Critical	Date of Closing	: 1 March 2021
Standard Ref. & Requirement	7.2.6. Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see criterion 3.6.). personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they conduct.		

	<p>Non-Conformance Description & Evidence observed (filled by auditor):</p> <ol style="list-style-type: none"> 1. Based on pesticide used data in 2020, it is known that there are 79.50 liters of chemicals with active ingredients of paraquat. Then based on the results of field observations to the chemical warehouse, it is known that there are still a number of paraquat, on the packaging there is information on the production date: July 30, 2020. 2. The unit of certification shows limited pesticide certificates for 8 people as follows: STN (Division VI), BOI (Division VIII), SPR (Division I foreman), MSM (Division IX foreman), ROS (Division V foreman), SRY (Division III foreman), SDR, MST (Division IV). 3. Based on the results of field visits to the nursery area, it was found that there was residual use of paraquat, where the results of the interview explained that the applicator was a contractor employee a.n. BDM (does not have a limited pesticide applicator certificate). 4. Based on the results of the employee list document review, it was found that there were > 20 pesticide applicators at Air Batu Estate. <p>Non-Conformance Description (filled by auditor): The unit of certification has not been able to show evidence that the pesticide applicators been followed training from pesticide commissions.</p>
	<p>Root Cause Analysis (filled by organization audited):</p> <ul style="list-style-type: none"> - Lack of understanding of contractors in the applicatio of pesiticedes.
	<p>Correction (filled by organization audited):</p> <ul style="list-style-type: none"> - Socializing the limited pesticide (paraquat) application procedure to the all contractors. - Memo from Head of Plant Department number 04.07/ABA/M-379/II/2021 about training program for the paraquat applicators.
	<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> - Paraquat application monitoring to ensure that all applicator been trained. - Paraquat applicators training program
	<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification on 25 January 2021 The unit of certification shown minute of spraying training and fertilizer training on 14 November 2019 to 11 members. However there are no evidences that the paraquat applicator been training by the Pesticide Commission of North Sumatera Province. This NCR has not been closed.</p> <p>Verification on 15 February 2021 The unit of certification shown several evidences, as follows:</p> <ul style="list-style-type: none"> • HR Assistant number ABA/SDM/127/XI/2020 dated 12 November 2020 to the all Afdeling Assistant, regarding: temporary assignment of pesticide applicators. • 20 spraying contractors monitoring and evaluation dated 8 December 2020. • Air Batu Estate Manager letter number ABA/X/2A/XI/2020 dated 12 November 2020 to the CV Tri Bina Karya, regarding OHS laws and certified paraquat applicator regulation. • There are 9 person been obtaine the limited pesticide (paraquat) application certificate from Pesticide Commision of Sumatera Utara Province. However there is no evidences that all of spraying team been certified. <p>Based on above explanation, this NCR has not been closed.</p> <p>Verification on 1 March 2021 The unit of certification shown several evidences, such as:</p> <ul style="list-style-type: none"> • Head of Plant Department Memo with number 04.07/ABA/M-379/II/2021 dated 19 February 2021 to the Air

<p>Batu Estate Manager, regarding: application for limited pesticide applicator training. There are 11 workers from Air Batu Estate will be trained the limited pesticide applicator training from Pesticides Commissions of Sumatera Utara Province. The training will be conducted immediately, after Pandemic are improving.</p> <ul style="list-style-type: none"> Limited pesticide applicator training program on October 2021 signed by HR Assistant and Estate Manager. <p>Based on above explanation, this NCR has been closed.</p>	
Verified by	: Trismadi N

NCR No.	: 2020.10	Issued by	: Trismadi N
Date Issued	: 26 October 2020	Time Limit	: ASA-2
NC Grade	: Minor/Non Critical	Date of Closing	:
Standard Ref. & Requirement	7.3.1 A Waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.		
<p>Non-Conformance Description & Evidence observed (filled by auditor):</p> <ul style="list-style-type: none"> SOP for the management of hazardous and toxic waste no. SPO 02, revision 3, published date January 2, 2017, which states that all hazardous and toxic waste and former hazardous and toxic packaging produced cannot be used for other purposes and must be immediately (maximum 1 week) submitted to the Temporary Storage of Hazardous and Toxic Waste with the permission. The company has a permit for the Temporary Storage of Hazardous and Toxic Waste based on the Decree of the Regent of Asahan number 503 / LB3 / DPMPPTSP / 0010 / XI / 2018 dated November 13, 2018 and is valid for 5 years. The results of the field visit to the WWTP pond found that there were jerry cans of pesticide packaging in a damaged condition that had been stored in the pump room for a long time and there were jerry cans of pesticide packaging used as trash cans. The results of the field visit to the Air Batu PKS Workshop contained used lamps, used paint packages and containers contaminated with hazardous and toxic materials that had not been submitted to the Temporary Storage for Hazardous and Toxic Wastes and there was the use of used chemical packaging used as used oil storage containers. The results of the field visit to the Nursery Warehouse revealed that there were used paint cans and used Knapsack that had not been submitted to the Temporary Storage for Hazardous and Toxic Wastes and there were used Pertamina drums which were used for mixing chemicals. The results of the field visit to the Final Garbage Disposal Site in Block 09 AR Afdeling VIII showed that there were traces of "Mesran" oil packaging at the Inorganic landfills. <p>Non-Conformance Description (filled by auditor): Based on this evidence, the company has not carried out hazardous and toxic waste management according to its procedures.</p>			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			

Verified by	:	
--------------------	---	--

NCR No.	:	2020.11	Issued by	:	Trismadi N
Date Issued	:	26 October 2020	Time Limit	:	ASA-2
NC Grade	:	Minor/Non Critical	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">• SOP for Household Domestic waste Management with No.SPO 20 No. Revision 02 dated January 2, 2015, which states that each employee collects his / her trash in the trash can provided and cleans the surrounding yard. Waste disposal by sorting organic and inorganic waste.• The results of the field visit to the Afdeling III housing note that there are trash bins provided and have separated organic and inorganic waste.• The results of the field visit to the Afdeling III Housing showed that there were piles of domestic waste and burn marks.• Based on the results of interviews with residents of Afdeling VII housing, it is known that domestic waste is collected next to the house by making holes and then burning it.• Based on the results of field visits to the Block 06 A Afdeling IX river border area, it was found that there were piles of domestic waste in the riverbank area and in the river flow.					
Non-Conformance Description <i>(filled by auditor):</i> <p>Based on this explanation, the company has not been able to show evidence that the waste disposal is in accordance with procedures that are fully understood by workers.</p>					
Root Cause Analysis <i>(filled by organization audited):</i>					
Correction <i>(filled by organization audited):</i>					
Corrective Action <i>(filled by organization audited):</i>					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verified by	:				

<i>NCR No.</i>	:	2020.12	<i>Issued by</i>	:	Trismadi N
<i>Date Issued</i>	:	26 October 2020	<i>Time Limit</i>	:	ASA-2
<i>NC Grade</i>	:	Minor/Non Critical	<i>Date of Closing</i>	:	
<i>Standard Ref. & Requirement</i>	:	7.3.3 The unit of certification does not use open fire for waste disposal			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i> <ul style="list-style-type: none">• The results of a field visit to the final waste disposal area in Block 08 M Afdeling III, it is known that domestic waste management carried out by the company is by separating organic and inorganic waste.• The results of the field visit to Afdeling III Housing show that the company has provided trash bins for employee housing, namely organic and inorganic bins.					

- The results of the field visit to the Afdeling III Housing found that there were piles of domestic waste and burn marks behind the employee's housing.
- The results of the field visit to the Air Batu POM area revealed that there were 2 waste burning spots behind the hazardous waste warehouse and around the WTP station.
- The results of the field visit to Afdeling VII revealed that there were burn marks behind the Fertilizer Warehouse.
- The results of the field visit to Landfills Afdeling VII found traces of burning waste at inorganic landfills.
- The results of the field visit to the Afdeling VII housing estate show that there are 2 spots where the waste was burned.

Non-Conformance Description (filled by auditor):

Based on this evidence, the company has not been able to show evidence of not using open burning for waste disposal.

Root Cause Analysis (filled by organization audited):
Correction (filled by organization audited):
Corrective Action (filled by organization audited):
Assessor Evaluation and Conclusion (filled by auditor):

Verified by

:

NCR No.	:	2020.13	Issued by	:	Trismadi N
Date Issued	:	26 October 2020	Time Limit	:	ASA-2
NC Grade	:	Minor/Non Critical	Date of Closing	:	
Standard Ref. & Requirement	:	7.8.1 A water management plan is available and is implemented to support efficient use of water sources and continuous availability and avoid negative impacts on other users in the catchment. The plan referred to contains the following matters: a. The unit of certification does not limit access to clean water or does not pollute the water used by the community. b. Workers have adequate access to clean water			
Non-Conformance Description & Evidence observed (filled by auditor): <ul style="list-style-type: none">• The company has a River Border Management Mechanism with No.SPO 05 revision 02 effective date 02 January 2015 which explains that on riverbanks that have been planted with oil palm, the vegetation should be maintained by striving for vegetation growth in the riparian area by prohibiting spraying with chemicals.• Based on interviews with management representatives, it is known that the management of the riverbank area carried out by the company includes making spraying boundary marks on the riverbank area and prohibiting spraying of chemicals.• Based on the results of field visits to the Sei Kampak river border area in Block 06 A Afdeling IX, it is known that there have been traces of chemical spraying in the riverbank area.					
Non-Conformance Description (filled by auditor): <p>Based on this evidence, the company has not carried out river border management in accordance with its procedures.</p>					
Root Cause Analysis (filled by organization audited):					

<i>Correction (filled by organization audited):</i>	
<i>Corrective Action (filled by organization audited):</i>	
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>	
<i>Verified by</i>	:

NCR No.	:	2020.14	Issued by	:	Trismadi N
Date Issued	:	26 October 2020	Time Limit	:	ASA-2
NC Grade	:	Minor/Non Critical	Date of Closing	:	
Standard Ref. & Requirement	:	7.8.4 Mill water use per tonne of FFB is monitored and recorded.			
Non-Conformance Description & Evidence observed (filled by auditor): <ul style="list-style-type: none"> The company shows the recorded data on water use for processing FFB in the period of July 2020 as much as 23,381 M3; August 2020 as many as 23,077 M3 and September 2020 as many as 24,518 M3. The results of the field visit to the WTP station show that there are 3 water pump machines. 1 pump for housing and the flow meter is functioning properly. Meanwhile, the 2 pumps for the flow meter processing process are damaged and not functioning. Based on a field visit to the Hesa pump engine room (water inlet), it was found that there were 4 pump engines. 3 pumps for PKS and 2 flow meters are damaged. 1 pump for the flow meter housing is damaged. 					
Non-Conformance Description (filled by auditor): Based on this evidence, the company has not been able to show evidence of the amount of calculation of water use for processing accurately.					
<i>Root Cause Analysis (filled by organization audited):</i>					
<i>Correction (filled by organization audited):</i>					
<i>Corrective Action (filled by organization audited):</i>					
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>					
<i>Verified by</i>	:				

NCR No.	:	2020.15	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	26 October 2020	Time Limit	:	ASA-2
NC Grade	:	Minor/Non Critical	Date of Closing	:	
Standard Ref. & Requirement	:	7.11.3 The unit of certification engages stakeholders in adjacent locations for fire prevention and control measures.			
Evidence observed (filled by auditor): -					

Non-Conformance Description (filled by auditor):

The unit of certification has not been able to show evidence that it has involved neighboring stakeholders in fire prevention and control efforts.

Root Cause Analysis (filled by organization audited):**Correction** (filled by organization audited):**Corrective Action** (filled by organization audited):**Assessor Evaluation and Conclusion** (filled by auditor):**Verified by**

:

3.4.4. Opportunity for Improvement

No	Ref.	Description
1	2.1.1	Ensure and follow up the process of extending the water resources utilization permit.
2	2.1.3	Improve the monitoring of HGU stakes according to the HGU map that is owned
3	3.7.3	Increase the understanding of weigh bridge operator regarding SCCS
4	5.1.1 – 5.1.4, 5.1.8	Maintain communication with all farmers (Independent Smallholders and Smallholders) and support smallholders to carry out RSPO certification
5	5.2.3	Provide support to farmers to fulfill the legality of FFB production
6	5.2.1-5.2.2; 5.2.5	Conducting consultation and outreach and publicly reporting the progress of support to smallholders to be interested in joining RSPO certification.
7	7.2.7.	Based on field observation to the chemical warehouse sighted that the air circulation once there is covered by the board, the unit of certification to be consider to re-circulating it

3.4.5. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	The company's commitment to managing oil palm plantations in a sustainable manner.
2	-	Good cooperation from the certification unit during the audit activity.

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environmental Agency of Asahan Regency <ul style="list-style-type: none"> - The company has reported mandatory reports to the Environment Agency such as management and environmental plans (RKL-RPL), Mill Effluent Monitoring Reports and Hazardous and Toxic waste Management Reports. - Hazardous and Toxic waste temporary storage Permit and Mill Effluent Permit are still valid. - During 2020 there were no environmental issues carried out by the company. - There were no problems related to land fires during 2019-2020. 	<p>This has been quite clear and there are explanations in each of the related indicators.</p>
Plantation Agency of Asahan Regency <ul style="list-style-type: none"> - Company already achieves plantation class with rank B. - Company has reported plantation business report to Plantation agency regularly. - Company also implement CSR and reported in plantation business report. - There is no complaint from surrounding village regarding operational activity of PTPN IV Air Batu. 	<p>Auditor has verified related to legal, social, and best practice aspect.</p>
Gender Committee <ul style="list-style-type: none"> - There is socialization related to woman worker rights and sexual harassment in the year of 2019. - There is no issue related to child worker, discrimination, human rights violence, or sexual harassment. - Company gives special time for female worker to breastfeeding. - Company gives menstrual leave (2 days) and giving birth leave (3 months) for all female worker. - There are no sexual harassment issues during last year. - Majority the woman workers with age above 40 years old. 	<p>Auditor has verified related to reproductive rights for woman worker aspects</p>
Worker Union <ul style="list-style-type: none"> - Worker union has been registered to Manpower Agency with period 2019 to 2024. - There is an agreement about minimum wage between worker union and management of PTPN IV - Company provides work and health insurance for all workers 	<p>Auditor has verified related to worker welfare and OSH implementation aspects</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> - There are no employment issues in the company, for example related to the use of child labor, employee harassment issues, or discrimination - There are one case of industrial relation conflict resolution in the year of 2020. - Quarterly internal meeting was conducted in the year of 2019. However the latest meeting was conducted on October 2020, due to Covid-19 pandemic. - The promotion is in accordance to the Key Performance Indicator assessment. - The electricity on the emplacement are from national grid. - The clean water for bath and wash are from well and river. - Semipermanent house are feasible to live in. - There are no grievance from the worker. - The company has socialized about code of conduct, human right and gender issues. <p>The mill workers are hoping to the company to realize the PPE's provide.</p>	
<p>Labor Agency of Asahan Regency.</p> <ul style="list-style-type: none"> • The CH have CLA that has been verified by the agencies. • The CH has routinely reported mandatory reports to the agency manually in the form of the 2019 Compulsory Labor Report. • The minimum wage applied today is the District Minimum Sectoral Wage for Plantations in 2020. • The last Labor development carried out by the agency to the CH was in 2019 with discussions related to the "BPJS" Program. • The CH has labor unions which have been registered by the Labor Agency • The CH has included workers in the "BPJS Kesehatan dan Ketenagakerjaan" program • Over the past year there have been no issues related to child labor, discrimination and human rights violations in the company operational area. • Communication relations between agencies and CH are fairly well established. 	<p>There is no negative issue related to labor. The management unit has comply with RSPO standard.</p>
<p>Sei Alim Ulu Village</p> <ul style="list-style-type: none"> - Communication between the company and the village is going well. The complaint and complaint mechanism are well understood by the Village community. - There are no land disputes between the company and the village community. 	<p>This is quite clear and there is an explanation in each of the related indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> - The company has provided CSR programs to the community. - There are village people who work for the company. - Job vacancies information has been submitted to the village community. - There are no complaints and problems with environmental aspects. 	
Perkebunan Air Batu I/II Village <ul style="list-style-type: none"> - Communication between the company and the village is going well. The complaint and complaint mechanism is well understood by the Village community. - The company has provided CSR programs to the community. - There are village people who work for the company. - Job vacancies information has been submitted to the village community. - There are no land disputes between the company and the village community. - There are no complaints and problems with environmental aspects. 	<p>This is quite clear and there is an explanation in each of the related indicators.</p>
Air Teluk Hesa Village <ul style="list-style-type: none"> - Communication between the company and the village is going well. The complaint and complaint mechanism is well understood by the Village community. - There are no land disputes between the company and the village community. - The company has provided CSR programs to the community. - There are village people who work for the company. - Job vacancies information has been submitted to the village community. - There are no complaints and problems with environmental aspects. 	<p>This is quite clear and there is an explanation in each of the related indicators.</p>
CV. Anugrah Cahaya & CV. Putra Mandiri (FFB Transport Contractor) <ul style="list-style-type: none"> - There is a work agreement between the company and the contractor that has been agreed upon and is in accordance with the applicable regulations. - There are no complaints or violations related to work payments. - Communication between the contractor and the company is well established. - Contractors are required by companies to comply with OHS and PPE procurement by contractors itself. 	<p>This is quite clear and there is an explanation in each of the related indicators.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Kepala Bagian Perencanaan dan Sustainability</p>  <p>Dison Girsang Monday, 1 March 2021</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Trismadi Nurbayuto Monday, 1 March 2021</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Asahan Regency, North Sumatera Province	-	Interview	23 October 2020	✓	
2	Environment Agency of Asahan	Asahan Regency, North Sumatera Province	-	Interview	23 October 2020	✓	
3	Perkebunan Air Batu I/II Village	Asahan Regency, North Sumatera Province	-	Interview	23 October 2020	✓	
4	Sei Alim Ulu Village	Asahan Regency, North Sumatera Province	-	Interview	23 October 2020	✓	
5	Air Teluk Hesa Village	Asahan Regency, North Sumatera Province	-	Interview	23 October 2020	✓	
6	Gender Committee	Air Batu POM & Estate	-	Interview	23 October 2020	✓	
7	Worker Union	Air Batu POM & Estate	-	Interview	23 October 2020	✓	
8	Estate: - 3 harvesters - 1 foreman - 1 Staf and Worker HGU Pole - 1 Landfill worker	Air Batu POM & Estate	-	Interview	24 October 2020	✓	
	Mill - 1 WTP operator - 1 weighbridge operator - 1 Dispatch operator - 2 Securities - 2 grading worker - 2 welders - 1 hazardous and toxic waste officer - 1 warehouse officer - 1 POME operator - 1 WWTP Worker - 1 Land Application Worker - 1 Pump Room Operator - Housing Complex- 1 Worker				23 October 2020	✓	

9	AMAN	-	rumahaman@cbn.net.id	email	15 October 2020		✓
10	Sawit Watch	-	info@sawitwatch.or.id	email	15 October 2020		✓
11	Walhi	-	informasi@walhi.or.id	email	15 October 2020		✓

Appendix 2. Assessment Program

DATE	Remote Audit: 11 – 12 June 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 11 June 2020		
08.00 – 09.00	❖ Opening Meeting via Zoom Application	• All Auditor
09.00 – 12.00	❖ Document Verification on OHS, Worker Welfare ❖ Document Verification on Legality, SCCS, & GHG ❖ Document Verification on Best Management Practices, Transparencies ❖ Document Verification on Environment, Social, HCV	• TNB • BRP • RGR/BRP • NCH/TNB
12.00 – 14.00	Break	• All Auditor
14.00 – 16.30	Continuing document verification	• All Auditor
16.30 – 17.00	Daily progress via Zoom Application	• All Auditor
Friday, 12 June 2020		
08.00 – 12.00	❖ Document Verification on OHS, Worker Welfare ❖ Document Verification on Legality, SCCS, & GHG ❖ Document Verification on Best Management Practices, Transparencies • Document Verification on Environment, Social, HCV	• TNB • BRP • RGR/BRP • NCH/TNB
12.00 – 14.00	Break	• All Auditor
14.00 – 15.00	Preparation for Closing Meeting	• All Auditor
15.00 – 17.00	Closing Meeting Via Zoom	• All Auditor

DATE	Onsite Audit: 22 – 27 October 2020	
PROGRAM	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
Thursday, 22 October 2020		
15.00 – 18.00	❖ Mess Berangir – Mess Air Batu	❖ All Auditor
Friday, 23 October 2020		
08.00 – 09.00	Opening Meeting	❖ All Auditor
09.00 – 12.00	Verification on previous assessment and document review <ul style="list-style-type: none"> ❖ Environment, Social, GHG Aspects ❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification ❖ Best Management Practices & Transparencies Aspects ❖ OHS & Worker Welfare Aspects 	<ul style="list-style-type: none"> ❖ RAB/ TNB ❖ AAS ❖ TNB ❖ YYT
	<ul style="list-style-type: none"> ❖ Stakeholders Consultation to Government Agency in Asahan Regency (Kantor Pertanahan, Dinas Kehutanan dan Perkebunan, Dinas Sosial dan Tenaga Kerja, Dinas Lingkungan Hidup Kabupaten Asahan) by phone ❖ Stakeholder Consultation to Nearest Community, Previous Land Owners, Smallholders, & Contractors) by phone 	<ul style="list-style-type: none"> ❖ AAS/YYT ❖ RAB/TNB
12.00 – 14.00	❖ Break	❖ All Auditor
14.00 – 16.30	Field Observation to AIR BATU POM <ul style="list-style-type: none"> ❖ Workshop, Chemical Storage, WTP, Fire Fighting Simulation, EFB station ❖ Loading Ramp (Grading), Grading Station, Processing Station ❖ Security, Weighbridge Station, CPO Storage Tank, Palm Kernel Silo/Bulk (Supply Chain) ❖ Effluent Ponds, Land Application (LA), WTP, Water Inlet, Housing Complex 	<ul style="list-style-type: none"> ❖ RAB/TNB ❖ YYT ❖ AAS ❖ RAB/TNB
16.30 – 17.00	❖ Daily progress & field visit clarifications	❖ All Auditor
Saturday, 24 October 2020		
08.00 – 12.00	Field Observation to AIR BATU ESTATE <ul style="list-style-type: none"> ❖ Replanting, Nursery, Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), OHS aspects, Worker Welfare (payments, complaint mechanism) ❖ Legal operational & High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management, Domestic Waste Management ❖ Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Fire Fighting facilities, Storage, etc. 	<ul style="list-style-type: none"> ❖ YYT/TNB ❖ RAB ❖ AAS
12.00 – 14.00	❖ Break	❖ All Auditor
14.00 – 16.30	Verification on previous assessment and document review <ul style="list-style-type: none"> ❖ Environment, Social, GHG Aspects ❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification ❖ Best Management Practices & Transparencies Aspects ❖ OHS & Worker Welfare Aspects 	<ul style="list-style-type: none"> ❖ RAB/TNB ❖ AAS ❖ RAB/TNB ❖ YYT
16.30 – 17.00	❖ Daily progress & field visit clarifications	❖ All Auditor
Sunday, 25 October 2020		
Monday, 26 October 2020		
08.00 – 12.00	Verification on previous assessment and document review <ul style="list-style-type: none"> ❖ Environment, Social, GHG Aspects 	❖ RAB/TNB

	❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification ❖ Best Management Practices & Transparencies Aspects ❖ OHS & Worker Welfare Aspects	❖ AAS ❖ RAB/TNB ❖ YYT
12.00 – 14.00	❖ Break	❖ All Auditor
14.00 – 15.00	❖ Closing Meeting	❖ All Auditor
Tuesday, 27 October 2020		
08.00 – 12.00	❖ Mess Berangir – Kualanamu	❖ TNB/YYT/AAS
14.05 – 16.30	❖ Kualanamu – Jakarta (Garuda GA 0189)	❖ TNB/YYT