

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

**[✓] Surveillance**

Name of Management : Sawit Langkat Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV  
 Organisation  
 Plantation Name : PT Perkebunan Nusantara IV – Sawit Langkat Estate  
 Location : Village of Banjaran, Sub District of Padang Tualang, District of Langkat, Province of Sumatera Utara, Indonesia.  
 Certificate Code : **MUTU-RSPO/115**  
 Date of Certificate Issue : 25 June 2018      Date of License Issue : 01 April 2021  
 Date of Certificate Expiry : 24 June 2023      Date of License Expiry : 24 June 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2 (Remote Audit)	01 to 02 July 2020	Leonada (Lead Auditor), Brigitta Prita, Satria Adi Putra, Nurdin Chaeriana	Ardiansyah	Octo H. P. N. Nainggolan
ASA-2 (Onsite Audit)	16 to 19 November 2020	Leonada (Lead Auditor), Hasiholan Sihombing, Sansan Suhendar, Septian Maulana		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	<b>13 March 2021</b>

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: [agri@mutucertification.com](mailto:agri@mutucertification.com) • [www.mutucertification.com](http://www.mutucertification.com)  
 MUTU Certification • Accredited by Accreditation Services International  
 on March 12<sup>th</sup>, 2014 with registration number *ASI-ACC-055*

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

Figure 1. Location Map of **PTPN IV – Sawit Langkat** 2

Figure 2. Operational Map of **PTPN IV – Sawit Langkat** 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 6

1.8 Estimate Tonnage of Certified Product 7

1.9 Other Certifications 7

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 46

3.3 Summary of RSPO Partial Certification 47

3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components 50

3.5 Summary of Arising Issues from Public, Management and Auditor Responses 65

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

4.1 Formal Signing of Assessment Findings 67

**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process 68

2. Assessment Program 69

Figure 1. Location Map of Sawit Langkat POM

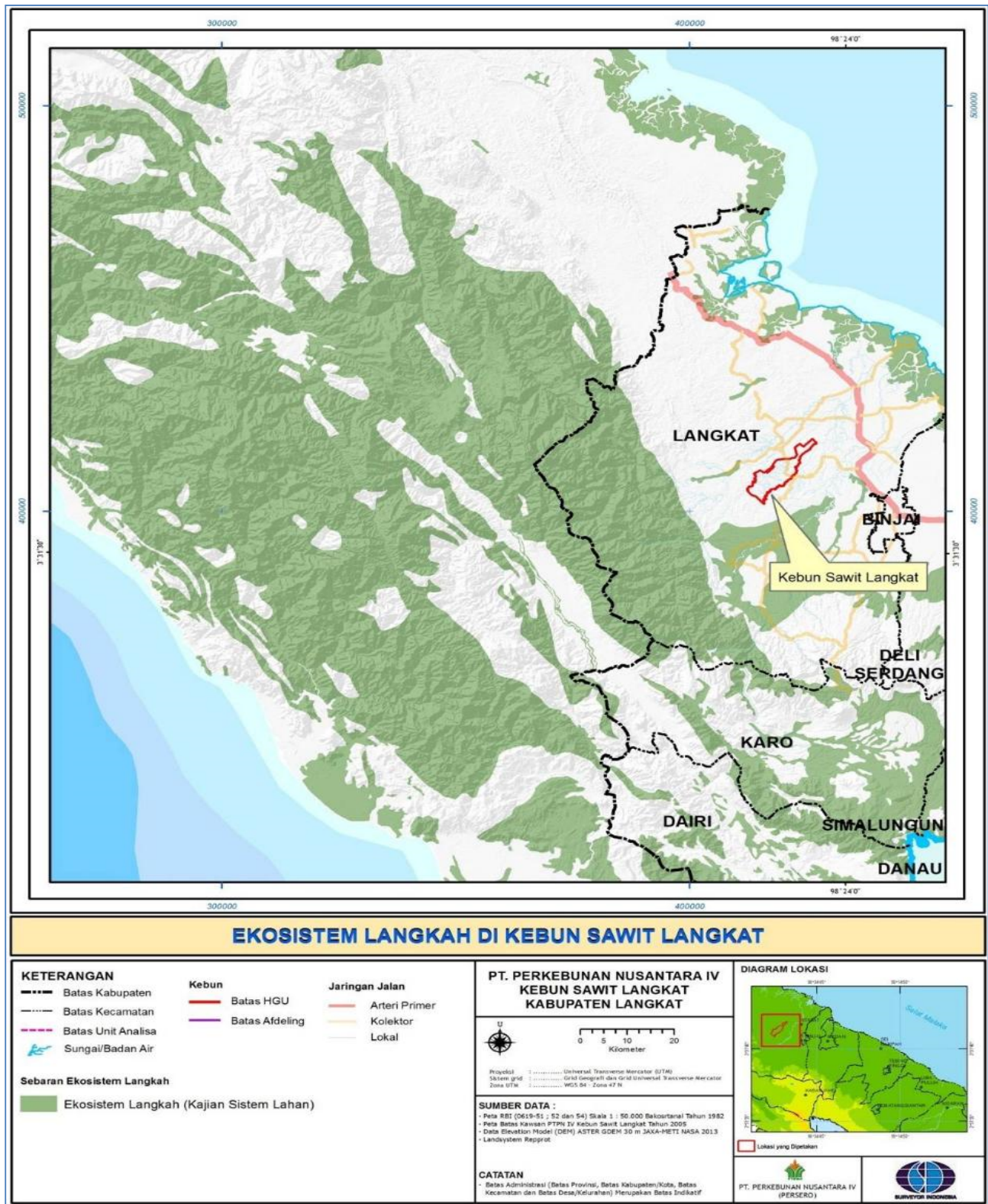
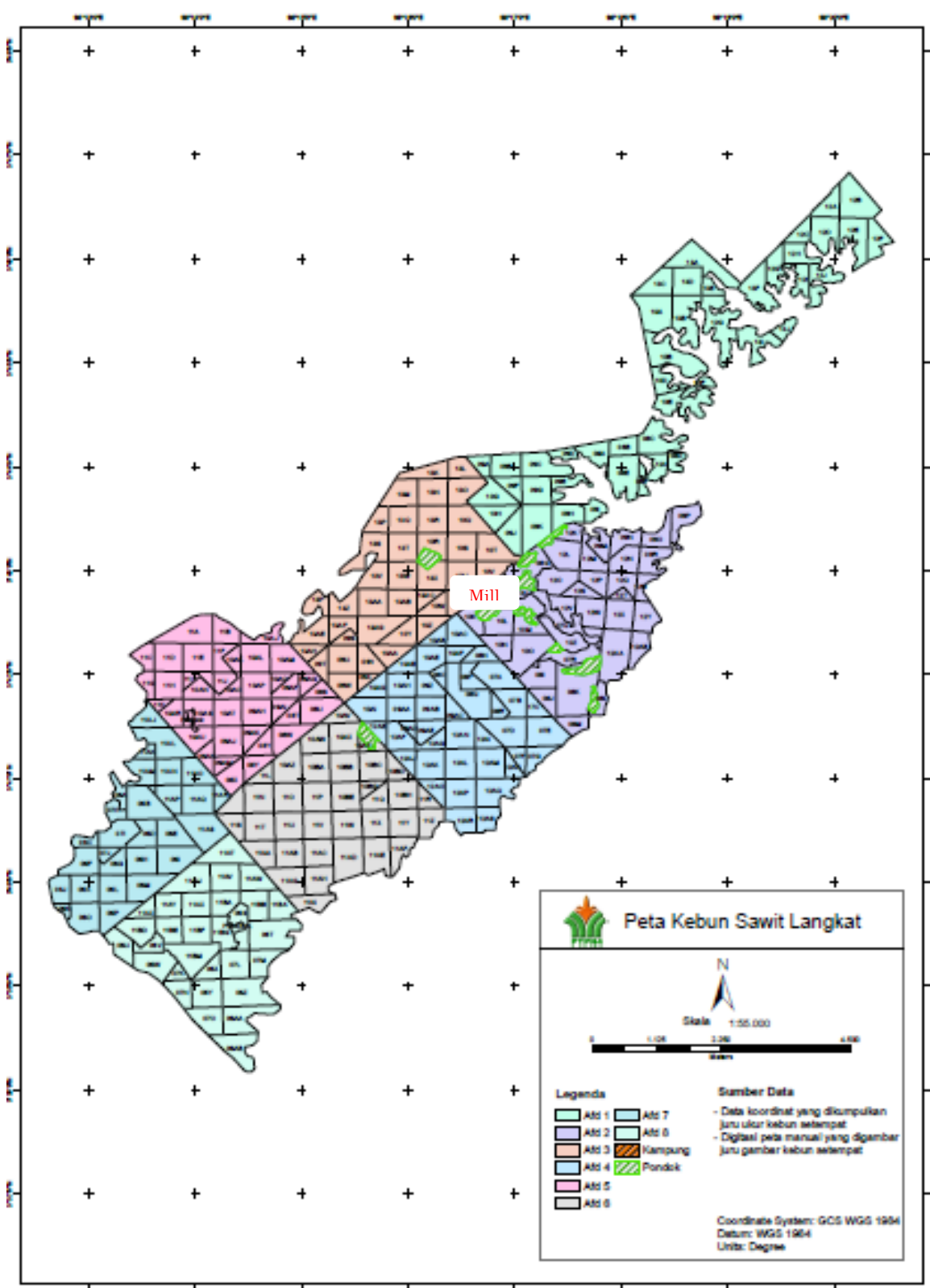


Figure 2. Operational Map of Sawit Langkat POM



Abbreviations Used

ANDAL	:	<i>Analisis Dampak Lingkungan</i> – Environmental Impact Assessment (EIA)
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Agency)
CH	:	Certificate Holder
CLA	:	Collective Labor Agreement ( <i>Perjanjian Kerja Bersama</i> )
CPO	:	Crude Palm Oil
CSR	:	Cooperate Social Responsibility
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HNSI	:	<i>Himpunan Nelayan Seluruh Indonesia</i>
HR	:	Human Resource
HRD	:	Human Resource Department
ISCC	:	International Sustainability & Carbon Certification
KAN	:	<i>Komite Akreditasi Nasional</i> (National Accreditation Committee)
LD50	:	Lethal Dose 50% of Responses
MUSPIKA	:	<i>Musyawarah Pimpinan Kecamatan</i> (District Leader Conference)
NGO	:	Non-Government Organization
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Safety and Health Committee)
PIC	:	Personal in Charge
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PTPN	:	PT Perkebunan Nusantara
PTPN	:	Perseroan Terbatas Perkebunan Nusantara
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SEL	:	<i>Study Evaluasi Lingkungan</i> (Environmental Evaluation Study)
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
TPS LB3	:	<i>Tempat Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun</i> (Temporary Storage for Hazardous Waste)
TPSA	:	<i>Tempat Pembuangan Sampah Akhir</i> (Final Waste Disposal)
WWTP	:	Waste Water Treatment Plant



1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017</li><li>Notice to CB on RSPO Remote Audit, 24 March 2020</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Mirvan Ariza Siregar	
1.2.3	Organisation address and site address	<b>Head Office:</b> Jln Letjen Suprpto No.2, 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	<a href="mailto:perencanaan@ptpn4.co.id">perencanaan@ptpn4.co.id</a>	
1.2.7	Web page address	<a href="http://www.ptpn4.co.id">www.ptpn4.co.id</a>	
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 Sawit Langkat Mill ; Sawit Langkat 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
			LatitudeLongitude
	Sawit Langkat	Banjaran Raya Village, Padang Tualang Sub-District, Langkat District, Sumatera Utara Province, Indonesia.	N 03° 42' 03" E 98° 17' 38"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Sawit Langkat	Banjaran Raya Village, Padang Tualang Sub-District, Langkat District, Sumatera Utara Province, Indonesia.	N 03° 42' 45" E 98° 17' 03"
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	6,173.50 Ha	
	• Community	- Ha	

1.5.2	Area Statement						
	• Total area			6,173.50		Ha	
	• Planted area			5,548.88		Ha	
	• Emplishment (including Mill)			185.00		Ha	
	• Road, bridge, and trenches			352.33		Ha	
	• HCV			86.29		Ha	
	• Pond			1.00		Ha	
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Sawit Langkat Estate Hectarage (Ha)					
	2006	585.00					
	2007	279.00					
	2008	424.00					
	2009	599.40					
	2010	1,047.48					
	2011	1,145.00					
	2012	850.00					
	2013	617.00					
	2016	2.00					
	TOTAL	5,548.88					
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 <sup>nd</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Sawit Langkat	20	123,691.81	28,573.54	23.10	4,485.98	3.63
	*Production data source from July 2019 to June 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)	%
	Sawit Langkat	6,173.50	5,548.88	119,310.02	21.50	119,310.02	100
	*Production data source from July 2019 to June 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)		
	Sawit Langkat (non-certified)	PTPN IV	-	118.5	946.25		

	CV. MADIRI ARSA SEJAHTERA (non-certified)	Independent Smallholder	-	-	2,205.10			
	PT. METRO MANDIRI (non-certified)	Independent Smallholder	-	-	490.21			
	CV. HARAPAN KITA (non-certified)	Independent Smallholder	-	-	740.23			
	TOTAL				4,381.79			
	*Production data source from June 2019 to May 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 (July 2019 to June 2020 (MT)				
	FFB Processed		164,845	119,310.02				
	CPO Production		40,298	27,847.63				
	Palm Kernel (PK) Production		6,358	4,330.92				
	The Projected Certified Volumes have been extended on 2 May 2020							
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (July 2019 to June 2020) (MT)						
	CSPO sold as RSPO certified product	9,000.00						
	CSPK sold as RSPO certified product	4,124.99						
	CSPO sold under other scheme	0						
	CSPK sold under other scheme	0						
	CSPO sold as conventional	6,238.44						
	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)			
	Sawit Langkat	6,173.50	5,548.88	128,000	23			
	*volume in palmtrace is a proportion of the remaining 3 months of license time (FFB is 32,000 MT)							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Sawit Langkat	20	128,000	31,200	24.40	5,100	4.00	Mass Balance
	*volume in palmtrace is a proportion of the remaining 3 months of license time (CSPO is 7,800 MT and CSPK is 1,275 MT)							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	Others		-					



1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified
		2018	KCP Pabatu	2018		Certified
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified
			Laras	2018	Simalungun, Sumatera Utara	Certified
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified
	Adolina	2018	Adolina	2018	Serdang Bedagai and Deli Serdang, Sumatera Utara	Certified
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified
			Marihat	2018	Simalungun, Sumatera Utara	Certified
			Bah Birung Ulu	2021	Simalungun, Sumatera Utara	ST-1
			Marjandi	2019	Simalungun, Sumatera Utara	Certified
			Marjandi HGU on process (30 Ha)	2021	Simalungun, Sumatera Utara	-
	Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified
			Dolok Sinumbah HGU on progress (35.94 Ha)	2021	Simalungun, Sumatera Utara	-
			Balimbingan	2018	Simalungun, Sumatera Utara	Certified
	Mayang	2018	Mayang	2019	Simalungun, Sumatera Utara	Certified
			Bukit Lima	2019	Simalungun, Sumatera Utara	-
	Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified
	Tinjowan	2018	Tinjowan	2018	Simalungun, Sumatera Utara	Certified
			Aek Nauli	2018	Simalungun, Sumatera Utara	Certified
			Padang Matinggi	2018	Simalungun, Sumatera Utara	Certified
	Air Batu	2018	Air Batu	2018	Asahan, Sumatera Utara	Certified
			Air Batu HGU on progress (459.02 Ha)	2021	Asahan, Sumatera Utara	-

Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
		Berangir HGU on progress (10 Ha)	2021	Labuhan Batu Utara, Sumatera Utara	-
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified
		Sawit Langkat HGU on progress (301.50 Ha)	2021	Langkat, Sumatera Utara	-
Pasir Mandoge	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified
		Sei Kopas	2020	Asahan, Sumatera Utara	Certified
		Sei Kopas HGU on progress (763 Ha)	2021	Asahan, Sumatera Utara	-
		Tonduhan	2020	Simalungun, Sumatera Utara	Certified
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	-
		Balap	2021	Mandailing Natal, Sumatera Utara	-
Ajamu	2019	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified
		Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	-
Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	-
PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	-
PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	-
Time bound plan November 2020, signed by head of plan and devolvement department (Sustainability)					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PTPN IV- Sawit Langkat does not have scheme smallholders.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-2 (Remote)</b>	<p><b>Leonada (Lead Auditor).</b> Bachelor of agriculture for plant breeding and seed technology program study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and experience in plasma management. Training and awareness have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, ISCC training, awareness of HCV, GHG, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, training of lead auditor ISO 9001; 2008, lead auditor ISO 14001; 2005 training, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, training of health and safety management system (SMK3) auditor, and currently working on independent certification bodies as an auditor. During this audit, He conducted an assessment on Legal, SCCS and Social aspect.</p> <p><b>Brigitta Prita (Auditor).</b> 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 &amp; worker welfare from RSPO on January 2019. She has been audited experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. In this audit activity performs the assessment of workers welfare, environment and HCV.</p> <p><b>Satria Adi Putra (Auditor).</b> Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, ISCC Auditor, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000. During this assessment he was verified best management practices and OHS.</p> <p><b>Nurdin Chaeriana (Trainee Auditor).</b> 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 &amp; Control, ISO 14001:2004 Internal Auditor. During this audit, he conducted an assessment for environment and HCV supervised by auditor and lead auditor.</p>
<b>ASA-2 (Onsite)</b>	<p><b>Leonada (Lead Auditor).</b> Bachelor of agriculture for plant breeding and seed technology program study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and experience in plasma management. Training and awareness have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, ISCC training, awareness of HCV, GHG, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, training of lead auditor ISO 9001; 2008, lead auditor ISO 14001; 2005 training, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, training of health and safety management system (SMK3) auditor, and currently working on independent certification bodies as an auditor. During this audit, He conducted an assessment on Legal, SCCS and Social aspect.</p>

**Hasiholan Sihombing (Auditor).** Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify transparency and worker welfare aspects.

**Sansan Suhendar (Auditor).** Indonesian citizen, graduated in 2008 from the Department of Forest Product Technology, Faculty of Forestry, Bogor Agricultural Institute. He has experience as a Health, Safety and Environment (HSE Officer) Assistant at the Astra Agro Lestari Group (2010-2016) including PT Sumber Kharisma Persada (2010-2015) and PT Sari Aditya Loka 1 (2015-2016). Have experience in implementing sustainable palm oil management systems (ISPO), implementing occupational safety and health management systems, environmental management, managing areas with high conservation value, and implementing food safety management systems (HACCP) in palm oil mills. He has experience as an ISPO, RSPO auditor and as a Technical Expert for auditing ISO 45001 and ISO 14001 in the Forestry sector when he joined PT SAI Global Indonesia from November 2017 to February 2020. The training that has been attended is: OHS Expert in 2011, High Conservation Value Forest / Area (HCVF / HCVA) in 2012, Food Safety (Hazard Analysis Critical Control Point) HACCP in 2013, ISPO batch 14 with No. certificate 670A / TU.010 / E-ISPO / 12/2014 in 2014, RSPO with no. certificate SS-RSPO-P & C-20/07/18 in 2018, Basic, Implementation and Lead Auditor of Quality Management System (ISO 9001: 2015) in 2018, Occupational Health and Safety Management System (ISO 45001: 2018) in 2019 and Environment Management System (ISO 14001: 2015) in 2020. At this time the audit carried out verification on environmental, HCV and GHG aspects.

**Septian Maulana (Trainee Auditor).** Indonesian Citizen, Bachelor of Economic, Pamulang University. Have experience as sustainability staff on oil palm plantation. Training have been followed including Occupational Health and Safety Expert Candidate certification by Ministry of Manpower and Transmigration of Indonesia; Awareness Integrated Management Systems (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018); Basic Fire Fighting; Basic First Aid; Understanding the regulations and technical aspects of environmental management; Training of Immobilization after a venomous snake bite; Awareness ISO 19011:2011; Awareness ISO 17065:2015; Awareness ISO 17021:2012. During this audit, he conducted an assessment for best management practice and OHS supervised by auditor and lead auditor.

<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2 (Remote)</b>	Number of auditors: 3 auditors Number of days for <b>ASA-2</b> at site: 2 days Number of working days for <b>ASA-2</b> at site: 6 Working days.
<b>ASA-2 (Onsite)</b>	Number of auditors: 3 auditors and 1 trainee auditor Number of days for <b>ASA-2</b> at site: 4 days Number of working days for <b>ASA-2</b> at site: 12 Working days.
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2 (Remote)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PTPN IV – Sawit Langkat Unit Business to the requirements of <b>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.</b></p> <p>The assessment was conducted in one method: document review, aiming to observe the sufficiency of types or substances from required documents. Some opportunities for improvement of the results <b>ASA 2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA 3</b>). Improvement of findings from previous assessment (<b>ASA 1</b>) were observed by auditors at this <b>ASA 2</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA 1.1</b> remote audit report.</p> <p>The opening meeting was held on Thursday, 1 July 2020 at 8 AM through a teleconference (Zoom). As for the</p>

	<p>participants who attended the opening meeting included the Estate Manager, Mill Manager, support team from sustainability department and other relevant staff. While the closing meeting conducted on 2 July 2020 at 4.30 PM attended by the same participants as the opening meeting. Generally, the remote audit activity went well. The document is presented through email and google drive.</p> <p>The assessment program please find Appendix 2</p>
<b>ASA-2 (Onsite)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PTPN IV – Sawit Langkat Unit Business to the requirements of <b>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.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-3</b>). Improvement of findings from previous assessment (<b>ASA-1</b>) were observed by auditors at this <b>ASA-2</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-2</b> audit report.</p> <p>The opening meeting was held on Monday, 16 November 2020 at Sawit Langkat Estate meeting room. As for the participants who attended the opening meeting included the Estate Manager, Mill Manager, support team from sustainability department and other relevant staff. While the closing meeting conducted on 19 November 2020 attended by the same participants as the opening meeting. The audit activity went well and the management of PTPN IV Sawit Langkat received all the audit results that were submitted at the closing meeting.</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-2</b>	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Sawit Langkat Estate:</b></p> <ol style="list-style-type: none"> <li><b>Harvesting at Block 06P, Afdeling 7.</b> Observation and interviews worker related OHS, procedures, and worker welfare.</li> <li><b>Afdeling 7 Office.</b> Observation and interview with loading fruit personel related OHS, procedures, and worker welfare.</li> <li><b>Afdeling 5 Office.</b> Interview with worker from contractor of CV Langkat Utama related OHS, procedures, and worker welfare.</li> <li><b>Path Weeding at Block AU10 Afdeling 5.</b> Observation and interviews worker related OHS, environment, procedures, and worker welfare.</li> <li><b>Afdeling 2 Block 10W (Land Application) (2 Worker).</b> Observation and interview with waste water applicator, related dosage of application, environmental aspects, PPE, work procedures, safe working practices and also worker welfare.</li> <li><b>Afdeling 2 Clinic (3 Workers).</b> Observation and interview related hazardous waste management, work accidents and diseases of employees record, MCU, mother giving birth and also worker welfare.</li> <li><b>Afdeling 2 Fertilizer Warehouse (1 Worker).</b> Observations and interviews related to aspects of OHS, environment and waste management</li> <li><b>Afdeling 2 Block 12AC (HCV - Besilam River) (1 Worker).</b> Observation of conservation area management in the form of river riparian.</li> <li><b>Afdeling 2 Block 10N (HCV – Grave).</b> Observation of conservation area management in the form of Grave Yard.</li> <li><b>Afdeling 3 Block 10I TPSA (Landfill).</b> Field observations and interviews related to the management of Landfill.</li> </ol>



	<p>11. <b>Afdeling 3 Employee housing.</b> Observation for workers facilities, waste management, and OHS.</p> <p>12. <b>Afdeling 3 Elementary school (2 workers).</b> Observation for workers facilities and interview regarding labour aspect.</p> <p>13. <b>Afdeling 3 Fire facilities (1 Worker).</b> OHS related observations and fire emergency response</p> <p><b>Sawit Langkat POM:</b></p> <p>1. <b>Security Post.</b> Interview related emergency response procedures, OHS and worker welfare.</p> <p>2. <b>Grading Station.</b> Interview and observations related OHS, procedures, and worker welfare.</p> <p>3. <b>Press Station.</b> Interview and observations related OHS, procedures, and worker welfare.</p> <p>4. <b>Clarification Station.</b> Interview and observations related OHS, procedures, and worker welfare.</p> <p>5. <b>Engine Room Station.</b> Interview and observations related OHS, procedures, and worker welfare.</p> <p>6. <b>Boiler Station.</b> Fire extinguisher simulation, Interview and observations related OHS, procedures, and worker welfare.</p> <p>7. <b>Hazardous waste warehouse (1 worker).</b> Field observations and interviews related to the management of hazardous waste, completeness of supporting infrastructure and emergency response in accordance with permits, OHS and environmental aspects.</p> <p>8. <b>Chemical Warehouse (2 worker).</b> Field observations and interviews related to chemical management, environmental aspects and OHS.</p> <p>9. <b>WWTP (1 worker).</b> Observation and interviews related to liquid waste management with potential pollution to the environment, as well as recording the waste applied to the land.</p> <p>10. <b>WTP (1 worker).</b> Field observations and interviews related to water management, recording, hazardous material and hazardous waste management, as well as OHS aspects for workers.</p> <p>11. <b>Workshop (1 worker).</b> Observations and interviews related to environmental aspects, OHS, work procedures, licenses and worker welfare.</p> <p>12. <b>Firefighting simulation (2 Workers).</b> Interviews related to OHS management and implementation systems in case of emergency.</p> <p>13. <b>Spare part Warehouse. (1 Worker).</b> Observations and interviews related to environmental aspects, OHS, work procedures and availability of PPE.</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PTPN IV – Sawit Langkat POM was held by:</p> <ul style="list-style-type: none"> <li>• Public notificaton on Mutuagung website on 2 November 2020</li> <li>• Public consultation by email with NGO (AMAN, Sawit Watch, WWF and Walhi) on 11 November 2020</li> <li>• Public consultation meeting with government institution (Manpower Agency, Environment Agency, Plantation Agency in Langkat Regency on 17 November 2020</li> <li>• Public consultation meeting with internal stakeholder (Gender Comitee, Worker Union, Worker Cooperative) and contractor on 17 November 2020</li> <li>• Public Consultation meeting with Communities on 17 November 2020</li> </ul> <p>Number of input from stakeholders were clarified by PTPN IV – Sawit Langkat POM</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
<b>ASA-2</b>	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-3) will conducted eight (8) month to twelve (12) month 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 Sawit Langkat POM – PT Perkebunan Nusantara IV that operation consisting of one palm oil mill and one oil palm estate.

During the assessment, there were three (3) Nonconformities is assigned against Critical/Major Compliance Indicator, six (6) nonconformities were assigned against Non Critical/Minor Compliance Indicators and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action that had been reviewed and accepted by Auditor in form of documentation evidences e.g. (document record). Those corrective action taken that consist of three (3) Critical/Major Nonconformity and has been closed out and shall be verify during next assessment.

MUTUAGUNG LESTARI found that Sawit Langkat POM – PT Perkebunan Nusantara 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	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1 and 1.1.2</b>	<p>The company has a policy regarding open and closed documents (Policy 01, revision. 02, effective date of 2 January 2015). The document is general company information such as vision and mission, balance sheet, productivity, assets, CSR and others that can enhance the company's image. Meanwhile documents that are closed, such as management reports, minutes of meetings, circular letter, agreement letter and other confidential letters cannot be accessed by the public. Policy documents or those related to reporting must be accessible with management permission.</p> <p>Based on interview with statutory bodies of Langkat Regency, it is known that they know what kind of document that can be accessed publicly. The document can be accessed directly from the unit if they ask. And also based on interview with statutory bodies of Langkat Regency and representative of Besilam Village, it is known that they understand how to communicate and consult with PTPN IV Sawit Langkat. Information can be accessed by submitting requests verbally, e-mail, fax, telephone and direct visits. According to them, during communication with the company they used Indonesian.</p> <p>Company also reported mandatory report to related agencies, for example:</p> <ul style="list-style-type: none"> <li>- Land Use Report of PTPN IV Sawit Langkat period of 2019 to Land National Agency of Langkat Regency on 23 July 2020.</li> <li>- Production and Development Plantation Report Period of 1<sup>st</sup> Semester of 2019 to Plantation Agency of Langkat Regency on 6 July 2020.</li> <li>- And so on.</li> </ul>	
<b>1.1.3</b>	The company has documented incoming letters from external stakeholders in <i>Buku Surat Masuk Pihak III</i> . The document records the	

date of the letter, letter number, the sender of the letter, subject matter, and follow-up. For example, there is a letter from the village of Banjaran Raya dated 23 April 2020 regarding the follow-up to the land use permit of PTPN IV - Sawit Langkat unit and there is a response by the unit management, namely waiting for approval from shareholders.

**1.1.4**

The company has procedure for Communication and Consultation with the community (SPO.03 revision 3 effective 2 January 2017). Based on this procedure, it is explained that communication and consultation with the community in the estate and mill units is directly managed by the recording and process by HR and General assistants representing the manager. All communication results that occur must be submitted to the manager for processing and the public will be informed about the policies and follow-up actions that the company will take in handling the results of communications and consultations no later than 3 months after the information is received.

Dissemination of the communication and consultation procedure system on 12 February 2019 to the Regional Government Muspika and Sawit Langkat POM Employees (17 stakeholders in attendance list).

Based on the results of interviews with Besilam village representatives, they have understood the mechanism for communicating with the company.

**1.1.5**

The company also has stakeholders list consisting of several government agencies, non-governmental organization, public figure from surround villages, competitors, creditor, mass media and several suppliers of goods needed for plantation and mill operations.

**Status: Comply**

**1.2**

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

**1.2.1**

The company has a code of conduct that was signed by the Commissioner and President Director in 11 April 2019. The code of conduct regulates conduct guidelines relating to conflicts of interest, bribery, political activities, drugs and gambling, business entertainment, gifts, souvenirs, donations, and disgraceful acts which constitute a prohibition for business actors.

Besides, based on interview with workers in Sawit Langkat Estate and Sawit Langkat POM and also contractor, it is known that they understand about ethical conduct in company.

**1.2.2**

The company has a system to ensure that this policy is implemented in all business operation, for example:

- Conduct an internal audit of the implementation of the policy.
- Recruitment of employees based on the mechanism owned by the company and based on the needs of each unit.

Based on employment data for 2020 period, there is no labor recruitment or labor supplier especially for foreign workers and etc.

**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, 2.1.2 & 2.1.3**

The Company has list of regulations of 2020 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. The company has shown the evidence of legal requirements compliance such as plantation business permit form Regent of Langkat No. 525.26-17/K/2013 dated 14 June 2013 with covering 6.173,5 Ha and 20 ton FFB/hour capacity. The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely, hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety & occupational health, transporting and forklift operator etc

Procedure of legal requirement which presented in document No. 04.01/KOL/P/034, dated 1 August 2018 mentioned that corporate

legal officer, general and human resource assistant manager has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the corporate legal officer required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance are conducted annually. The internal audits have shown the company's compliance of legal requirements according to the list of regulations 2020.

Based on the results of document verification, the following evidences are found:

- The company has a mechanism to ensure compliance with the regulations described in the basic guidelines and work instructions for identification and evaluation of compliance with laws and regulations and other requirements No. document 04.01 / KOL / P / 034 dated 1 August 2018.
- Evaluation results are available for the implementation of operational activities, shown in the evaluation of compliance with the 2020 regulations.
- The company currently has a partnership with contractors including: CV Mitra Abadi (transportation of empty lengths) and CV Anugerah Cahaya (Transportation of FFB)
- The company also published a circular in the form of a vendor evaluation memo from the Head of the Planning and Sustainability Division No. 04.03 / Kol / M-422 / VIII / 2020 dated 31 August 2020, to ensure evaluation of regulatory compliance to the contractor. However, the company has not been able to show evidence of evaluation of regulatory compliance for contractors

The company has not been able to show evidence of legal compliance evaluation for all contracted third parties. This is become **Non-conformity No. 2020.01 with the non-critical category**

Procedure of legal boundary poles monitoring and maintenance is presented in document No. SPO 12.0 (Revision 2) dated 2 January 2015. Procedure describes the person in charge of the boundary poles, the action to be taken if the pole is damaged/lost and the monitoring period were performed every 6 months.

**2.1.2 Status: Non-conformity No. 2020.01 with the 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 can show a list of contractors used during the last 1 year for each estate and mill which informs the name of the contractor, address, and service provided by the contractor. There is 7 contractors in estate and there is 10 contractors in mill.

### **2.2.2, 2.2.3**

The company shows a list of contractors for the Sawit Langkat Estate for the 2020 period (7 contractors), i.e:

- CV Metro Mandiri Abadi (FFB Supplier)
- CV Harapan Kita (FFB Supplier)
- CV Metro Mandiri Arsah (FFB Supplier)
- CV Anugerah Cahaya (FFB Transport)
- CV Langkat Utama (FFB Transport)
- CV Sejahtera (FFB Transport)
- CV Rezeki Syahira (FFB Transport)

Currently several contracts such as the FFB transport contractor have been equipped with clauses related to compliance with relevant regulations, for example in the cooperation agreement for the FFB transport contractor CV Anugerah Cahaya (GMD-III/SPKP/Angkut dan Langsir TBS/143/IX/2020 dated 18 September 2020) has been states the clauses of contractor's obligation to comply with the relevant employment and OHS regulations, such as in the aspects of no child and force labor, working contract, employment and OHS insurance, FFB from legal sources, etc. For other contracts that have not been completed with a regulatory compliance clause and disallowing child, forced and trafficked labour clauses, there is an opportunity to add this clause. **OFI**

The company has a system to monitor the compliance of legal requirement in contractor activities, for example conducting an internal audit every semester.

**Status: Comply**

**2.3**
**All FFB supplies from outside of the unit of certification are from legal sources.**
**2.3.1**

Based on interviews with management and document observations, the company does not obtain FFB from plasma or independent farmers, but the company does obtain FFB from collectors. The company shows the list of FFB suppliers (collectors) as follows:

Supplier	Location	Owner Type	Production Potential (Kg per week))	Seeds	Planting Year
CV. Mandiri Arsa Sejahtera	Sawit Langkat	FFB collector	500000	Lonsum & marihat	2000,2005,2007,2008,2010 and 2013
PT. Metro Mandiri Abadi	Sawit Langkat	FFB collector	250000	PPKS/marihat	2007,2008,2009
CV.Harapan Kita	Sawit Langkat	FFB collector	250000	PPKS/marihat	2007,2008,2009

From the data above and the results of interviews with company management, all suppliers are collectors, not direct suppliers.

**2.3.2**

Companies obtain FFB only from indirect suppliers as described in indicator 2.3.1 and the company already has complete information on the origin of FFB such as geolocation information, land ownership status and business permit it has. Some examples of farmers who supply FFB to collectors or agents who supply FFB to companies are on behalf of, among others:

1. SF with a plantation address in Besilam Bukit Lambasa Village, Stabat District, Langkat Regency, North Sumatra Province, with the status of the land is agricultural land covering an area of 20,000 M<sup>2</sup>, information on land ownership is freehold title, attached with a map with a scale of 1: 2000 along with its boundaries and legalized by the Head of the Langkat Regency Land Office.
2. SK with a plantation address in Besilam Bukit Lambasa Village, Stabat District, Langkat Regency, North Sumatra Province, with the status of the land is agricultural land covering an area of 20,000 M<sup>2</sup>, land ownership information is freehold title, attached with a map with a scale of 1: 2000 along with its boundaries and legalized by the Head of the Langkat Regency Land Office.

**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 Unit Sawit Langkat has a five-year production projection contained in the 5-year Long-Term Plan for the 2020-2024 period. The document contains projected area statements, production projections FFB, CPO, Kernel, plantation costs, factory costs, oil prices, core prices, revenue from oil sales and core sales, cost expenses and profit / loss. For example some projections are shown in the table below:

	2020	2021	2022	2023	2024
FFB Production (tonnes)	128560	133388	135683	136496	135258
CPO Production (tonnes)	30854	32080	32632	32896	32597
Kernel Production (tonnes)	5142	5336	5427	5460	5410

The company's annual report is available in the Minutes of Management Review Meeting document which informs the discussion of annual performance achievements from monthly plantation production and others. An evaluation of the achievement of the current year's budget has been carried out at the end of each year, as material for consideration in preparing the budget for the following year.

**3.1.2**

The Sawit Langkat Palm Oil Plantation has carried out replanting activities from 2006-2016, so plans for replanting for the next 5 years have not been carried out because replanting is carried out for plants that are more than 25 years old, productivity <14 tons / year and principal density <80 staple / ha according to with Basic Guidelines and Work Instructions related to Plant Rejuvenation

(Business Unit A.02). Based on the area statement of the Sawit Langkat Palm Oil Plantation, the oldest planting year of oil palm trees owned is 14 years.

### 3.1.3

The company can show a recording of the management review meeting on January 9, 2020 which was attended by 22 people, the things discussed at the meeting include:

- Customer feedback
- Process performance and product suitability
- Follow-up from management review
- Changes that can affect the quantity and quality of the product produced
- Achievement of goals and objectives (product quantity and quality)

Status: Comply

### 3.2

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

#### 3.2.1

The company conducted an RSPO internal audit on March 24, 2020.

Internal audit results, for example:

1. Indicator 5.3.1 Non-conformity of the absence of PIC related to the implementation of the SCCS system
2. Indicator 2.1.2 Not yet able to show an evaluation of the updated statutory provisions
3. Indicator 3.4.3 Can not show plans and realization of environmental and social management and monitoring in 2019
4. Indicator 3.7.2 Cannot show training records in 2019
5. Indicator 6.1.3 Cannot show the assessment documents for class of workers in 2019
6. Indicator 6.3.2 Cannot show documents of meetings with trade unions
7. Indicator 6.4.4 Not able to demonstrate the socialization of policies on the use of child labor to stakeholders
8. Indicator 6.7.2 Not yet able to show the training certificate of First Aid officers

The company has conducted a management review related to the results of an internal audit conducted on March 28, 2020 and all nonconformities can be met.

#### 3.2.2

The company has not yet reported to RSPO because it has not published the RSPO metric template so this indicator does not applicable.

Status: Comply

### 3.3

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

#### 3.3.1, 3.3.2 and 3.3.3

The business unit has several SOPs related to plantation and processing activities, including:

- OHS Management System Work Instruction on May 6, 2013 the second revision was passed by the Unit Manager explaining safe working methods for all operational activities both in the factory and in the estate. For example IK Weigh Bridge (4.3.13-SAL-DP-IK-01), IK UAP Turbine Station (4.3.13-SAL-DP-IK-06), IK Cut Off Saw Machine (4.3.13-SAL-DT-IK-01), IK Las LPG (4.3.13-SAL-DT-IK-05), IK Material Handling, BKB and Hazardous Waste (4.3.13-SAL-DTU-IK-01), Fertilization IK (4.3.13-SAL-TAN-IK-02), Harvest IK (4.3.13-SAL-TAN-IK-08).
- Standard Operating Procedures for Oil Palm Plants which were passed on August 1, 2007 describe procedures ranging from land acquisition, land clearing, nursery, replanting, plant maintenance to FFB transportation.
- Basic Guidelines and Work Instructions for plant parts prepared in June 2013 and approved by the President Director, explain Work Instructions ranging from land acquisition, land clearing, nursery, replanting, plant maintenance to FFB transportation.
- The processing SOP as well as the CPO quality monitoring and measurement process in the Basic Guidelines document and Work Instructions were issued in June 2013 which was approved by the Managing Director which includes work instructions from the weighbridge, loading ramp, processing stations (processing stations, boilers, refining, etc.) to product quality.
- The company also has procedures for handling certified palm oil products with document number 04.03 / UNIT / SIS / P / 001 Rev 2 dated May 1, 2019. The procedure contains the handling of certified products such as recording methods, methods of receiving, shipping, controlling, tracking, claims and OHS elements.

These procedures are relevant and have covered all operational aspects in the estate and factory. SOPs are stored in each unit (estate/factory) and are available in Indonesian.

The mechanism for checking the implementation of the procedure is through internal audits which are conducted annually as well as reviews by the estate and mill managers every month. The company conducted RSPO internal audit on March 24, 2020. Based on the results of the 2020 RSPO internal audit it was found that there were 8 non-conformities, the company was able to show a record of corrections for all non-conformities.

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

PTPN IV Sawit Langkat Business Unit has carried out an Environmental Evaluation Study (SEL) which was approved on February 16, 1993 with No. RC.220 / 254 / B / II / 1993 and *RKL-RPL* documents which were approved on October 13, 1993 with No. RC.220 / 1925 / B / X / 1993. In connection with technological developments in the utilization of POME (Land application); then a revision of the *Andal* document, *RKL-RPL*.

The ANDAL document, which was compiled in 2004, has received an *ANDAL-RKL-RPL* Document Approval from the Langkat Regent No. 660.1-25 / PDL-LKT / 2005 dated January 20, 2005. Scope of the ANDAL Study is the Palm Oil Plantation and Mill in Tebing Tanjung Selamat Village, Padang Tualang District with an area of 7,375.60 ha according to *HGU* certificate No. 5/23/23 issued by the Minister of Justice dated January 7, 1975. This land has been used for palm oil plants and is supported by a palm oil mill with a processing capacity of 20 tons of FFB / hour.

The company has a Social Impact Assessment (SIA) document prepared by the Surveyor Indonesia team (May 2015). The document contained notes of meetings (in the form of questionnaires) and documentation of the assessment activities carried out at several representatives of the village community surrounding the operation of the unit including Muhamad Yunus (Padang Tualang Sub-District Head), Sutris, Sri Norawati (Banjaran Raya Village Apparatus), Ponten Sinulingga (Banjaran Raya village head), Suningrat (Besilam village head), Suriadi (village head), Rubiah, Supriadi (village head), Rukiyono (Kebun Balok village secretary) Purwanto (village head of Karya Jadi), legiman (Sub-village head of Besilam).

#### 3.4.2

Based on the *ANDAL* document (2004), significant impacts that must be managed and monitored are:

1. Air Quality
2. Noise
3. Declining quality of surface water (conserving water resources, preventing contamination of runoff water on plantations, WWTP, land applications).
4. Groundwater quality
5. Soil
6. Regional Economy
7. Job Opportunities
8. Business Opportunities
9. Community Revenue
10. Public and Social Facilities
11. Security and Order
12. Community Perception
13. Vector of Disease
14. Prevalence of Disease

In the SIA document, it contains a social impact management plan that includes the parameters of the impact managed, source of impact, management objectives, management plan, location and time. Stakeholders who participated in the social impact assessment included Padang Tualang Sub-District Head, Kebun Balok village, Karya Jadi Village. In addition, the company also conducted socialization related to social impact assessment to employees in March 2015. The social impact management plan is as follows:



- Public facilities and social facilities
- Opportunity to get a job
- Business opportunities and education improvement
- Conflict with farmers

In addition, on September 17, 2020 the Company has shown a meeting with the surrounding village community and employees to discuss the social impacts that are a priority from the perspective off the village residents, with the conclusion that the existing social impacts and their management are still in accordance with the actual conditions of the surrounding village communities.

During the meeting set out a work program for social impact management for 2021, including:

- Social impact on public facilities and community social facilities that will be managed by constructing places of worship for Villages that do not have them / are not feasible, constructing roads and bridges and constructing clean water facilities and infrastructure.
- Social impact on business opportunities and education improvement which will be managed by providing scholarships for children of employees who are underprivileged and have good achievements, both elementary and high school, school building construction assistance and capital assistance for communities who have created small and medium enterprises.

### 3.4.3

The company has shown the Semester I 2020 Environmental Management Plan Implementation Report (RKL) & Environmental Monitoring Plan (RPL) Report which informs the environmental management implementation report. In the conclusion of the report, it states that there are several test parameters that exceed the predetermined quality standards and these have been discussed in the evaluation, so that it becomes an improvement in future management. Report preparation is in accordance with the guidelines for the preparation of the RKL-RPL report as stipulated in the Ministerial Decree of the Minister of Environment and Forestry KepmenLH No. 45 of 2005.

From the existing social impacts, the company has managed it with a CSR approach in the form of channeling funds and environmental development. Most of the CSR work programs for 2020 that have been agreed upon by the surrounding community have been signed by the Unit Manager.

Some of the CSR progras in 2020 that have been implemented include the following:

- Construction of culverts and water channels and road paving in Paluh Akih Village
- Paving the road and adding a dome and repairing a prayer room in Karya Jadi Village
- Road paving and construction of a mosque fence in Tebing Tanjung Selamat Village
- Construction of trash bins for 10 hamlets in Banjaran Raya Village
- Paving the road in Besilam Village, Bukit Lembasa
- Construction of a mosque dome in Kebun Balok Village
- Paving the road in Tanjung Putus Village

**Status: Comply**

### 3.5

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

#### 3.5.1

The employment procedures has been set in the SOP of Recruitment, Promotion, and Mutation (No. 04.15.01A dated June 2013) as well as the Collective Labor Agreement of 2020-2022 between the company and the Labor Union. In these documents has been covered the clause related recruitment mechanism and process, promotion, mutation, and termination in accordance with National Act No. 13 of 2013 related employment.

Based on recruitment documents and agreements review, as well as interview with the workers and Labor Union, the procedure of recruitment, promotion and retirement has been disseminated and implemented well. There is no discrimination related those processes, which the application and promotion assessed based on requirements and assessments of competencies and achievements, that has been described in the vacancies in advance. There is no distinguishment of rights and obligations in the same employment types.

#### 3.5.2

Employment procedures has been set in Collective Labor Agreement (CLA) period of 2020 – 2022, ratified on 13 January 2020 by Manpower Agency North Sumatera Province and valid until 9 January 2022. The CLA set the company and worker rights and responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract

termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in collective labor agreement. It has been disseminated to the worker by management representative.

In the CLA set that the minimum wage referred to the governmental regulation. Based on the payment slip verification, the company paid the minimum wage to the workers referred to the North Sumatera Province Minimum Wage of 2020 based on Governor Decree No. 188.44/674/KPTS/2019, amount of Rp. 2,499,423.06. The company shown that the minimum wage for all workers not bellow that amount.

**Status: Comply**

### 3.6

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

#### 3.6.1

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2020. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control.

Based on field observations, Sawit Langkat POM area has been equipped with OHS warnings and the results of interviews with processing workers (Grading, Engine Room, Boiler, Press, and Clarification Station), it is known that workers know the potential hazards in their work area.

#### 3.6.2

The effectiveness of OHS is monitored in OHS Committee monthly meetings, for example the records of OHS Committee meetings are as follows:

- OHS Committee Meeting Minutes on August 4, 2020, discussing the follow-up to the Inspection Findings which was attended by 17 people.
- OHS Committee Meeting Minutes on 7 September 2020 discussing the Evaluation of Potential Hazard Control which was attended by 16 people.
- OHS Committee Meeting Minutes on October 1, 2020, discussion of OHS Warning / Signs in the Field which was attended by 12 people. The OHS Committee meeting in October 2020 did not discuss the incidence of work accidents at the factory in September 2020, but the company can show the recording has conducted an investigation to find the root of the problem and determine corrective and preventive actions.

**Status: Comply**

### 3.7

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

#### 3.7.1

The company has set annual training program of 2020 for every unit including contractors. The training program covered all operational and RSPO aspects, such as agronomy best practices, chemical/pesticide handling, OHS, and environmental. There is no gender discrimination in the program but based on the operational and previous evaluation. Moreover, the gender specific need training has been handled by the Gender Committee.

#### 3.7.2

During the remote audit, the following evidences were found:

- The company has shown records of training for estate and mill employees such as evidence of first aid training, use of pesticides/chemical applications and use of PPE.
- The company has not been able to show the training records including HCV training, SCCS & RSPO training for workers & contractors.

During the on site audit, the following evidences were found:

The results of field observations in the mill area show that the company has 2 turbine engines in use with a capacity of 728 KW/910 KVA and 800 KW/1000 KVA respectively and 1 unit of generator used with a capacity of 544 KVA, but cannot show personnel who already have License for Power and Production Aircraft Operators and personnel who already have electrician occupational safety and health experts certificates.

The company has not been able to show all evidence that training has been maintained and is available to every individual. Therefore,

this indicator becomes **Non-conformance No. 2020.03 with the non-critical category**.

### 3.7.3

The company has not been able to show evidence of having implemented adequate training provided for personnel performing important tasks for the effective implementation of the Supply Chain Certification Standard (SCCS). Therefore, this indicator becomes **Non-conformance No. 2020.04 with the non-critical category**.

**3.7.2** Status: Non-conformance No. 2020.03 with the non-critical category

**3.7.3** Status: Non-conformance No. 2020.04 with the non-critical category

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1 & 3.8.2

The site is applied supply chain model Mass Balance due to it still received FFB from uncertified sources. Certified FFB will be processed and claimed as certified CPO and PK. There was also any non certified FFB sources from several Independent Suppliers.

#### 3.8.3

The current license period is: 25 June 2019 – 24 June 2020.

Estimate product certified CPO and PK for next license describe at ASA-2 report (basic info 1.8.3). Actual tonnage product certified for last year:

Products	Estimate	Volume Extension	New Estimate	Actual of 12 Months (*July 2019 – June 2020)
FFB Certified (MT)	125,000	39,845	164,845	119,310.02
CSPO (MT)	30,500	9,798	40,298	27,847.63
CSPK (MT)	4,600	1,758	6,358	4,330.92

\*There is no overproduction of estimated volume on license period.

#### 3.8.4, 3.8.16 & 3.8.17

RSPO IT Platform member registration number for Sawit Langkat POM is RSPO\_ PO1000004524. All transactions have been registered in RSPO IT platform for periods Period of 12 months including the volumes of CSPO that sold as conventional are removed from stock and sold by credit allocation. There is no underproduction or overproduction, loss or damage of certified products.

#### • Certified CPO sold

Date	Transaction ID	Volume (Ton)
30-05-2020	TR-f6a7f33d-9c87	500
20-04-2020	TR-c09c282e-f83a	500
13-04-2020	TR-3a4ec8de-8f96	500
08-05-2020	TR-037c69da-317c	500
27-02-2020	TR-d7b6bd31-2450	500
30-03-2020	TR-42d18291-102f	500
23-03-2020	TR-be605898-74c2	500
17-03-2020	TR-6263ebfe-c8f3	1,000
23-01-2020	TR-90f8d517-8c58	500
04-02-2020	TR-93b2f051-c2b3	500
28-01-2020	TR-ab9a8f5d-48b9	500
17-12-2019	TR-7133f7f4-6c67	500
23-12-2019	TR-6c8604ac-43a3	500
29-11-2019	TR-b54ae635-aa49	500
15-10-2019	TR-cf99f812-c46c	1,000
28-08-2019	TR-f7134353-0db7	500
<b>Total</b>		<b>9,000</b>

#### • Credit Allocation of Certified CPO

Date	Transaction ID	Volume (Ton)
15-11-2019	ST-TR-bc8fb9bd-f9da	2,000
<b>TOTAL</b>		<b>2,000</b>

**• Removing Stock of Certified CPO**

Date	Transaction ID	Volume (Ton)
02-07-2020	ST-TR-4de931d2-89d5	3.872,57
<b>TOTAL</b>		<b>3.872,57</b>

**• Certified Palm Kernel sold**

Date	Transaction ID	Volume (Ton)
01-05-2020	TR-18a50b34-6290	92
01-04-2020	TR-f501e918-a711	12
01-04-2020	TR-23298f92-f1bf	371
28-02-2020	TR-351f2e61-de38	689.99
02-12-2019	TR-7b155739-1900	615
07-10-2019	TR-979fee82-3298	114.29
01-10-2019	TR-789c3c9c-1c06	571.43
05-09-2019	TR-d4d7580e-5fd5	420
05-09-2019	TR-700da319-0f25	857.14
05-09-2019	TR-52011664-2aa0	857.14
<b>Total</b>		<b>4,599.99</b>

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims. Sawit Langkat Mil do not use RSPO trademark logo on product or off product.

**3.8.5**

Sawit Langkat Mill has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 August 2018, revised 1 April 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017 and still valid for new RSPO P n C, April 2020.

**3.8.6**

The Procedure to conduct annual internal audit are describe in SOP No. 21 dated 2 January 2018 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit are done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The company conducted SCCS internal audit as part of RSPO P n C internal audit on 24 March 2020.

**3.8.7**

The site has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit which is July 2019 – June 2020:

Month	FFB (ton)		
	RSPO Certified	Non-Certified	Total
July 2019	12,185.110	90.370	12,275.480
August 2019	12,323.770	86.250	12,410.020
September 2019	12,004.480	57.560	12,062.040
October 2019	11,140.680	41.870	11,182.550
November 2019	8,565.200	28.710	8,593.910
December 2019	8,017.780	30.710	8,048.490
January 2019	7,665.610	27.000	7,692.610
February 2019	7,785.950	25.260	7,811.210
March 2019	9,106.440	447.140	9,553.580

April 2020	11,128.100	623.800	11,751.900
May 2020	9,779.150	892.340	10,671.490
June 2020	9,607.750	2,030.780	11,638.530
<b>Total</b>	<b>119,310.020</b>	<b>4,381.790</b>	<b>123,691.810</b>

Sawit Langkat Mill has not purchased CSPO or CSPK. However, the procedure of handling non-conforming oil palm products of FFB received (certified or non-certified) has describe that non-conforming oil palm products as a false in FFB received notes (certified or non-certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non-certified areas) and monitored by mass balance record documents.

### 3.8.8

The site has product information provided in such as document of weighbridge ticket, delivery order and other invoices as example at invoices of CSPO certified delivery on 30 May 2020 for total delivery of 500 ton. The information provided on invoices are:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- A description of the product RSPO certified Mass Balance model
- The date on which the documents were issued;
- The quantity of the products delivered;
- Any related transport documentation;
- etc.

### 3.8.9, 3.8.10 & 3.8.11

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

- PT. Wahana Adidaya Pertiwi (CPO transporter) agreement No. 04.09/S.Perj/7/II/2019 dated 2 January 2019.
- CV. Karya Mandiri (PK transporter) agreement No. 04.05/S.Perj/14/III/2019 dated 20 March 2019
- CV. Pelita Jaya (CPO & PK transporter) agreement No. 04.09/S.Perj/4/II/2019 dated 2 January 2019

### 3.8.12

The site has maintained accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements. The retention times for all records and reports are keep in minimum 2 years. The mill has RSPO certified since June 2018 and based on documents verification it's concluded that the record of supply chain is available since the mill was certified.

FFBs, CSPO and CSPK produced and/or claimed records are kept in minimum 12 months. Record of all certified palm oil / palm kernel oil volumes purchased (input) and claimed (output) for period of 12 months before audit (July 2019 – June 2020):

Period	CPO production (MT)		Total	CSPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert (Conventional)	
Jul 2019	2,716.11	22.14	2,738.25	-	-	-	-
Aug 2019	2,873.60	20.94	2,894.55	500.00	-	-	500.00
Sep 2019	2,702.50	13.91	2,716.41	-	-	1,646.60	1,646.60
Oct 2019	2,475.22	10.04	2,485.26	1,000.00	-	1,848.79	2,848.79
Nov 2019	2,053.85	5.52	2,059.37	500.00	-	802.66	1,302.66
Dec 2019	1,885.18	5.14	1,890.32	1,000.00	-	402.28	1,402.28
Jan 2020	1,816.71	2.93	1,819.64	1,000.00	-	486.40	1,486.40
Feb 2020	1,835.04	3.39	1,838.44	1,000.00	-	-	1,000.00
Mar 2020	2,232.84	5.81	2,238.65	2,000.00	-	145.56	2,145.56
Apr 2020	2,566.44	119.35	2,685.79	1,000.00	-	141.98	1,141.98
May 2020	2,378.44	168.10	2,546.54	1,000.00	-	764.18	1,764.18

Jun 2020	2,311.70	348.63	2,660.33	-	-	-	-
Total	27,847.63	725.91	28,573.54	9,000.00	-	6,238.44	15,238.44
Period	PK production (MT)		Total	CSPK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert (Conventional)	
Jul 2019	399.03	3.25	402.29	-	-	-	-
Aug 2019	448.29	3.11	451.39	-	-	-	-
Sep 2019	402.93	2.07	405.00	2,134.00	-	-	2,134.00
Oct 2019	371.59	1.51	373.09	686.00	-	-	686.00
Nov 2019	295.22	0.81	296.04	-	-	-	-
Dec 2019	218.14	0.60	218.74	615.00	-	-	615.00
Jan 2020	227.80	0.37	228.17	-	-	-	-
Feb 2020	289.75	0.51	290.27	689.99	-	-	689.99
Mar 2020	380.05	0.98	381.03	-	-	-	-
Apr 2020	454.77	24.94	479.71	-	-	-	-
May 2020	427.47	35.67	463.14	-	-	-	-
Jun 2020	415.89	81.23	497.12	-	-	-	-
Total	4,330.92	155.06	4,485.99	4,124.99	-	-	4,124.99

**3.8.13 & 3.8.14**

The site doesn't apply a conversion rate.

**3.8.15**

The site is applied supply chain model Mass Balance due to it still received FFB from uncertified sources. Sawit Langkat Mill has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 August 2018, revised 1 April 2019. The procedure describes the process of FFB admissions from estates and processing certified and non-certified FFBs.

**Status: Comply**

**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**
**4.1**

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

**4.1.1**

The company has Respect for Human Rights Policy (No. 07, revision 02, date 02 Jan 2015). In conducting its business, the company respects the human rights and dignity of all people in accordance with applicable legal requirements. The company treats all working people fairly and without discrimination. This policy states a form of respect for human rights, for example freedom of association. The company respects the rights of people in communities that are affected by the company's activities.

Based on the results of interviews with employee representatives (gender committee and labor union), village representatives from Besilam villages, it is known that they are aware of the company's human rights policies.

**4.1.2**

The company has a code of conduct that was signed by the Commissioner and President Director in 11 April 2019 which explained that the company does not use violence to maintain peace and order. Based on interview with communities and field observations, there were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area of this scope of certification.

Based on interview to the internal and external stakeholder it's known that the no initiate acts of violence or any form of intimidation in its all operations.

**Status: Comply**

**4.2**

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



#### 4.2.1; 4.2.2 and 4.2.4

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

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

The procedure is made involve the consideration from various parties. The company also will protect the identity of complainant. The complaint can be delivered by directly and documented in the logbook, by put a letter in the mailbox with anonymity, or through complaint phone number. The management shall provide protection against the complainant or the complainant. The complaint shall be addressed in deliberation and with no coercion or intimidation. The complainant also able to have the third party assistance or legal body support.

The SOP also explains the procedures for submitting complaints from illiterate customers, internal communication and handling complaints of illiterate employees as well as communication and consultation with illiterate parties such as direct meeting, pictorial socialization and also given a companion/representative to submit complaints.

Based on interview with worker in estate and mill, it is known that workers understand how to deliver their complaint if any. Based on interview with representative of Besilam Village, it is known that they understand the mechanism to deliver their complaint if any.

#### 4.2.3

The company showed a letter of complaint on the alleged pollution of the Besilam River dated September 2, 2019 by the *Rukun Nelayan Himpunan Nelayan Seluruh Indonesia* (HNSI), Besilam Village, Padang Tualang District, Langkat Regency. Complaints in the form of contaminated liquid water from Sawit Langkat Mill to the Besilam River were recorded repeatedly on April 30, 2019, May 9, 2019 and August 11, 2019.

There are invitations for deliberations from Padang Tualang District to HNSI, the management of PTPN IV Sawit Langkat, KAPOLSEK Padang Tualang, DANRAMIL 10 Padang Tualang, Head of Besilam Village, Head of Banjaran Raya Village and others which was held on September 9, 2019 at the Padang Tualang Sub-District Office. The results of the deliberations, namely:

- PTPN IV Sawit Langkat will provide fish seed assistance by sowing the seeds in the Besilam River by September 2019 at the latest. PTPN IV tries to ensure that no hazardous waste is wasted in the Besilam River.
- *Rukun Nelayan Himpunan Nelayan Seluruh Indonesia* requests assistance to make clean water facilities for the affected fishing communities in Besilam Village, Padang Tualang District
- PTPN IV Sawit Langkat gave compensation to the affected fishing communities and made a thanksgiving for the river (Community Culture).

There is an official report on September 25, 2019, where 5000 tilapia fish seedlings were sown and 250 basic food packages were distributed to people who are members of the Besilam Village Fishermen Association. In this case, the people of Besilam Village agreed with PTPN IV - Sawit Langkat to jointly strive to ensure that no hazardous waste is wasted in the Besilam River and there are no more demands in the future. The official report was signed by PTPN IV - Sawit Langkat, the Head of the HNSI Community of Besilam Village and community representatives.

Status: Comply

#### 4.3

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

##### 4.3.1

The company has shown a CSR work program for 2020 that has been signed by the Unit Manager. The 2020 CSR program is based on proposals from several villages around the company, several programs that have been implemented include the following:

- Construction of culverts and water channels and road paving in Paluh Akih Village
- Paving the road and adding a dome and repairing a prayer room in Karya Jadi Village
- Road paving and construction of a mosque fence in Tebing Tanjung Selamat Village
- Construction of trash bins for 10 hamlets in Banjaran Raya Village
- Paving the road in Besilam Village, Bukit Lembasa

<ul style="list-style-type: none"> <li>- Construction of a mosque dome in Kebun Balok Village</li> <li>- Paving the road in Tanjung Putus Village</li> </ul>		
	<b>Status: Comply</b>	
<b>4.4</b> <b>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).</b>		
<b>4.4.1 &amp; 4.4.2</b> PTPN IV – Sawit Langkat has managed totaling area for about 6,475 Ha, which consist of 6,173.5 Ha as scope of certification and 301,5 Ha that out of certification scope and has planned to be certified in 2021 (describe at time bound plan on basic info 1.10.1). The plantation of sawit langkat is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959. The company has obtained HGU since 1966 (HGU No. 1/HGU/66 dated 31 January 1966) and was extended in 2006 by decree of National Land Agency No. 16/HGU/BPN/2006 dated 22 August 2006 for 6.173,5 Ha valid through December 2041.		
<b>4.4.3, 4.4.4, 4.4.5 &amp; 4.4.6</b> In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due that PTPN IV – Sawit Langkat is long-established plantations company since 1966 which no longer records dating back to the time of the decision making.		
	<b>Status: Comply</b>	
<b>4.5</b> <b>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.</b>		
<b>4.5.1 – 4.5.8</b> The company has no new land acquisition and the plantation of sawit langkat is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959 so there is no new plantings carried out.		
	<b>Status: Comply</b>	
<b>4.6</b> <b>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.</b>		
<b>4.6.1 – 4.6.4</b> The company has no new land acquisition and the plantation of sawit langkat is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959 so there is no compensation carried out. Based on the interview with Communities are known that there are no indigenous rights or customary rights and there are no significant land conflicts. Based on interview with communities, it was also known that there was no land compensation carried out. But the communities have been informed by the company regarding FPIC and there is no use of the land for oil palm diminish the rights of communities.		
	<b>Status: Comply</b>	
<b>4.7</b> <b>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.</b>		
<b>4.7.1 – 4.7.3</b> The company has no new land acquisition and the plantation of sawit langkat is a former of dutch colonial era plantation, that has been nationalized by government decree No. 19 dated 2 May 1959 so there is no compensation carried out. Based on the interview with Communities are known that there are no indigenous rights or customary rights and there are no significant land conflicts. Based on interview with communities, it was also known that there was no land compensation carried out. But the communities have been informed by the company regarding FPIC and there is no use of the land for oil palm diminish the rights of communities.		
	<b>Status: Comply</b>	
<b>4.8</b> <b>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.</b>		
<b>4.8.1 – 4.8.4</b> The company has no new land acquisition and the plantation of sawit langkat is a former of dutch colonial era plantation, that has		

been nationalized by government decree No. 19 dated 2 May 1959 so there is no compensation carried out. Based on the interview with Communities are known that there are no indigenous rights or customary rights and there are no significant land conflicts. Based on interview with communities, it was also known that there was no land compensation carried out. But the communities have been informed by the company regarding FPIC and there is no use of the land for oil palm diminish the rights of communities.

**Status: Comply**

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

##### **5.1**

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

##### **5.1.1, 5.1.2, 5.1.3 and 5.1.4**

PTPN IV Sawit Langkat unit does not have a plasma farmer scheme. The company only buys FFB from collectors supplied by independent farmers, the price that applies to collectors is the price of FFB for independent farmers. The determination of FFB prices for independent farmers running in the company at this time is based on the price distributed by the PTPN IV head office which is set by the Government in the range of prices resulting from bilateral monopoly which can vary with an indeterminate time where the determination is based on a single equation econometric analysis tool demand and supply of FFB.

The socialization of price fixing is carried out every month by the company, the last being carried out on 11 September 2020 with the FFB price for the period 11 to 14 September 2020 is IDR 1,753, the socialization was attended by 3 parties of collectors and the Plantation Office. And if there is a change again within the span of the month, it will be delivered every Tuesday, Wednesday, Thursday and Friday to the collectors either via short message (SMS) or other means of communication.

##### **5.1.5**

To ensure transparency, fairness and legal equality, every FFB sale and purchase transaction with collectors must first be made a FFB sale and purchase contract as outlined in the Palm Oil Fresh Fruit Bunch Sale and Purchase Agreement Letter between the Company and the collectors. Examples of contracts that can be demonstrated include:

1. A letter of sale and purchase agreement for fresh oil palm fruit bunches between PTPN IV Unit Sawit Langkat and CV. Mandiri Arsa Sejahtera with number: SAL / CV. Mandiri Arsa Sejahtera / SP-TBS / 04 / VII / 2020 on July 1, 2020 and valid until June 30, 2021. The agreement states that the price of FFB will be informed to the second party every Tuesday, Wednesday, Thursday and Friday and the payment is done using Bank Mandiri Bilyed Giro or Mandiri cash management which is paid a maximum of 2 times a week.
2. A letter of sale and purchase agreement for fresh oil palm fruit bunches between PTPN IV Unit Sawit Langkat and CV. Harapan Kita with the number: SAL / CV. Our expectations / SP-TBS / 05 / VII / 2020 on July 1, 2020 and valid until June 30, 2021. In the agreement stated that the price of FFB will be informed to the second party every Tuesday, Wednesday, Thursday and Friday and the payment will be made using Bank Mandiri Bilyed Giro or Mandiri cash management which is paid a maximum of 2 times a week.

##### **5.1.6**

Companies can show examples of purchases and payments of FFB to third parties (CV. Harapan Kita) for the purchase period of FFB on 20-21 October 2020 totaling 102,620 Kg with a nominal value of Rp. 201,643,346 paid through Mandiri Cash management to CV. Harapan Kita on November 3, 2020.

##### **5.1.7**

The company shows Certificate of Testing Results Number 510.3 / SKHP / UPT-ML / V / 2020 for calibration of weighbridge serial number 961721 tested by the Legal Metrology UPT of the Langkat Regency Trade and Industry Office on April 27, 2020 and authorized by the Head of the Trade and Industry Office It will be held on April 28, 2020. Repeat activities will be carried out again no later than April 27, 2021.

##### **5.1.8 and 5.1.9**

PTPN IV Sawit Langkat unit does not have a plasma farmer scheme, and the company is also not directly involved with independent smallholders.

**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, 5.2.4 and 5.2.5**

PTPN IV Sawit Langkat unit does not have a plasma farmer scheme, and the company is also not directly involved with independent smallholders.

**5.2.3**

Companies obtain FFB only from indirect suppliers as described in indicator 2.3.1 and the company already has complete information on the origin of FFB such as geolocation information, land ownership status and business permit it has. Some examples of farmers who supply FFB to collectors or agents who supply FFB to companies are on behalf of, among others:

1. SF with a plantation address in Besilam Bukit Lambasa Village, Stabat District, Langkat Regency, North Sumatra Province, with the status of the land is agricultural land covering an area of 20,000 M<sup>2</sup>, information on land ownership is freehold title, attached with a map with a scale of 1: 2000 along with its boundaries and legalized by the Head of the Langkat Regency Land Office.
2. SK with a plantation address in Besilam Bukit Lambasa Village, Stabat District, Langkat Regency, North Sumatra Province, with the status of the land is agricultural land covering an area of 20,000 M<sup>2</sup>, land ownership information is freehold title, attached with a map with a scale of 1: 2000 along with its boundaries and legalized by the Head of the Langkat Regency Land Office.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**

**Any form of discrimination is prohibited.**

**6.1.1**

The company has policy related to nondiscrimination and equal opportunity listed in Policy of *Persamaan Kesempatan Kerja* which explained that PT Perkebunan Nusantara IV (Persero) abolishes all forms of ethnic, religious, racial, gender, age discrimination, and work disabilities. Based on field observation and interview with spraying female worker, it is known that there is no issue or complaint from worker regarding discrimination. Also, information from representative of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

**6.1.2**

Based on review of workers list that has shown gender, religion, age, origin, ethnic, as well as field observation and interview with workers, Gender Committee, and Labor Union, it is known that there is no issue or complaint from worker regarding discrimination. The workers that has been observed was came from various social origin, gender, race, and religion.

**6.1.3**

The company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. It is based on skill, capabilities, and health condition for all workers. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of worker assessment (year of 2019). The document explain evaluation criteria, including discipline of attendance, knowledge of work, speed, quality, and productivity, teamwork, honesty and proposed class. Company also showed list of worker that proposed to be promoted.

**6.1.4**

The company has a Circular Letter regarding the Placement of Female Employees as a pesticide handling team (No: SAL/SE/Intrn/12/I/2018, dated 8 January 2018) signed by the Unit Manager. It was explained that pregnant and breastfeeding women should not do spray activities and monitor women who are pregnant and breastfeeding in their respective divisions every month.

Based on field observation and interview with the Gender Committee and female workers, known that there is no pregnancy test during the recruitment process. The company conducts pregnancy test and examination every month. The worker who pregnant will be transfer to the non-chemical activity. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

#### 6.1.5

The company has had the Gender Committee and its representative in every unit. Based on interview with the workers and the Head of Gender Committee, the workers already known the function and the official of Gender Committee. The Gender Committee had conduct dissemination related gender issues, reproductive rights, and the mechanism to submit the gender issue complaint. Moreover, there is no gender issue raised during one year previous the audit.

#### 6.1.6

Based on recapitulation of the payment and the list of workers, known that there is no payment discrimination in the same scope regarding to the religion, race, gender, or area of origin. This mater also has been verified through interview to the workers, Labor Union, and Gender Committee. The differentiation of wage occur due to the competencies, productivity, working period, or promotion.

The company pay the minimum wage to the workers referred to the North Sumatera Province Minimum Wage of 2020 based on Governor Decree No. 188.44/674/KPTS/2019 amount of Rp 2,499,423.06.

**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 company shows the Collective Labor Agreement (CLA) between PT Perkebunan Nusantara IV and the Workers Union (SP BUN) of PTPN IV for the 2020-2022 period and has been registered with the Manpower Agency of North Sumatera Province on 13 January 2020, valid from 10 January 2020 - 09 January 2022. The CLA set the company and worker rights and responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in collective labor agreement. It has been disseminated to the worker by management representative.

In the CLA set that the minimum wage referred to the governmental regulation. Based on the payment slip verification, the company paid the minimum wage to the workers referred to the North Sumatera Province Minimum Wage of 2020 based on Governor Decree No. 188.44/674/KPTS/2019, amount of Rp2,499,423.06. Based on the document review and interview with plantation employees at Sawit Langkat Estate and Mill, it was found that the company had applied a minimum wage according to the prevailing regulations.

Based on employment document review of local contractor of CV Rezeki Syahira, it is known that the contractor's workers have been paid according to the government minimum wage, also has been provide by national employment insurance.

##### 6.2.2

The company shows the Collective Labor Agreement (CLA) between PT Perkebunan Nusantara IV and the Workers Union (SP BUN) of PTPN IV for the 2020-2022 period and has been registered with the Manpower Agency of North Sumatra Province on 13 January 2020, valid from 10 January 2020 - 09 January 2022. In that CLA regulates about regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.

The company has shown the work agreement, for example to initial name WS dated 1 November 2017. The agreement informed about task and responsibility, the probation period, the wage system, job transfer, insurance, and other facilities. and others. There is no penalty stated in the agreements. Based on slip payment of this worker known that the wage paid in accordance with 2020 government minimum payment with accurate information such as wage, deduction, overtime, working days, etc.

Based on the results of interviews with workers in the estate and mill, it is known that the workers already know their rights and obligations which have been stipulated in the collective labor agreement and the work agreement at the time they are accepted to work.

##### 6.2.3

Based on document review, the unit certification has obey the legal compliance such as regular working hours, sick leave, right to holiday, maternity leave, reasons for termination, notification period before termination of employment. Its contain in payment slip for every workers.



However, in the case of overtime, based on the results of document review and interviews, the following evidences are known:

- Based on the report on the implementation of work time, rest and overtime work of implementing employees from the Manager of the Sawit Langkat Unit to the North Sumatera Region-I Labor Inspection Unit on 23 June 2020, it is known that the working time of the processing division both shift I and shift II is 12 hours with rest periods for 1 hour after the employee has worked for 3 hours continuously.
- Within 1 day employees work for 10 hours with a calculation of 7 hours counting normal working hours and 3 hours outside normal working hours (overtime) for normal working days. As for short days (5 working hours) the calculation is 5 normal working hours and 5 working hours outside of normal working hours (overtime). Then for holidays it is calculated to work overtime for 10 hours.
- From the results of interviews with processing operators at Sawit Langkat POM, it is known that the processing section has 2 shifts and on holidays in October 2020 still go to work. This is also evidenced by the payment of operator premiums on holidays.
- From the results of the review on employee wage report documents for the period of October 2020, for example, processing employees on behalf of SH are known to have received a Processing Premium of Rp1,573,856 and an Overtime Payment of Rp500,950 for 26 working days and 5 days off. Total premiums and overtime earned Rp. 2,074,806,-
- However, based on auditor simulations, if the calculation of overtime outside working hours both on weekdays and on holidays in accordance with applicable regulations, then in October 2020, the employee should receive overtime payment for Rp4,122,101

Based on the explanation above, there is employee overtime payments that are not in accordance with the applicable manpower regulations. Therefore, this indicator becomes **Non-conformance No. 2020.05 with the Critical category.**

#### 6.2.4

Based on field observation in housing complex, it is known that the company has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities. Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the company is adequate. And it is known that one house is occupied by one family and the condition of housing is still in good shape.

#### 6.2.5

Adequate food supply can be accessed through worker cooperative that provide basic food. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price.

#### 6.2.6

The company has calculate the prevailing wage and in-kind benefit for each workers year of 2020 as follows: average of wage, housing allowance, school transport allowance, health allowance, pension allowance, workers allowance, rice allowance, bonus, and religious holiday allowance. Based on that calculation sighted that company has paid wages above the minimum wages of 2020.

#### 6.2.7

Based on document review and interview with worker in estate and mill, it is known that core work is done by permanent worker. For example, harvesting in estate and processing activity in mill is performed by permanent worker.

<b>6.2.3</b>	<b>Status: Non-conformance No. 2020.05 with the Critical category.</b>
--------------	--

#### 6.3

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

#### 6.3.1; 6.3.2 and 6.3.3

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

Worker union can show the documentation of meeting with company, for example meeting on 19 August 2020 about employment issues which attended by 35 participants. The documentation is in form of minutes of meeting, list of attendees, and photo activity,



also can be accessed by worker.		
	<b>Status: Comply</b>	
<b>6.4</b> <b>Children are not employed or exploited.</b>		
<p><b>6.4.1</b> Unit certification policy for not use child labor in Policy of <i>Pekerja Anak</i> (No. 03) on 2 January 2015. Based on the document, the minimum age for new worker recruitment is 18 years old.</p> <p>The company also shows a letter with number SAL/SE/17/III/2020 dated 19 March 2020, there are policies, including:</p> <ol style="list-style-type: none"> <li>1. Prohibition of employing children under 18 years of age.</li> <li>2. It is not allowed to bring a wife, children or others during work implementation, if something happens that is not desired the company is not responsible.</li> </ol> <p>Currently several contracts such as the FFB transport contractor have been equipped with clauses related to compliance with relevant regulations, for example in the cooperation agreement for the FFB transport contractor CV Anugerah Cahaya (GMD-III/SPKP/Angkut dan Langsir TBS/143/IX/2020 dated 18 September 2020) has been states the clauses of contractor's obligation to comply with the relevant employment and OHS regulations, such as in the aspects of no child and force labor, working contract, employment and OHS insurance, FFB from legal sources, etc. For other contracts that have not been completed with a regulatory compliance clause and disallowing child, forced and trafficked labour clauses, there is an opportunity to add this clause. <b>OFI</b></p> <p><b>6.4.2, 6.4.3</b> Based on document review, field observation, and interview with the workers including Labor Union and Gender Committee, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Langkat Regency and field observation in estate and POM, there is no issue regarding child labor.</p> <p><b>6.4.4</b> Based on interviews with contractors, FFB suppliers and the community around the company, it was known that they had received socialization regarding the prohibition of child labor and they informed that the company did not employ minors.</p> <p>Based on interview with the workers in the mill and estates, as well as Labor Union and Gender Committee, they already received dissemination related prohibition of child labor. In the housing and office area also has been installed the plank of no child labor policy.</p>		
	<b>Status: Comply</b>	
<b>6.5</b> <b>There is no harassment or abuse in the workplace, and reproductive rights are protected.</b>		
<p><b>6.5.1, 6.5.2, 6.5.4</b> The company has policy that prevent all forms of sexual harassment and violence in policy No. 06 on 2 January 2015. Based on interview with female workers in Mill and Estates, as well as Labor Union and Gender Committee, they are understood the policy and mechanism of complaint submission. Stated that there is no issue or complaint related to sexual harassment on the workplace.</p> <p>The company has formed Gender Committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with representative of Gender Committee, the company provides the female worker with maternity leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, the company give special breast-feeding time for female worker, but prohibit the worker from working with chemical material.</p> <p><b>6.5.3</b> The female workers who have just given birth will get specific post-childbirth care (<i>posyandu</i>) facilities and get special time for breastfeeding. The company has an implementation related of reproductive right such as giving the leave (paid leave) for pregnant worker, beside that if there is worker who detected as pregnant, a work mutation will be carried out. However, based on interview with representative of Gender Committee, it was informed that there are no employees with the status of new mothers at this time.</p>		
	<b>Status: Comply</b>	

**6.6**
**No forms of forced or trafficked labour are used.**
**6.6.1 and 6.6.2**

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

<b>Status: Comply</b>
-----------------------

**6.7**
**The unit of certification ensures that the working environment under its control is safe and without undue risk to health.**
**6.7.1**

The company has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on 13 January 2014 by Unit Manager. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target, then will be evaluated in the management review to assess effectiveness.

The company can show the Decree of the Head of the Technical Implementation Unit for Labor Inspection Region I of the Department of Manpower of North Sumatera Province No. KEP.53-7 / DTK-UPT PK.WIL.1 / 2020, dated June 17, 2020 concerning OHS Committee Endorsement at PTP Nusantara IV, Langkat Palm Oil Business Unit, Langkat Regency. The company can show a general OHS Expert certificate, the OHS Committee secretary in the name of M Patuan Rizal, appointment decree and License is valid until 23 September 2022.

The effectiveness of OHS is monitored in OHS Committee monthly meetings, for example the records of OHS Committee meetings are as follows:

- OHS Committee Meeting Minutes on August 4, 2020, discussing the follow-up to the Inspection Findings which was attended by 17 people.
- OHS Committee Meeting Minutes on 7 September 2020 discussing the Evaluation of Potential Hazard Control which was attended by 16 people.
- OHS Committee Meeting Minutes on October 1, 2020, discussion of OHS Warning / Signs in the Field which was attended by 12 people. The OHS Committee meeting in October 2020 did not discuss the incidence of work accidents at the factory in September 2020, but the company can show the recording has conducted an investigation to find the root of the problem and determine corrective and preventive actions.

**6.7.2**

The company can show the Emergency Handling procedure No. 4.3.16, No. Revision 2, dated May 6, 2013 made by OHS Committee. The scope of procedures includes control strategies, organization, communication systems and reporting systems, as well as generally regulating and giving flexibility to any authorized party to take action in accordance with the current conditions, and there is an Organization Structure for Emergency Control of the Langkat Palm Oil Unit Year 2020 which set on February 26, 2020.

Based on interviews with processing personels and Mill security, it was found that workers understand what to do in the event of an emergency and evacuation routes and also gathering points is available in mill.

The company already has first aid officers who have obtained a First Aid Officer Certificate from the Indonesian Ministry of Manpower No. 5/8777 / AS.02.02 / X / 2019 dated 18 October 2019 in the name of Marianto.

Companies can show Fire Extinguisher 2020 Monthly Check-up List documents for Fire Extinguishers placed at the Central Office, Afdeling Offices, Factories, Security Posts, etc. Based on these documents, the information about Fire Extinguisher is in good condition. Based on the simulation results of using fire extinguisher in the area around the boiler and kernel, it was found that there are Fire Extinguisher were not functioning out.

The company can show monitoring records of the contents of the first aid kit as well as records of drug use. Based on the results of the interview with the harvest foreman in afdeling 5, it was found that the harvest foreman brought a first aid kit with the contents of 6 items, and there was no monitoring of the contents of the first aid box brought by the foreman and usage notes but the foreman could explain the function of the items contained in the first aid box so that This becomes OFI for companies. Improve monitoring of the contents of first aid bags carried by foremen and increase monitoring of fire extinguisher.

#### 6.7.3

- The company can show the recording of the 2019 PPE Handover Report for Estate and Mill employees.
- The company shows a Risk Management document of the HIRAC Form for Estate and Mill activities that describes the Activities, Hazards, Risks, Risk Assessment and Control (including Work Instructions, Signs / Warnings, Socialization and PPE.
- Based on field observations in the Mill, it was found that 1 Mill worker and 5 contractor workers did not use a helmet while working and 5 workers from the contractor did not wear PPE shoes.
- Based on interviews and field visits with workers at the Mill location, it was found that 4 out of the 7 workers interviewed used the shoes provided by themselves.
- Based on field observations afdeling 2 Langkat oil palm plantations, it was found that 1 harvester was not wearing a helmet.

Based on the explanation above, the company has not been able to ensure that all workers use personal protective equipment (PPE) that is suitable and available to all workers in the workplace so this is a **Non-conformance No. 2020.06 with the Critical Grade.**

There's a place for PPE in House Rinse for estate. The house rinse is equipped with a storage area for PPE, a place for washing PPE, a place for storing work tools, a storage area for workers' clothes and a first aid kit.

#### 6.7.4

Company showed proof of payment for BPJS of Employment for PTPN IV for the July-October 2020 period, as follows:

- August with Contribution Code 200900362261 dated September 15, 2020 amounting to IDR 182,771,484.-
- September with Contribution Code 201002545416 dated October 15, 2020 in the amount of Rp 149,545.14.-
- October with Contribution Code 201101892558 dated November 13, 2020, amounting to IDR 164,552,314.-

Company showed proof of BPJS of Health payment for PTPN IV units for the August-October 2020 period, as follows:

- Receipt of Proof of Premium Payment for August 2020 dated September 2, 2020 amounting to IDR 2,886,772,558.-
- Receipt of Proof of Premium Payment for September 2020 dated October 9, 2020 amounting to IDR 2,876,848,634.-
- Receipt of Proof of Premium Payment for October 2020 dated November 9 2020 in the amount of IDR 2,875,098,300.-

The company shows the contract documents between PT Perkebunan Nusantara IV and CV Langkat Utama regarding the Procurement of FFB Transporting at Afdeling V Sawit Langkat Estate in 2020. Article 9 Rights and Obligations of the Parties Point 7 explains that the procurement participants have a working relationship with the workers concerned as evidenced by the existence of a work contract and also the participation of workers in the BPJS.

Based on the results of interviews with 2 workers loading fruit from the contractor CV Langkat Utama, it is known that workers have not been registered with BPJS Employment and BPJS Health.

The company couldn't show a list of employees from the contractor CV Langkat Utama and proof of payment for BPJS Employment and BPJS Health made by CV Langkat Utama.

Based on the explanation above, the company has not been able to ensure that all workers are provided with health services and are protected by work accident insurance so this is a **Non Conformance No. 2020.07 with Non-Critical Grade.**

#### 6.7.5

Companies can show the recording of work accidents using the Lost Time Accident which informs the Frequency Rate, Severity Rate and Lost Time every month, but there is a miscalculation for September 2020.

So that, **OFI** ensures that the Lost Time Accident calculation is in accordance with the Decree of the Director General of Industrial Relations Development and Labor Inspection. Department of Manpower of Republic Indonesia No. KEP.84 / BW / 1998 concerning Completion of Report Forms and Accident Statistics Analysis.

6.7.3	Status: Non-conformance No. 2020.06 with the Critical category				
6.7.4	Status: Non-conformance No. 2020.07 with the Non-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					
<p>The IPM program has been documented and is always proclaimed in the annual work plan. Based on Summary Detection of Pests and Diseases Potential pests identified are nettle caterpillars, bagworms, rat, and <i>Oryctes rhinoceros</i>. The company has conduct biological control to reduce population of disease pests, such as planting and beneficial plant care to reduce nettle caterpillars. With the application of IPM, it is expected that the use of pesticide to control pests can be minimized. Reduced chemicals such as rodenticides.</p> <p>Biological control records that have been carried out by the company, for example, are indicated by:</p> <p><u>Beneficial Plant</u></p> <p>Sawit Langkat Estate have planted a beneficial plant with types <i>Turnera subulata</i> and <i>Antigonon leptopus</i>. Turnera are planted on each side of the CR and MR. While antigonon is planted on every crossroad. In the monitoring document and beneficial plant cropping map, it is known that until May 2020.</p> <p>The company showed recapitulation of nettle caterpillar, bagworms and mouse pests in the period May 2020. Based on these results, it is known that there were no pest attacks at PTPN IV (Sawit Langkat).</p>					
7.1.2					
Based on document review the company applies several biological control practices to suppress pest and disease attacks such as <i>Turnera subulata</i> and <i>Antigonon leptopus</i> and are well managed. The species does not include invasive species by P.94 / MENLHK /Secretary General/KUM.1/12/2016 on Invasive type.					
7.1.3					
Based on the results of interviews with the management of of Sawit Langkat Estate and Mill, it was found that there was no use of fire for pest control. At the time the ASA-2 RSPO on site audit was conducted, there was no pest census activity.					
	Status: Comply				
7.2					
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.					
7.2.1					
<p>The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area. The company used <i>glyphosate</i> and <i>Metil metsulfuron</i> which have received permission from the government. Based on document verification, there is no prohibited chemicals use.</p>					
7.2.2					
<p>The company can show a pesticide usage record describing the active ingredient used and the LD50 of the active ingredient, the treatment area, the number of active ingredients used per hectare and the number of applications. For example, for the use of Metsulindo brand pesticides for the period January - October 2020, as follows:</p>					
Merk	Active Ingredients	LD50	kg	ha	Active Ingredients /ha (kg)
Metsulindo 20 WP	Metil Metsulfuron 20%	D: >2.510	283.63	11.784	4.81
7.2.3, 7.2.4					
<p>The company does not use pesticides for preventive purposes. Based on pest monitoring, animal pests cannot be found that exceed the economic threshold. so the company only uses pesticides for weed control.</p>					

#### 7.2.5

The Management Unit has the complete list of pesticides belonging to the WHO Class 1A or Class1B, or those listed in the Stockholm or Rotterdam Conventions and paraquat and also has Internal Circular Letter of the Unit Manager No. SAL/SE/Intrn/VIII/2018, dated 16 August 2018, regarding Paraquat Reduction Program. It was explained that the use of paraquat must be minimized and should only be used in extraordinary conditions, so for the Sawit Langkat Estate will implement program reduce the use of paraquat by prioritizing manual control and biological control.

Based on the results of visits to the pesticide warehouse, it was found that there were no pesticides with the active ingredient paraquat.

#### 7.2.6

The company can show the recording of the Plant Pest and Plant Disease Webinar on Batch I which was held on July 7, 2020 through the zoom media which was attended by staff from the pest department and pest officers, and other employees.

#### 7.2.7

Based on field observations, the chemical storage warehouse is equipped with ventilation, emergency response facilities, OHS symbol and hazardous and toxic materials symbol.

#### 7.2.8

The company already has a SOP for Hazardous Waste Management number SOP 02 revision 03 issued on January 2, 2017. Based on field visits to employee housing in Afdeling III, no pesticide packaging / containers were used for other purposes, and based on the field visit to hazardous waste warehouse all used pesticide packaging had been stored and recorded in the hazardous waste balance and logbook which would then be submitted to the 3rd party as the end of the licensed hazardous waste manager. The company has a cooperation agreement letter to manage hazardous waste with the final manager, namely PT. Jagar Prima Nusantara with number 04.03 / S-Prj / 32 / XI / 2019 on 18 November 2019 and valid for one year until 17 November 2020. Thus, the company can show that all pesticide containers have been managed in accordance with applicable regulations.

#### 7.2.9

Based on document review, it is known that the company does not apply pesticides by air.

#### 7.2.10

The company can show records of medical examinations for all workers in 2019 as well as follow-up records for workers who experience disorders based on the results of the examination. Based on the results of interviews with path weeding personels who also work as sprayers in afdeling 5 blocks AU 10, it is known that the company has carried out a medical examination. Based on the results of interviews with management, the company has not carried out periodic inspection activities in 2020 due to the covid-19 outbreak.

Based on the Circular of the Minister of Manpower of the Republic of Indonesia No. 2/7 / AS02.02 / V / 2020 year 2020 dated 20 May 2020, in paragraph II regarding the Application of the Protocol for the Prevention of Coronavirus Disease (Covid-19) Transmission in the Workplace, Point 10 states "Conducting temporary postponement of workforce health checks up to other aspects. occupational safety and health are met or until the Covid-19 pandemic ends".

#### 7.2.11

Based on the results of interviews with 4 path weeding personels in afdeling 5 block AU 10, it is known that there are no female workers who are pregnant or breastfeeding who do work that is in contact with chemicals, and every month there is a monitoring record of menstruation in each afdeling.

Status: Comply

#### 7.3

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

#### 7.3.1

The company already has documentation for the storage and handling of hazardous waste recorded in several documents, for example as follows:

1. Hazardous waste logbook for the first, second and third quarters of 2020
2. Hazardous waste balance until November 2020



3. Minutes of Handover of hazardous waste with hazardous waste carrier PT Jagar Prima Nusantara on March 4, 2020.
4. The hazardous waste manifest dated 4 March 2020 which is transported by vehicle number BP 9341 UY.

For medical waste, the company collaborates with the hospital, which is still a holding company, namely PT Prima Medika Nusantara (RS Pabatu), the last shipment was on February 26, 2020.

Based on a field visit to employee housing in Afdeling III, no pesticide packaging / containers were used for other purposes, and based on field visits to hazardous waste warehouse all used pesticide packaging and all types of hazardous waste that had been identified were stored and recorded in the hazardous waste balance sheet and logbook. will be submitted to a third party as the licensed hazardous waste final manager.

Based on the results of interviews with the management phak, all hazardous waste and domestic waste have been managed in accordance with applicable regulations. Interviews were also conducted with hazardous waste warehouse guards and chemical warehouse managers, they had understood hazardous waste management and understood how to deal with it in an emergency in the event of a hazardous waste spill or leak.

For waste generated from the housing of company employees, throw it away at a designated TPSA. Based on the employee housing field visit in Afdeling III, the housing is in a clean and well-maintained condition and no domestic waste is burned in the housing.

Thus the company can show that all hazardous waste has been managed according to procedures and is understood by workers. In addition, the Company has also reported quarterly hazardous waste to the local government, this is evidenced by the receipt of the hazardous waste Quarter I, II and III 2020 reports from the Environmental Service of Langkat Regency, the last report receipt was on October 21, 2020.

However, from the last date of delivery of hazardous waste to the 3rd party (26 February 2020 and 4 March 2020), until the 2nd Supervision audit ends (19 November 2020), the company has not been able to show the delivery / minutes of transporting the hazardous waste type of battery, used and medical waste. Thus, the used hazardous waste battery waste and medical waste exceed its storage period and this is a **Non-conformance No. 2020.08 with the non-critical category**.

### 7.3.2

Based on a field visit to employee housing in Afdeling III, no pesticide packaging / containers were used for other purposes, and based on field visits to hazardous waste warehouse all used pesticide packaging and all types of hazardous waste that had been identified were stored and recorded in the hazardous waste balance sheet and logbook. will be submitted to a third party as the licensed hazardous waste final manager.

Based on the results of interviews with the management of Sawit Langkat Estate and Mill, all hazardous waste and domestic waste have been managed in accordance with applicable regulations. Interviews were also conducted with hazardous waste warehouse guards and chemical warehouse managers, they had understood hazardous waste management and understood how to deal with it in an emergency in the event of a hazardous waste spill or leak.

For waste generated from the housing of company employees, throw it away at a designated TPSA. Based on the employee housing field visit in Afdeling III, the housing is in a clean and well-maintained condition and no domestic waste is burned in the housing.

Thus the company can show that all hazardous waste has been managed according to procedures and is understood by workers. In addition, the Company has also reported quarterly hazardous waste to the local government, this is evidenced by the receipt of the hazardous waste Quarter I, II and III 2020 reports from the Environmental Service of Langkat Regency, the last report receipt was on October 21, 2020.

### 7.3.3

Based on document reviews and field visits, the wastes generated by Mill operations are not openly burned, solid waste such as shells and fiber are used by the company as renewable fuel for boilers, the company's empty oil palm bunches are re-applied to land as a complement to organic fertilizer.



For waste generated from the housing of company employees, throw it away at a designated TPSA. Based on a field visit to employee housing in Afdeling III, the housing is in a clean and well-maintained condition and no domestic waste is burned in the housing. As for the hazardous waste, the company will hand it over to the third party processing the hazardous waste that has obtained a permit.

**7.3.1**
**Status: Non-conformance No. 2020.08 with the 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; 7.4.4**

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

Companies can show records of fertilizer use, for example the period July 2019 - June 2020, as follows:

<b>Fertilizer</b>	<b>July '19 to Jun '20 (kg)</b>
MOP	670,376.02
Dolomite	190,558.75
NPK 14.7.25+1 TE	395,288.50
TSP	44.80
NPK 12.12.7.2	8,000.00
NPK 12.12.7.2+1 TE	1,739,836.00
NPK 12.8.26+1,5 TE	524,689.62
<b>Total</b>	<b>3,528,793.69</b>
<b>FFB Production July '19 to June '20 (tonnes)</b>	
	<b>119,310.02</b>
<b>Fertilizer (kg) / ton FFB</b>	<b>29.58</b>

**7.4.2**

The company had showed the recording of soil sampling was last carried out in 2017, with the parameters in the soil test included criteria for soil fertility, soil type, pH, C-organic elements, total N, P-total, K, Ca, Mg, Na, and CEC status as well as results of evaluation of soil fertility.

The company has also demonstrated the recording of leaf sampling on 2019 (conducted on 1-5 July 2019). The evidence of leaf sampling and analysis implementation visually in accordance with SOP, among others, showing leaf test results with Memo No. 04.04/Distrik-Kebun/M-630/VI/2019 with a measurement element namely nitrogen, phosphate, potassium, magnesium, boron, copper, zinc and iron.

**7.4.3**

The company carries out nutrient cycles in the form of empty bunches applications, use of fiber, shells, and POME applications. The realization of such utilization are:

- Used of shell on period January - May 2020 for boiler fuel as much as 2,793 tons
- Used of fiber on period January – May 2020 for boiler fuel as much as 11,690 tons
- Unit management shows energy efficiency for the period January - May 2020 with details: the use of nutrient cycle for production is 15.41 kwh/Ton FFB.

**Status: Comply**
**7.5**

**Practices minimise and control erosion and degradation of soils.**

**7.5.1; 7.5.2; 7.5.3**

The company has a map of soil type, geology, slopes with scale 1:45.000. Based on the study of land type map and field verification, the entire area of the Estate is a mineral land. There was no peat soil in the operational area. There were no fragile or problematic soils such as sandy soil or soil with low organic matter content.

Based on the study of the area statement documents, it is known that the planting year was between 2006-2016, when the RSPO ASA-2 on site audit was carried out, the company did not carry out any replanting activities or new planting.

<b>Status: Comply</b>
-----------------------

**7.6**

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

**7.6.1; 7.6.2; 7.6.3**

The company has Slope Map of the PT Perkebunan Nusantara IV Sawit Langkat Estate, scale 1: 45,000 with topography legend. Based on the map, the topography area in the Sawit Langkat Estate is flat (38%); Surging (29%); Hilly (33%).

Based on SOP No. 01.4 Land Preparation and Preservation, the company has management strategies for planting in certain slope areas, such as:

- Making terraces, silt fit, and castles. In area with a slope of 20% - 40% is made individual terrace for 1 plant.
- At slope > 40° is not cleared land, tree felling, and planting.
- Terrace monitoring is done regularly to repair the damaged.
- Making drainage ditch in lowland, flat or flooded areas.
- In certain areas, i.e flat area or lowland below the road, it is made a long ditch.
- On a declining roadside, before arriving at the bridge, the drain must be drained sideways to allow water to flow into the river and not damage the foundations of the bridge.

The company has a map of soil type, geology, slopes with scale 1: 45.000. Based on the study of land type map and field verification, the entire area of the Estate is a mineral land. There was no peat soil in the operational area. There were no fragile or problematic soils such as sandy soil or soil with low organic matter content.

At the time the RSPO ASA-2 on site audit was carried out, the plants in the Langkat palm area had entered the replanting stage which began in 2006 and the company did not develop any new land.

<b>Status: Comply</b>
-----------------------

**7.7**

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

**7.7.1 – 7.7.7**

The company has a map of soil type, geology, slopes with scale 1: 45.000. Based on the study of land type map and field verification, the entire area of the Estate is a mineral land. There was no peat soil in the operational area. There were no fragile or problematic soils such as sandy soil or soil with low organic matter content.

<b>Status: Comply</b>
-----------------------

**7.8**

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

**7.8.1 and 7.8.2**

The company has tested the surface water quality upstream and downstream of the Besilam river every 6 months and the quality of clean water used by employees is analyzed by a KAN accredited laboratory (LPN-1284 LDN). The results of surface water quality testing (upstream and downstream of the Besilam River) which were carried out by water sampling on May 14-15 2020 did not exceed the required quality standards.

In addition to testing river water, the Company has also tested the quality of clean water used for daily needs by its employees with parameters and quality standards referring to Permenkes 32 of 2017, the latest test results for all test parameters do not exceed the quality standards specified have been stipulated in the regulations so that employees have adequate access and feel safe to use the clean water provided by the Company.

Based on a field visit to the Besilam River border in Afdeling II block 12 AC, the company has shown the limit for chemical application (chemical spraying), namely the fifth tree from the river bank (about 45-50 m), for rivers with a width of 1-5 m in the estate area has been given a poison-prohibited sign on the riverbank. The company has provided a spray limit in the form of red paint on the palm which shows the limit for chemical application (chemical spraying), namely the first tree from the river bank (about 3-6 m).

### 7.8.3

The company has an extension of the permit for the utilization of POME in the Waste Water Discharge Permit Number 660-0012 / IPAL / DPMP2TSP / LKT / 2020 dated May 20, 2020, which was approved by the Head of the Capital Investment and One-Stop Licensing Service Office of Langkat Regency. Valid for 5 years from the date of date set.

The company shows documents from November 2019-October 2020 in the WWTP Palm Oil Mill Outlets analyzed by accredited laboratories, namely PT Mutuagung Lestari (LP-001-IDN) for example as follows :

Parameter	Unit	threshold value	Result				
			Jun	Jul	Aug	Sep	Oct
BOD <sub>5</sub>	mg/l	<5000	544	621	762	624	364
COD	mg/l	-	930	1004	1046	961	899
pH	-	6-9	7,62	6.46	8.20	7.63	7.86
Oil and fat	mg/l	-	<5.0	17.73	6.63	<5.0	<5.0
Timbal (Pb)	mg/l	-	<0.0017	<0.0017	<0.0017	<0.0017	<0.0017
Copper	mg/l	-	0.44	0.66	0.15	0.22	<0.018
Cadmium (Cd)	mg/l	-	<0.0022	<0.0022	<0.0022	<0.0022	<0.0022
Zinc (Zn)	mg/l	-	0.28	1.22	0.33	0.44	0.29

Threshold Value refers to KepMenLH No. 28 of 2003

From the test results that have been carried out by the company, it can be seen that none of the parameters exceed the quality standards that have been set.

The company has reported the test results every 3 months to the local government, this is indicated by the receipt of the POME report for the first, second and third quarters of 2020, the last report for the third quarter with a cover letter number SAL / X / 181 / X / 2020 dated 20 October 2020 and received by the Langkat Regency Environmental Service on October 21, 2020.

### 7.8.4

The company shows records of water usage for the period January-May 2020:

Month	FFB Process (Ton)	Norm Use	Quantity (M <sup>3</sup> )	Realization Use of Water/Ton FFB
January 2020	7,605	1.2 – 1.5 m3/Ton FFB	20,328	1.3
February 2020	7,690	1.2 – 1.5 m3/Ton FFB	21,553	1.3
March 2020	9,257	1.2 – 1.5 m3/Ton FFB	30,662	1.3
April 2020	11,189	1.2 – 1.5 m3/Ton FFB	33,737	1.3
May 2020	10,815	1.2 – 1.5 m3/Ton FFB	34,086	1.3

The company has documents related to water use in the Decree of the Governor of North Sumatera regarding the Extension of Surface Water Retrieval and Utilization Permit (No. : 610/113 / DPMPPTSP / 5 / XII.1 / II / 2017) which was established on 28 February 2017 and is valid for 3 year. The company shows a letter of application for extension of the concession for water resources for surface water (letter number 04.13 / X / 12 / II / 2020 dated February 13, 2020).

This will be verified at the time of the onsite audit.

The company shows Proof of payment of surface water tax in May 2020 to the Regional General Cash of North Sumatera Province

on June 19, 2020.

**Status: Comply**

### 7.9

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

#### 7.9.1

The company has a Standard Operating Procedure for the Utilization of Palm Oil Mill Waste (SOP No. 17, Rev 2 dated January 2, 2015) which outlines related to;

- The purpose of utilizing factory waste is to reduce the use of fossil fuels so as to reduce greenhouse gas emissions. The intended waste is the Utilization of Empty, Shell, Solid, Fiber and POME from the remaining palm oil processing production.
- All solid waste in the form of shells and fibers are used for fuel boilers.

The following is the utilization record shown by the company:

Month	Use of fibre (Ton)	Use of shell (Ton)	Kwh/Ton FFB	EFB (ton)	POME (ton)
Jan-20	1,065	456	16.06	1,937	4,563
Feb-20	1,077	461	16.16	1,975	4,613
Mar-20	1,296	556	15.63	2,567	5,555
Apr-20	1,566	671	14.87	2,786	6,713
Mei-20	1,514	649	14.80	2,475	6,489
Jun-20	1,702	730	17.36	2,653	6,094
Jul-20	1,984	850	15.42	3,077	6,945
Ags-20	1,804	773	15.37	2,824	7,022
Sep-20	1,750	725	16.16	2,645	7,254
Okt-20	1,665	714	15.09	3,117	6,816

The company explains that fiber and shells are used as fuel in mill operations. For POME and EFB applied as fertilizer in the field.

**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

Based on auditor verification result during audit known data pesticides usages monitoring, data diesel fuel monitoring, HCV identification, data POME, total planted area and etc. found that accurate data has been put into the RSPO palm GHG Calculator V.4. Meanwhile this GHG calculation using options No 1 (apply full version).

Fossil fuel reducing on Sawit Langkat palm oil mill have been implemented by fiber/shell usage for boiler. POME POM has been monitored every month and monitoring periods January to December 2019 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator.

GHG calculation on 2018 shown net emission of GHG are increasing compared to 2019 net GHG is 0.54 tCO<sub>2</sub>e/t Product meanwhile for year 2018 period while period 0.51 tCO<sub>2</sub>e/t Product and this indicates increasing. The increasing was cause by transportation fuel of production.

Calculation of GHG and its monitoring has conducted by sustainable department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission and its supply base are listed as follows:

Summary Emission

Emissions per Product	tCO2e/ tProduct								
CPO	0.54								
PK	0.54								
Production	t/yr								
FFB processed	125,061.27								
CPO Produced	29,752.07								
Extraction	%								
OER	23.79								
KER	3.50								
Land use	Ha								
OP Planted area	5,548.88								
OP planted on peat	0								
Conservation (forested)	0								
Conservation (Non-forested)	86.29								
Summary of field emissions and sinks									
Description	Own			Group			3 <sup>rd</sup> Party		
	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB
Land conversion	54,804.23	9.88	0.44	-	-	-	-	-	-
CO2 emission from fertilizer	3,687.97	0.66	0.03	-	-	-	-	-	-
N2O emission from fertilizer	2,410.08	0.43	0.02	-	-	-	-	-	-
Fuel consumption	516.01	0.09	0.00	-	-	-	-	-	-
Peat Oxidation	0	0	0	-	-	-	-	-	-
Crop sequestration	-	-	-	-	-	-	-	-	-
Sequestration in conservation area	51,947.11	-9.36	-0.42	-	-	-	-	-	-
	0.00	0.00	0.00	-	-	-	-	-	-
Total	9,471.19	1.71	0.08	-	-	-	-	-	-
Summary of Mill Emissions and Credits									
	tCO2e	tCO2e/tFFB							
Emissions Sources									
POME	8,678.25	0.07							
Fuel consumption	387.27	0.00							
Grid electricity	0.00	0.00							
Utilization									
Credits									
Export of grid electricity	0	0							
Sales of PKS	0	0							

Sales of EFB	0	0
Total	9,065.52	0.07
<b>Palm oil Mill Effluent (POME) Treatment</b>		
Divert to compost	0 %	
Divert to anaerobic digestion	100 %	
<b>POME Diverted to Anaerobic Digestion</b>		
Divert to anaerobic pond	100 %	
Divert to methane capture (flaring)	0	
Divert to methane capture (electricity generation)	0	
<b>7.10.2; 7.10.3</b>		
Based on documents review and interviews with management representative, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2015 is replanting activities.		
	<b>Status: Comply</b>	
<b>7.11</b>		
<b>Fire is not used for preparing land and is prevented in the managed area.</b>		
<b>7.11.1</b>		
Based on document review and interviews with management, the company did not carry out any new plantings. And the last replanting was in 2013 using heavy equipment / carried out mechanically using heavy equipment and without using fire.		
<b>7.11.2</b>		
The company already has Emergency Handling procedures No. 4.3.16, revision 2, dated 6 May 2013 made by P2K3. The scope of procedures includes control strategies, organization, communication systems and reporting systems, as well as generally regulating and giving flexibility to any authorized party to take appropriate actions in accordance with the current conditions.		
The company has also established an organizational structure for emergency response which is incorporated into the P2K3 organizational structure. Fire prevention and control training is carried out regularly every 1 year, the last training is carried out on July 17, 2020 which takes place in the central unit which is attended by all members of the fire department.		
<b>7.11.3</b>		
The company has human resources who are trained in fire prevention and control as described in criterion 7.11.2. In addition, in implementing fire prevention and control exercises the company also invited stakeholders through the surrounding village community, the last training and outreach was held on July 17, 2020 which was attended by representatives of Titi Benda Village, Paluh Pakeh, Paya Satu, Sungai Pasir, Tani Village, and Bukit Dinding Village. In this activity, it was conveyed that the surrounding village communities were encouraged to inform if there was a fire either in the Estate area or outside the Estate area, and if there were indications of a community burning their own fields in cultivating the land, it is hoped that direct coordination with the company is expected.		
	<b>Status: Comply</b>	
<b>7.12</b>		
<b>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.</b>		
<b>7.12.1, 7.12.2</b>		
PT PN IV Sawit Langkat unit did not clear land after November 2005. The management unit of Sawit Langkat has a document of HCV Identification Assessment Report issued in October 2016 with a March 2015 appraisal time. In this case, the HCV Identification assessment is conducted after the 2nd cycle of replanting. Based on the Announcement of RSPO, the CH has zero liability.		
PT PN IV Sawit Langkat unit did not clear land after 15 November 2018, so HCV assessment remains valid.		



**7.12.3**

Indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO.

**7.12.4 and 7.12.5**

Sawit Langkat Management Unit already has a HCV Identification Assessment Report document which was issued in October 2016 with an evaluation date of March 2015. In this case, the HCV Identification assessment is carried out after replanting. HCV Identification Report of PTPN IV Sawit Langkat Business Unit, October 2016. March 6-10 2016 Assessment with Lead Assessor on behalf of Yokyok Hadiprakarsa (ALS15019YP). Total HCV Management Area: 60 Ha. Scope HCV Assessment: Land Use Title 6,475 Ha. The Peer Review was conducted by Dr. Gurmaya Kunkun (October 2016).

Based on the identification results there is an HCV area of 59.43 Ha consisting of HCV 1 & HCV 4 (58.43 Ha) and HCV 6 (1 Ha). But no ecosystems are found at the broad landscape level and significant mosaics at global, regional or national levels. The company shows a plan and realization of the management and monitoring of the HCV area in 2019. Management and monitoring actions taken for example are as follows:

- Install signboards in the HCV area
- Tree planting
- To socialize the management of river riparian.
- Perform river water quality testing

The company has shown evidence that the program has been revised in 2019 for example as follows:

- Socialization of HCV area on 23 August 2019 to related parties, including NGOs, Village Governments, community representatives (there is a list of attendance).
- Minutes of Planting trees along the river riparian on July 25, 2019.
- Minutes of Signboard Installation on August 6, 2019
- Minutes of the socialization of HCV areas, endangered animals and plants to employees on October 2, 2019

The company has presented management review related to the management and monitoring of HCV areas in April 2019.

**7.12.6, 7.12.7**

Sawit Langkat Management Unit has a HCV Identification Assessment Report document that was issued in December 2016 with an evaluation time of March 2015. The results of the identification there are three types of HCV that are in the area of the Sawit Langkat management unit, namely HCV 1, HCV 4 and HCV 6. Where, there are protected, rare and endangered species that are included HCV 1, namely Weasel (*Cynolgale bennetti*) with Endangered status (Endangered ( IUCN Redlist and Law No. 7 of 1999). The HCV assessment team has also made management and monitoring recommendations on the identified HCV attributes. The company shows a plan and realization of the management and monitoring of the HCV area in 2019. Management and monitoring actions taken for example are as follows:

- Install signboards in the HCV area
- Tree planting
- To socialize the management of river riparian.
- Perform river water quality testing

The company has shown evidence that the program has been revised in 2019 for example as follows:

- Socialization of HCV area on 23 August 2019 to related parties, including NGOs, Village Governments, community representatives (there is a list of attendance).
- Minutes of Planting trees along the river riparian on July 25, 2019.
- Minutes of Signboard Installation on August 6, 2019
- Minutes of the socialization of HCV areas, endangered animals and plants to employees on October 2, 2019

The company shows SOP Identification and protection of flora and fauna number SPO 09 revision 03 valid from August 1, 2017. The SOP describes the method of identification of flora and fauna carried out. Regarding animal and plant protection, it is explained for example as follows:

- It is not permitted to capture, preserve or kill animals that are protected by state or unprotected regulations without company permission.
- The company protects plant vegetation especially in the protected / conservation area

- Prohibition of chemical spraying on protected areas such as river banks
- If there are still employees or non-employees who capture and preserve or kill animals both protected by state regulations and those that are not protected without permission from the company, they will be reported to the competent authority.

However, based on the monitoring and maintenance program for HCV 1, 4 and 6 which was carried out in July 2020, the description of monitoring and monitoring activities did not include monitoring of protected, rare and endangered species included in HCV 1. And not referring to the latest regulations about protected plants and animals. This is the **Non-conformity No. 2020.09 with the non-critical category**.

#### 7.12.8

PTPN IV Sawit Langkat unit did not clear land after November 2005. The management unit of Sawit Langkat has a document of HCV Identification Assessment Report issued in October 2016 with a March 2015 appraisal time. In this case, the HCV Identification assessment is conducted after the 2nd cycle of replanting. Based on the Announcement of RSPO, the CH has zero liability. PT PN IV Sawit Langkat unit did not clear land after November 2005.

7.12.6

**Status: Non-conformity No. 2020.09 with the non-critical category**

3.2 Conformity Checklist of Certificate and Trademark Use

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA 2</b>	There is no logo used.	
	<b>Status: NA</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>ASA 2</b>	There is no logo used.	
	<b>Status: NA</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>ASA 2</b>	There is no logo used.	
	<b>Status: NA</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>ASA 2</b>	There is no logo used.	
	<b>Status: NA</b>	

### 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 one (14) uncertified mills and twenty-six (26) 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 followed 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.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b></p> <p>There is 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>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>PTPN IV has submitted liability disclosure to RSPO. 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><b>Auditor verification</b></p> <p>Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting</p>

		evidence provided.
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>There is new planting/ land clearing after 1<sup>st</sup> January 2010 in subsidiary of PTPN IV (SPN, Timur Estate, ASN, Panai Jaya Estate, Balap Estate, Bah Birung Ulu Estate).</p> <p><b>Auditor verification</b></p> <p>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>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There 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><b>Auditor verification</b></p> <p>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>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p><b>Auditor verification</b></p> <p>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 Management System (Whistle Blowing System)</p>

		PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection for Reporter.
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is legal non-compliance is being processed i.e. HGU, consist of:</p> <ol style="list-style-type: none"> <li>1. Marjandi Estate: 30 Ha</li> <li>2. Dolok Sinumbah Estate: 35.94 Ha</li> <li>3. Air Batu Estate: 459.02 Ha</li> <li>4. Berangir Estate: 10 Ha</li> <li>5. Sawit Langkat Estate: 301.50 Ha</li> <li>6. Sei Kopas Estate: 763 Ha</li> <li>7. Panai Jaya Estate</li> </ol> <p><b>Auditor verification</b></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.</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 ASA-1 Assessment

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Hasiholan Sihombing
<i>Date Issued</i>	: 24 May 2019	<i>Time Limit</i>	: 22 August 2019
<i>NC Grade</i>	: MAJOR	<i>Date of Closing</i>	: 20 August 2019
<i>Standard Ref. &amp; Requirement</i>	<b>4.7.3</b> <b>All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it used, burning</b>		
<b>Evidence observed</b> (filled by auditor): The company has a PPE Replacement Mechanism in the Circular Letter (No: SAL/SE/52/III/2019), which explains when found damaged PPE, the administrative officer made the damage PPE reports and made a report on the request for new PPE replacement. Based on field observations and interviews with workers at the Sawit Langkat Mill and Sawit Langkat Estate, the facts of the field were found as follows: <ul style="list-style-type: none"><li>• 2 workers at the sortation station, 1 worker at the press station, 1 worker at the kernel station, 1 worker at the sterilizer station, 4 harvesters at the division II, 2 pesticide applicators at the division II and 3 EFB application workers at the division IV using PPE shoes that do not meet company standards (purchased by the workers themselves because the shoes that provided by the company are damaged before the new replacement period).</li><li>• 1 worker at the boiler station, 1 worker at the kernel station, 1 worker at the press station and 1 worker at the sterilizer station has not received PPE ear protection.</li></ul>			
<b>Non-Conformance Description</b> (filled by auditor): Based on these evidences, the company has not been able to demonstrate the implementation of PPE management according to the procedure owned.			
<b>Root Cause Analysis</b> (filled by organization audited): <ul style="list-style-type: none"><li>• Lack of understanding of workers regarding the mechanism for providing PPE by the company.</li><li>• There is no monitoring of the use and condition of PPE in accordance with the identification of risks that have been made that are carried out on a scheduled basis each month</li><li>• There is no official assigned to monitor the use and condition of PPE and OHS implementation in the company's operational area</li></ul>			
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>• Make monitoring of PPE conditions used by plant workers / afdeling</li><li>• Providing information on mechanisms for granting PPE / replacement</li><li>• Completing PPE (boots) according to company standards for 2 sorting station workers, 1 pres station worker, 1 kernel station worker, 1 sterilizer station worker, 4 harvest workers in afdeling 2 and 2 EFB application workers in afdeling 4.</li><li>• Equipped ear protective PPE for workers at the Boiler, Kernel, press and sterilizer stations.</li></ul>			
<b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>• Make monitoring of the condition and use of PPE for all workers regularly every month</li><li>• Make socialization of PPE functions and uses to workers</li><li>• Establish PIC to monitor the use and condition of PPE and the implementation of OHS in the company's</li></ul>			

operational area

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

**Verification July 24, 2019**

The company shows evidence of improvement in the form of a decree stipulating the officer monitoring the use and condition of PPE and the implementation of the OHS on June 10, 2019. However, the company has not sent any other evidence of improvement as described in the correction table. **This Non-conformity is still OPEN.**

**Major Verification August 20, 2019**

The company shows evidence of improvement in the form of documents as follows:

- PPE condition and ownership monitoring documents for all employees that have been adjusted to the location and field of work for the period June 2019. (Engineering, Processing, Afdeling employees 1-8), monitoring is done every 3 months.
- Request for PPE Replacement document in June 2019 based on monitoring results of PPE in June 2019.
- Proof of taking PPE documents from the Bah Jambi Public Storage Warehouse on August 16, 2019 consisting of:
  - Chemist officer apron
  - Safety shoes
  - Helmets
  - Mask
  - welder mask
  - Heat resistant gloves
  - Rubber gloves
  - Earmuff, Earplug.
- Internal circular no: SAL / SE / Intern / 758 / VI / 2019 dated June 10, 2019 regarding the PPE replacement mechanism.
- Minutes of the socialization of PPE replacement mechanism on 9 August 2019 were carried out by Managers and Other Leadership Employees and attended by 53 employees.
- Proof of handover of APD Safety Shoes and Ear plugs to 55 Engineering, Electrical and Processing employees on 19 August 2019.
- Based on the results of a field visit to the Central Warehouse it is known that the PPE written in the PPE procurement document can be found at the Central Warehouse, including the remaining safety shoes that have not been taken by employees.
- Based on the results of field visits and interviews with 3 mill employees in the Boiler station and Kernel Station, it was found that the employees had used the new PPE given by the company on August 19, 2019 in the form of safety shoes and earplugs.
- The company shows the minutes of replacing PPE boots for harvest employees, loaders, chemists, whose boots have been broken on July 1, 2019 with a total of 39 people.
- Based on the explanation of PPE management in the form of boots so far it cannot be sent to the unit because the procurement process in the Bah Jambi central warehouse is still in process. for the time being the replacement of PPE to employees whose boots have been damaged is done by local procurement. This is in accordance with the results of field visits and interviews with 2 harvesters in block 10 D Afdeling 1. From the results of the field visit it is known that the boots used by the two harvesters are of different colors, explained by the relevant person that the green boots used by one of the harvesters are replacement boots from the company. The mechanism used to replace PPE is to report to the foreman.

Based on the verification results above, the non-conformity is **closed**.

**Verified by** : **Hasiholan Sihombing & Bayu Yogatama**

<b>NCR No.</b>	<b>: 2019. 02</b>	<b>Issued by</b>	<b>: Leonada</b>
<b>Date Issued</b>	<b>: 24 May 2019</b>	<b>Time Limit</b>	<b>: 22 August 2019</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 20 August 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: SCCS E.4.1</b> <b>The site shall verify and document the volumes of certified and non-certified FFBs received</b>		
<p><b>Evidence observed</b> (filled by auditor):</p> <p>Sawit Langkat POM received FFB from Sawit Langkat Estate that had not been RSPO certified (<math>\pm</math> 113.42 hectares of area managed by the company). Based on the results of interviews with weighbridge operator it is known that there is no separation between FFB originating from certified areas or non-certificate areas. Then from the results of interviews and field visits in the 12AF block non-certified area, it was found that FFB was mixed with FFB originating from certified areas, for example shown in delivery note No. 3/1/5/19 dated 17 May 2019 with RSPO stamp, truck no. BK8805SG which has 389 FFB from 12AF block (non-certified area) and 11 FFB from block 08A (certified area). The FFB was sent and received by the mill in proof of the weighing receipt No. net ticket N00DDF1111905170000054 5030.</p> <p>Based on FFB data received in mill, it can be seen that the company has separated the data between certified FFB and non-certified FFB, such as the example</p> <ul style="list-style-type: none"> <li>- In March 2019 there were 10,649.96 tons of certified FFB and 87.42 tons of non-certified FFB</li> <li>- In April 2019 there were 10,686.27 tons of certified FFB and 81.63 tons of non-certified FFB.</li> </ul> <p><b>Non-Conformance Description</b> (filled by auditor):</p> <p>the company has not been able to show the evidence of traceability implementation/method of separation between certified FFB and non-certified FFB.</p>			
<p><b>Root Cause Analysis</b> (filled by organization audited):</p> <p>Lack of understanding of officers in making reports / records of SCCS monitoring in accordance with the provisions contained in the certificate (both the date of entry into force and the area included in the scope of certification)</p>			
<p><b>Correction</b> (filled by organization audited):</p> <ul style="list-style-type: none"> <li>• Revise the SCCS monitoring record of certified products in accordance with the date the certificate was issued and the area included in the scope of certification.</li> <li>• To socialize the procedures for making monitoring / recording of certified products / SCCS.</li> </ul>			
<p><b>Corrective Action</b> (filled by organization audited):</p> <ul style="list-style-type: none"> <li>• Evaluate staff understanding after getting socialization / training on how to make SCCS records / monitoring</li> <li>• Evaluate SCCS records / monitoring that have been made by officers</li> </ul>			
<p><b>Assessor Evaluation and Conclusion</b> (filled by auditor):</p> <p><b>Verification July 24, 2019</b></p> <p>The company has compiled root cause analysis, corrections, corrective actions and evidence of the following corrections:</p> <ul style="list-style-type: none"> <li>- SCCS socialization on 16 July 2019.</li> </ul>			

- Monitoring data on uncertified FFB receipts.
- FFB shipping documents from the uncertified area.

Based on the verification above, Nonconformity can not be closed, the company needs to show how the formula for separating FFB data between certified and non-certified FFB in the SCCS data, because actually certified FFB and non-certified FFB are mixed in the delivery from the plantation to the mill. As from the results of the auditor's verification while in the field with evidence presented on this Non-conformity. In order to add samples of proof of sending FFB (*SPB*) mixed between certified and non-certified FFB, then from the *SPB* sample the SCCS data evidence is shown that separates certified and non-certified FFB (in accordance with the formula for separating certified and non-certified FFB).

#### Major Verification August 20, 2019

Based on the results of interviews and simulations with management, it is known how to separate certified and non-certified FFBs starting from afdeling, the calculation is based on the number of ffb obtained in the non-certificate area multiplied by the average weight of FFB in the non-certified block.

For example, from SCCS data on July 29, 2019, it was found that there were 11.460 kg of non-certified FFB shipments from Afdeling 1 to POM. this is in accordance with the *SPB* data as of 29 July 2019 as follows:

- *SPB* No. 6/1/7/2019 totaling 7750 kg consisting of 3840 kg / 317 FFB of 12 AG blocks (non-certificate) and 3910 kg / 323 FFB (non-certificate).
- *SPBS* No 9/1/7/2019 totaling 6310 kg consisting of 3710 kg / 306 FFB of 12 AH blocks (non-certificate) with 2012 planting year and 12,124 kg BJR and 2600 kg / 156 FFB of the 09K block (Certificate area) of the year planting 2012 with 16.67 kg BJR.
- From the results of these calculations it can be seen the amount of 11,460 kg of non certificate originated from (7750 kg + 3710 kg)

Based on the verification results above, the non-conformity is **closed**.

Verified by	:	Leonada & Bayu Yogatama
-------------	---	-------------------------

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

<b>NCR No.</b>	<b>: 2020.01</b>	<b>Issued by</b>	<b>: Leonada</b>
<b>Date issued</b>	<b>: 19 November 2020 (Onsite)</b>	<b>Time limit</b>	<b>: Next surveillance</b>
<b>NC Grade</b>	<b>: Non-critical</b>	<b>Date Of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>2.1.2.</b> <b>A documented system for ensuring legal compliance is in place. This system has means to track changes to the law and also includes listing and evidence on evaluation of legal compliance of all contracted third parties, such as: recruitment agencies, service provider and labour contractor.</b>		
<b>Observed Evidence:</b> Based on the results of document verification, the following evidences are found: <ul style="list-style-type: none"> <li>The company has a mechanism to ensure compliance with the regulations described in the basic guidelines and work instructions for identification and evaluation of compliance with laws and regulations and other requirements No. document 04.01 / KOL / P / 034 dated 1 August 2018.</li> <li>Evaluation results are available for the implementation of operational activities, shown in the evaluation of compliance with the 2020 regulations.</li> <li>The company currently has a partnership with contractors including: CV Mitra Abadi (transportation of empty lengths) and CV Anugerah Cahaya (Transportation of FFB)</li> <li>The company also published a circular in the form of a vendor evaluation memo from the Head of the Planning and Sustainability Division No. 04.03 / Kol / M-422 / VIII / 2020 dated 31 August 2020, to ensure evaluation of regulatory compliance to the contractor. However, the company has not been able to show evidence of evaluation of regulatory compliance for contractors</li> </ul>			
<b>Non-conformance description:</b> The company has not been able to show evidence of legal compliance evaluation for all contracted third parties.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	<b>:</b>		

<b>NCR No.</b>	<b>: 2020.02</b>	<b>Issued by</b>	<b>: Nurdin Chaeriana/Brigitta Prita</b>
<b>Date Issued</b>	<b>: 02 July 2020 (Remote)</b>	<b>Time Limit</b>	<b>: 24 September 2020</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date Of Closing</b>	<b>: 26 August 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>3.4.3</b> <b>The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</b>		

**Evidence observed** (filled by auditor):

- The company has presented the Environmental Management Plan & Environmental Monitoring Plan (RKL RPL) Report Semester II 2019 which informs the report on the implementation of environmental management.
- From the results of river noise and water quality testing there are parameters that exceed the quality standards with the following details:
  - Noise test results refer to KepmenLH No. 48 of 1996 appendix I regarding the quality standard for the level of industrial area designation. It is known that the results at the backyard office location are 74.9 dBA, while the Threshold Limit Value for noise is 70 dBA.
  - The measurement of river water quality at the downstream of Besilam river with the quality standard refers to PP RI No. 82 of 2001, the value of Total Phosphate as P is 0.33 mg / l, while the determined threshold value is 0.2 mg / l.
- In the 2nd semester of 2019 RKL RPL report there was no evaluation related to parameters that exceeded the threshold value.

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

Based on the description, the certification unit has not evaluated the test results on parameters exceeding the threshold value. So this is not in accordance with the Guidelines for the Preparation of RKL RPL Reports regulated in KepmenLH No 45 of 2005.

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

- Lack of understanding from officer that responsible to report the RKL RPL
- Unevaluated the RKL RPL report

**Correction** (filled by organization audited):

- Evaluate the water quality of Besilam riparian
- Socialization the management of water to the society
- Maintain the engineroom
- Revise the RKL RPL report and evaluate quality test of water and noise

**Corrective Action** (filled by organization audited):

Do the socialization the method of RKL RPL reporting to improve the knowledge of person incharge.

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

**Verification 11 August 2020**

The CH show the evidences: Evaluated result of noise level test, which the noise level is affected by the engineroom failure. So the company folowed up with the engine room maintenance. The engine room maintenance show in maintenance document on 24 July 2020.

Conduct the socialization of RKL RPL report on 16 July 2020.

**Verification 26 August 2020**

The company has reported the RKL RPL report for first semester of 2020 to the environment agency of Langkat Regency. The RKL RPL report has completed with plan and realization of environment management and monitoring.

Based on the evidence verification for the NC correction, it can be concluded that the NC is closed.

Verified by : **Nurdin Chaeriana/Brigitta Prita/Leonada**

NCR No. : **2020.03**

Issued by : **Brigitta Prita/Hasiholan Sihombing**



<b>Date Issued</b>	<b>: 02 July 2020 (Remote &amp; Onsite)</b>	<b>Time Limit</b>	<b>: Next surveillance</b>
<b>NC Grade</b>	<b>: Non-critical</b>	<b>Date Of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 3.7.2 Records of training are maintained, where appropriate on an individual basis.</b>		
<b>Observed evidence:</b> During the remote audit, the following evidences were found: <ul style="list-style-type: none"> <li>• The company has shown records of training for estate and mill employees such as evidence of first aid training, use of pesticides/chemical applications and use of PPE.</li> <li>• The company has not been able to show the training records including HCV training, SCCS &amp; RSPO training for workers &amp; contractors.</li> </ul> During the on site audit, the following evidences were found: The results of field observations in the mill area show that the company has 2 turbine engines in use with a capacity of 728 KW/910 KVA and 800 KW/1000 KVA respectively and 1 unit of generator used with a capacity of 544 KVA, but cannot show personnel who already have License for Power and Production Aircraft Operators and personnel who already have electrician occupational safety and health experts certificates.			
<b>Description of Non-Conformity</b> The company has not been able to show all evidence that training has been maintained and is available to every individual.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	<b>:</b>		

<b>NCR No.</b>	<b>: 2020.04</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 18 November 2020 (Onsite)</b>	<b>Time Limit</b>	<b>: Next surveillance</b>
<b>NC Grade</b>	<b>: Non-critical</b>	<b>Date Of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 3.7.3 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 task(s) performed.</b>		
<b>Observed evidence:</b> -			
<b>Description of Non-Conformity:</b>			

The company has not been able to show evidence of having implemented adequate training provided for personnel performing important tasks for the effective implementation of the Supply Chain Certification Standard (SCCS).

**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** :

<b>NCR No.</b>	<b>: 2020.05</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 19 November 2020 (Onsite)</b>	<b>Time Limit</b>	<b>: 18 February 2021</b>
<b>NC Grade</b>	<b>: Non-critical</b>	<b>Date Of Closing</b>	<b>: 18 February 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.3</b> <b>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.</b>		

**Observed evidence:**

Based on the results of document review and interviews, the following evidences are known:

- Based on the report on the implementation of work time, rest and overtime work of implementing employees from the Manager of the Sawit Langkat Unit to the North Sumatra Region-I Labor Inspection Unit on 23 June 2020, it is known that the working time of the processing division both shift I and shift II is 12 hours with rest periods for 1 hour after the employee has worked for 3 hours continuously.
- Within 1 day employees work for 10 hours with a calculation of 7 hours counting normal working hours and 3 hours outside normal working hours (overtime) for normal working days. As for short days (5 working hours) the calculation is 5 normal working hours and 5 working hours outside of normal working hours (overtime). Then for holidays it is calculated to work overtime for 10 hours.
- From the results of interviews with processing operators at Sawit Langkat POM, it is known that the processing section has 2 shifts and on holidays in October 2020 still go to work. This is also evidenced by the payment of operator premiums on holidays.
- From the results of the review on employee wage report documents for the period of October 2020, for example, processing employees on behalf of SH are known to have received a Processing Premium of Rp1,573,856 and an Overtime Payment of Rp500,950 for 26 working days and 5 days off. Total premiums and overtime earned Rp. 2,074,806,-
- However, based on auditor simulations, if the calculation of overtime outside working hours both on weekdays and on holidays in accordance with applicable regulations, then in October 2020, the employee should receive overtime payment for Rp4,122,101

**Description of Non-Conformity:**

Based on the explanation above, there is employee overtime payments that are not in accordance with the applicable manpower regulations.

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

Lack of understanding of the clerk in making overtime hours

**Correction** *(filled by organization audited):*

- Adjusting working hours with a circular working hours for 2 (two) shifts
- Calculating overtime and premiums according to their actual work

**Corrective Action** *(filled by organization audited):*

- Monitoring the comparison between overtime and premiums in overtime. Those who monitor overtime calculations are the Head of Administration, the Head of the Processing Agency and the HR Assistant in monitoring the provision of Overtime Hours.
- Head of Administration, Assistant Processing and Assistant Human Resources provide socialization to the crew of related officers in filling in overtime and conduct evaluation so that the previous incident does not happen again.
- There was a mistake in filling in employee overtime, PIC also conducted outreach to the clerk
- The Manager has provided written directions regarding filling employee overtime.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification 5 February 2021:**

The company has explained root cause analysis and preventive action against any non-conformities that arise, but there are still questions from the auditor regarding this matter. Then the company has also sent proof of improvement in the form of:

1. Memo from the Manager of the Langkat Palm Oil Unit on 1 November 2020 regarding the working shift hours of the mill section explaining working hours and also rest hours for shift I and shift II employees. From the memo, it is known that for each shift you get 10 hours of work and 1 hour of rest with 2 breaks (2 hours of total rest).
2. The attendance list of one of the Sawit Langkat POM employees (on behalf of SH) in October 2020 which explains the working hours and rest hours of the employee.
3. Recapitulation of overtime calculation of one of the Sawit Langkat POM employees (on behalf of SH) in October 2020 which explained that in October 2020 the employee received a total of 162 hours of overtime with overtime payments of Rp2,318,682
4. List of income/salary slips of one of the Sawit Langkat POM employees (on behalf of SH) in October 2020 which shows the total overtime of the employee in the amount of Rp2,318,682, -

However, based on the evidences shown, there are several things that become the auditor's questions, namely:

1. From the attendance list of SH employees shown, for example, on Sunday, 11 October 2020, it is known that the employee works from 06.30 WIB to 18.30 WIB with 1 hour break for 2 times, namely at 10.30-11.30 WIB and 15.30-16.30 WIB (total break time is 2 hours and total working hour is 10 hours). But based on the recap data of October 2020 overtime calculation, why is the overtime given only 12 hours. If calculated in accordance with the rules of the *Kepmenakertrans No. 102 of 2004* in article 11 states that "the calculation of overtime wages for the first 7 (seven) hours is paid 2 (two) times an hour's wages, and the eighth hour is paid 3 (three) times the wages of an hour and the ninth and tenth hour of overtime is paid 4 (four) times the wages per hour", the employee should have received 25 hours on Sunday, 11 October 2020 (because he worked 10 hours on holidays). This also happened on other dates starting from 1 to 31 October 2020.
2. Please also be able to send proof of improvement related to overtime payments to at least 5 other employees for the period November and December 2020.

Based on this, the non-conformity with the Critical category on this indicator has not yet been fulfilled.

**Auditor Verification 18 February 2021:**

The company has provided an explanation regarding the auditor's questions on preventive action. Then the company also shows evidence of improvement in the form of:

1. Proof of payment of underpaid overtime hours in the name of SH in October 2020 in the form of receipt of cash disbursements totaling Rp1,546,340 approved by the Unit Manager.
2. Documentation of the socialization of overtime filling and overtime calculation on 26 November 2020 which was attended by the Head of Administration, HR / General Assistant, Processing Assistant, Checkroll Clerk and Processing Foreman. The results of the socialization concluded that all participants who attended could understand the procedures and fulfillment of overtime in accordance with the applicable regulations.

3. Evidence regarding overtime for 5 employees for the period November and December 2020 such as attendance, working hours, rest hours, employee salary slips, and also the calculation of overtime hours. For example, on behalf of EW in December 2020, he worked 24 days in December 2020 and every working day worked for 12 hours (10 hours of work and 2 hours of rest). From the results of the overtime calculation, it was shown that the employee earned a total of 144 hours of overtime during December 2020. The employee's hourly wage is Rp14,780 and if it is multiplied by overtime hours, the total earned overtime is Rp2,128,386. From the results of the auditor's verification of the indicated overtime calculation, it is concluded that the calculation is in accordance with the applicable regulations. Then from salary slip December 2020 period, it can be seen that the employee received overtime + premium of Rp2,339,325. This concludes that the overtime pay + premium that the employee receives is greater than the calculation of overtime according to regulations. Likewise, evidence regarding overtime for 4 other employees was sampled in November and December 2020.

Based on the explanation and evidence shown, it can be concluded that Critical Non-Conformance on this indicator can be declared closed and the implementation of overtime will be re-observed in the next assessment.

**Verified by** : **Hasiholan Sihombing**

<b>NCR No.</b>	<b>: 2020.06</b>	<b>Issued by</b>	<b>: Septian Maulana/Leonada</b>
<b>Date Issued</b>	<b>: 19 November 2020 (Onsite)</b>	<b>Time Limit</b>	<b>: 18 February 2021</b>
<b>NC Grade</b>	<b>: Non-critical</b>	<b>Date Of Closing</b>	<b>: 18 February 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.3</b> <b>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.</b>		
<b>Evidence observed:</b> During the process of audit activities, the Auditor Team observes the following evidence: <ul style="list-style-type: none"><li>• The company can show the recording of the 2019 PPE Handover Report for Estate and Mill employees.</li><li>• The company shows a Risk Management document of the HIRAC Form for Estate and Mill activities that describes the Activities, Hazards, Risks, Risk Assessment and Control (including Work Instructions, Signs / Warnings, Socialization and PPE.</li><li>• Based on field observations in the Mill, it was found that 1 Mill worker and 5 contractor workers did not use a helmet while working and 5 workers from the contractor did not wear PPE shoes.</li><li>• Based on interviews and field visits with workers at the Mill location, it was found that 4 out of the 7 workers interviewed used the shoes provided by themselves.</li><li>• Based on field observations afdeling 2 Langkat oil palm plantations, it was found that 1 harvester was not wearing a helmet.</li></ul>			
<b>Description of Non-Conformity:</b> Based on the explanation above, the company has not been able to ensure that all workers use personal protective equipment (PPE) that is suitable and available to all workers in the workplace.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• Some employees and contractor workers do not understand the importance of using PPE</li><li>• There are some employees who do not understand the process for reporting the replacement of damaged PPE</li></ul>			
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• Disseminate all employees about how to replace damaged PPE</li></ul>			

- Replace damaged employee PPE
- Disseminate employees and Vendor workers about the use of PPE
- The contractor is obliged to provide PPE to his workers, the management gives a warning letter to the Contractor whose workers do not wear PPE

**Corrective Action** (filled by organization audited):

- Monitor and evaluate the socialization delivered
- Palm Oil Management then formed a PIC team in monitoring the use of PPE on Employees and Contractor Workers
- Monitoring and Evaluating the implementation of the use of PPE for employees and Contractor Workers

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

**Auditor Verification dated February 10, 2021:**

The company showed evidence of improvement as follows:

1. Record of socialization of PPE replacement which was carried out on September 18, 2020 which was attended by 47 participants consisting of managers, staff and factory and plantation employees. The contents of the socialization briefly explain the following:
  - Identification of all protective equipment used by workers
  - Socialization to workers about the use of PPE while working
  - Monitoring the completeness of PPE is carried out by Afdeling/Mill Administrator
  - Make a report if found defective PPE when monitoring the completeness PPE
  - PPE replacement mechanism
2. Minutes of PPE acceptance dated January 25, 2021 for the processing and afdeling department.
3. Records of weekly PPE monitoring identifying types of PPE, availability and conditions.

**Auditor's Conclusion:**

There are still questions from the auditors regarding root cause analysis, corrective action and preventive action. Thus the non-conformity **cannot be fulfilled**.

**Auditor Verification on February 18, 2021:**

The company shows evidence of improvement as follows:

1. Records of socialization on the use of PPE on 17 December 2020 attended by 36 participants consisting of managers, P2K3 secretaries, employees and executives as well as vendors. The contents of the socialization briefly explain the following:
  - Every work implementation is required for internal employees and vendors to use complete PPE
  - Work leaders are obliged to take action against workers by giving a warning letter to the workers if they are found not to use PPE in their work
  - Vendor workers and 3rd parties are required to comply with worker safety regulations such as the obligation to use PPE in the implementation of work, and if it is found that vendor workers who are not wearing PPE, the management will provide sanctions strict
  - Workers are expected to report to the foreman if the PPE used is damaged in accordance with the applicable mechanisms
  - Employees are expected to take care of the PPE that has been provided by management and not be used for other activities
2. Letter from PTPN IV unit Sawit Langkat No. SAL / X / 460 / XII / 2020 dated 4 December 2020 regarding Warning Letter to CV Alamsyah Jaya Prima
3. Decree No. SAL / SK / 183 / XI / 2020 dated 30 December 2020 concerning the Appointment of a Monitoring Officer for Personal Protective Equipment
4. Plan and realization of the Vendor Officer PPE Use Monitoring Program October - December 2020 for CV Alamsyah

5. Plans and realization of the PPE Monitoring Use Program for the period October - December 2020 for Afdeling II, Afdeling I, Engineering section, Processing section
6. Internal Letter No. SAL / SE / Intern / 89 / VI / 2019 dated 10 June 2019 concerning the Mechanism for the Replacement of Workers' Personal Protective Equipment (PPE)

**Auditor's Conclusion:**

Based on root cause analysis, corrective and preventive actions as well as evidence of improvements that have been sent, non-conformities with the Critical category on this indicator are declared **fulfilled**.

**Verified by** : **Septian Maulana/Leonada**

<i>NCR No.</i>	: 2020.07	<i>Issued by</i>	: Septian Maulana/Leonada
<i>Date Issued</i>	: 19 November 2020 (Onsite)	<i>Time Limit</i>	: Next surveillance
<i>NC Grade</i>	: Non-critical	<i>Date Of Closing</i>	:
<i>Standard Ref. &amp; Requirement</i>	6.7.4 All workers are provided medical care and covered by accident insurance. Costs incurred from work related incidents, leading to injury or illness, are covered in accordance with applicable regulations or by the unit of certification if applicable regulations do not provide protection.		
<b>Evidence observed:</b> Company showed proof of payment for BPJS of Employment for PTPN IV for the July-October 2020 period, as follows: <ul style="list-style-type: none"><li>• August with Contribution Code 200900362261 dated September 15, 2020 amounting to IDR 182,771,484.-</li><li>• September with Contribution Code 201002545416 dated October 15, 2020 in the amount of Rp 149,545.14.-</li><li>• October with Contribution Code 201101892558 dated November 13, 2020, amounting to IDR 164,552,314.-</li></ul> Company showed proof of BPJS of Health payment for PTPN IV units for the August-October 2020 period, as follows: <ul style="list-style-type: none"><li>• Receipt of Proof of Premium Payment for August 2020 dated September 2, 2020 amounting to IDR 2,886,772,558.-</li><li>• Receipt of Proof of Premium Payment for September 2020 dated October 9, 2020 amounting to IDR 2,876,848,634.-</li><li>• Receipt of Proof of Premium Payment for October 2020 dated November 9 2020 in the amount of IDR 2,875,098,300.-</li></ul> The company shows the contract documents between PT Perkebunan Nusantara IV and CV Langkat Utama regarding the Procurement of FFB Transporting at Afdeling V Sawit Langkat Estate in 2020. Article 9 Rights and Obligations of the Parties Point 7 explains that the procurement participants have a working relationship with the workers concerned as evidenced by the existence of a work contract and also the participation of workers in the BPJS.  Based on the results of interviews with 2 workers loading fruit from the contractor CV Langkat Utama, it is known that workers have not been registered with BPJS Employment and BPJS Health.  The company couldn't show a list of employees from the contractor CV Langkat Utama and proof of payment for BPJS Employment and BPJS Health made by CV Langkat Utama.			
<b>Description of Non-Conformity:</b> Based on the explanation above, the company has not been able to ensure that all workers are provided with health services and are covered by occupational accident insurance.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			



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

<b>NCR No.</b>	: 2020.08	<b>Issued by</b>	: Sansan Suhendar
<b>Date Issued</b>	: 19 September 2020 (Onsite)	<b>Time Limit</b>	: Next surveillance
<b>NC Grade</b>	: Non-critical	<b>Date Of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 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.		

**Evidence observed:**  
The following some evidence based on the results of field visits and document reviews:

1. Based on PermenLHK number P.56 of 2015 and PP number 101 of 2014 the hazardous waste produced is less than 50 kg (fifty kilograms) per day for hazardous waste category 1 is stored in a hazardous waste storage place for a maximum of 180 (one hundred and eighty) days and based on company procedures number SOP 02 dated January 2, 2017 concerning the management of Hazardous Wastes, point 5.6 concerning the shelf life of hazardous waste states that the storage of hazardous waste generated is less than 50 Kg per day for hazardous category 1 waste, the maximum storage time is 180 days.
2. Based on field visits at the factory site:
  - a. A visit to the Wastewater Treatment Plant, it was found that the volumetric measurement of the volume of waste water that is flowed to the Land Application is damaged.
  - b. A visit to the loading ramp for receiving FFB, it was found that the waste of used manure sacks was dumped behind the loading ramp guardrail.
3. Based on field visit to clinic, the medical waste storage place does not have an infectious hazard symbol and the waste place is not standard for medical waste.
4. Based on a field visit to the temporary storage for hazardous waste, medical waste has not been stored at the warehouse for hazardous waste, the waste has still been stored in the clinic since March 2020.
5. Based on field visits to Afdeling V, many used plastic fertilizers sacks were found scattered in the field.
6. Based on the document review, it is known that:
  - a. Based on the hazardous waste log book, balance of receipts and discharges of hazardous waste, a letter of introduction for goods (delivery of hazardous waste to PT Jagat Prima Nusantara) and hazardous waste manifest, for the delivery of hazardous waste with hazard category 1 (used accu) last on March 4, 2020 and as of November 18, 2020 (8 months) there has been no return of hazardous waste.
  - b. Based on the last letter of delivery (delivery of medical waste which is categorized as hazard type 1 to PT Prima Medika Nusantara - RS Pabatu) on February 26, 2020 and up to November 18, 2020 (9 months) there has been no return of medical waste.

**Description of Non-Conformity:**  
The company has not been able to show that the implementation of waste management is in accordance with the applicable regulations.

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

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

<b>NCR No.</b>	:	<b>2020.9</b>	<b>Issued by</b>	:	<b>Sansan Suhendar</b>
<b>Date Issued</b>	:	<b>19 September 2020 (Onsite)</b>	<b>Time Limit</b>	:	<b>Next surveillance</b>
<b>NC Grade</b>	:	<b>Non-critical</b>	<b>Date Of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	<b>7.12.6</b> <b>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</b>			
<b>Evidence observed:</b> The following is some evidence based on the results of document review: 1. Based on the Regulation of the Minister of Environment and Forestry number P. 106 of 2018 concerning changes in protected species of endangered plants and animals. 2. Based on the HCV Identification Assessment Report that has been carried out by the company, there are protected, rare and endangered species including HCV 1 which must be monitored for their existence periodically recording their distribution and home range. 3. Based on SOP No. SPO 09 dated January 9, 2015 concerning the Identification and Protection of Flora and Fauna stated that the company is trying to protect the flora and fauna ecosystem so that it does not become extinct from its original place. 4. Based on the monitoring and maintenance program for HCV 1, 4 and 6 which was carried out in July 2020, the description of monitoring and monitoring activities did not include monitoring of protected, rare and endangered species included in HCV 1.					
<b>Description of Non-Conformity:</b> The company has not been able to demonstrate monitoring of rare, endangered and protected species.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
<b>Correction</b> <i>(filled by organization audited):</i>					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
<b>Verified by</b>	:				

### 3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1.	2.1.1	Consistency in sending reports of mandatory labor reports (WLTK) once year to the relevant Government Service and follow-up on the extension of the SIO for transport operators
2	2.2.2	Currently, several contracts such as FFB transport contractors have clauses related to compliance with relevant regulations. For other contracts that have not been completed with a regulatory compliance clause, there is an opportunity to add this clause.
3	2.2.3	Currently, several contracts such as FFB transport contractors have clauses that do not employ child labor, human trafficking and forced labor. For other contracts that are incomplete there is an opportunity to add this clause.
4	6.4.1	Currently, several contracts such as the FFB transport contractor have been equipped with a clause not to employ child labor. For other contracts that are incomplete there is an opportunity to add this clause.
5	6.7.2	Improve monitoring of the contents of first aid bags carried by foremen and increase monitoring of fire extinguisher
6	6.7.5	Ensure that the Lost Time Accident calculation is in accordance with the Decree of the Director General of PHI and Labor Inspection of the Ministry of Manpower of the Republic of Indonesia No. KEP.84 / BW / 1998 concerning Completion of Report Forms and Accident Statistics Analysis.
7	7.8.1	Companies are encouraged to ensure that monitoring wells parameters refer to Permenkes 32 of 2017.

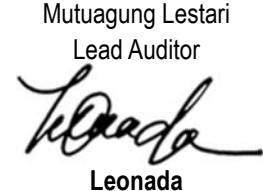
### 3.4.4. Noteworthy Positive Components

No	Description
1	Good cooperation during audit activities
2	Health services to retired employees
3	Use of Fishnet in collecting loose fruit

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Plantation Agency of Langkat Regency</b> <ul style="list-style-type: none"> <li>The company has done the class estate assessment and got class II, still valid.</li> <li>The Company has a Plantation Business License (IUP).</li> <li>Report on plantation business activities (LKUP) are routinely reported.</li> <li>Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded.</li> </ul>	<ul style="list-style-type: none"> <li>The company has had all plantation permit and has been complied all obligation reports.</li> <li>Company has realized the assistance to local communities based on needs of society that explained.</li> </ul>
<b>Manpower and Transmigration Agency of Langkat Regency</b> <ul style="list-style-type: none"> <li>P2K3 organization has been formed</li> <li>Has had a general OHS expert and is still valid</li> <li>Routinely report P2K3 activities every three months</li> <li>There are no problems related to employment</li> <li>Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded.</li> </ul>	<p>There are no issues that need to be pursued more deeply</p>
<b>Worker Union of Sawit Langkat</b> <ul style="list-style-type: none"> <li>Wages has paid in accordance with minimum wage of North Sumatera Province. There is no complaint about wages or overtime payment.</li> <li>There is no issue related to employment, such as child labor or worker discrimination.</li> <li>Company provides facilities for worker, for example housing complex, clean water, education facilities.</li> <li>Company provides PPE for every worker.</li> <li>Meetings with companies are held every 3 months.</li> <li>Internal management meetings are held every 6 months</li> </ul>	<p>Auditor has verified towards worker welfare aspect and OHS implementation on criterion 3.6; 6.7; 6.2, 6.3, 6.4, 6.5 and 6.6. However, there is non-conformity in OHS implementation and overtime payment.</p>
<b>Worker Cooperative of Aroma Sejahtera</b> <ul style="list-style-type: none"> <li>Company supports all cooperative activities.</li> <li>Cooperative sells household needs.</li> <li>Cooperative has hold annual meeting for period of 2019 in May 2020.</li> </ul>	<p>Company has provided facility for employee welfare.</p>
<b>Local Contractor: CV Rezeki Syahira</b> <ul style="list-style-type: none"> <li>Contractor is active in FFB transporting.</li> <li>Social insurance and PPE is provided by contractor. As for wages compliance, all contractor worker's wages are in accordance with minimum wage for 2020.</li> <li>There is no complaint about late payment.</li> </ul>	<p>Auditor has verified towards partnership with local communities.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>FFB Supplier: CV Harapan Kita</b> <ul style="list-style-type: none"> <li>- The price of FFB is determined based on the mill adjusting to market prices.</li> <li>- Every price change will be informed via whatsapp service.</li> <li>- There are no complaints related to the payment of buying and selling FFB.</li> </ul>	<p>Company participated in community development by make an agreement with FFB supplier.</p>
<b>Women Empowerment Division (Gender Committee)</b> <ul style="list-style-type: none"> <li>- Women worker usually work as pesticide operator, fertilizer application worker, and administration.</li> <li>- Company provides women worker with reproductive rights, such as menstrual leave for about 2 days, maternity leaves for about 3 months, breastfeeding break time.</li> <li>- There is no complaint about sexual harassment.</li> <li>- Women empowerment has socialized about mechanism of complaint to worker, especially women worker.</li> </ul>	<p>Auditor has verified towards reproductive rights aspect on criterion 6.5.</p>
<b>Basilam Bukit Lembahsa Village</b> <b>Paluh Putih Babussalam Village</b> <ul style="list-style-type: none"> <li>• The communication and relation between villages around with company are well maintained, the company's public relation already known by the communities. The mechanism for complaint and grievance submission has been understood well by the community</li> <li>• There were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area.</li> <li>• There are no indigenous rights or customary rights. Plantation of Sawit Langkat is known as long establish dutch colonial plantation.</li> <li>• The company has considered satisfactory cooperative and transparent in providing information, for example towards job vacancies. FFB price, CSR and grants. Village people has recognize company representative (PIC) from Division of Public Relation (PR) which handled this matters.</li> <li>• The company has cooperation with local contractors from surrounding villages.</li> <li>• The company has established the CSR program to surrounding communities</li> <li>• There is no complaints and issues from surrounding villages towards environment aspects</li> </ul>	<p>Based on interview result, it could be concluded that presence of company has considered positively affected surrounding community life and contribute to social economic improvement. Social and environment aspects were satisfactory taken as a part or company operational activity.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Kepala Bagian Perencanaan dan Sustainability</p>  <p><u>Dison Girsang</u></p> <p><b>Thursday, 18 February 2021</b></p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Leonada</u></p> <p><b>Thursday, 18 February 2021</b></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 of Langkat Regency	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
2	Manpower and Transmigration Agency of Langkat Regency	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
3	Worker Union of Sawit Langkat	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
4	Worker Cooperative of Aroma Sejahtera	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
5	Local Contractor: CV Rezeki Syahira	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
6	FFB Supplier: CV Harapan Kita	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
7	Women Empowerment Division (Gender Committee)	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
8	Basilam Bukit Lembah Village & Paluh Putih Babussalam Village	Langkat Regency, North Sumatera Province	-	Direct Interview	17 November 2020	√	
9	WWF	South Jakarta – DKI Jakarta	wwf-indonesia@wwf.or.id	By Email	11 November 2020		√
10	Sawit Watch	Bogor – West Java	info@sawitwatch.or.id	By Email	11 November 2020		√
11	AMAN	South Jakarta – DKI Jakarta	rumahaman@cbn.net.id	By Email	11 November 2020		√
12	WALHI	South Jakarta – DKI Jakarta	informasi@walhi.or.id	By Email	11 November 2020		√

**Appendix 2. Assessment Program**

DATE	01 & 02 July 2020 (Remote)	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Wednesday, 1 July 2020</b>		
08.00 – 09.00	• Opening Meeting via Zoom/Skype/Google Meeting	• All Auditor
09.00 – 12.00	<ul style="list-style-type: none"> <li>• Document Verification on Transparency, Worker Welfare</li> <li>• Document Verification on Legality, SCCS, Partial Certification, Time Bound Plan</li> <li>• Document Verification on Best Management Practices, OHS, GHG</li> <li>• Document Verification on Environment, Social, HCV</li> </ul>	<ul style="list-style-type: none"> <li>• BRP</li> <li>• LEO</li> <li>• SAP</li> <li>• NUR/ BRP</li> </ul>
12.00 – 14.00	• Break	• All Auditor
14.00 – 16.30	• Continuing document verification	• All Auditor
16.15 – 17.00	• Daily progress via Zoom/Skype/Google Meeting	• All Auditor
<b>Thursday, 2 July 2020</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Document Verification on Transparency, Worker Welfare</li> <li>• Document Verification on Legality, SCCS, Partial Certification, Time Bound Plan</li> <li>• Document Verification on Best Management Practices, OHS, GHG</li> <li>• Document Verification on Environment, Social, HCV</li> </ul>	<ul style="list-style-type: none"> <li>• BRP</li> <li>• LEO</li> <li>• SAP</li> <li>• NUR/ BRP</li> </ul>
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/Skype/Google Meeting	• All Auditor

DATE	16 - 19 November 2020 (Onsite)	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 16 November 2020</b>		
08.00 – 10.25	Jakarta to Kuala Namu	All Auditor
10.25 – 15.00	Kuala Namu to Site	All Auditor
15.00 – 16.00	Opening Meeting <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	All Auditor
16.00 – 17.00	Document Review <ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> <li>Verification of P n C documents</li> </ul>	All Auditor
<b>Tuesday, 17 November 2020</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Stakeholders consultation to related agencies in Langkat Regency</li> <li>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities, smallholders and previous land owners.</li> <li>Interview with Gender Committee, Worker's Union, , Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier (if any), local NGO (if any)</li> </ul>	SSS  LEO  HSS/STM
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation to Sawit Langkat POM Aspect to be verified: <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge),</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>	LEO HSS/STM  SSS
<b>Wednesday, 18 November 2020</b>		
08.00 – 12.00	Field Observation to Sawit Langkat POM Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect,</li> </ul>	LEO  HSS/STM

	<p>Implementation of Employment Procedure and Mechanism Aspect</p> <ul style="list-style-type: none"> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	SSS
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Verification of documents and completing checklist	All Auditor
<b>Thursday, 19 November 2020</b>		
08.00 – 11.00	Closing Meeting	All Auditor
11.00 – 13.30	Site to Kuala Namu	All Auditor
14.05 – 16.30	Kuala Namu to Jakarta	All Auditor